

ORDINANCE NO. 14,174

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS, AUTHORIZING AND DIRECTING THE MAYOR TO EXECUTE AND THE CITY CLERK TO ATTEST TO A CHAPTER 212 AGREEMENT WITH ENTERPRISE PRODUCTS OPERATING, LLC; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BAYTOWN, TEXAS:

Section 1: That the City Council of the City of Baytown, Texas, hereby authorizes and directs the Mayor and City Clerk of the City of Baytown to execute and attest to a Chapter 212 Agreement with Enterprise Products Operating, LLC. A copy of said agreement is attached hereto, marked Exhibit "A" and incorporated herein for all intents and purposes.

Section 2: This ordinance shall take effect immediately from and after its passage by the City Council of the City of Baytown.

INTRODUCED, READ, and PASSED by the affirmative vote of the City Council of the City of Baytown, this the 24th day of September, 2019.


BRANDON CAPETILLO, Mayor

ATTEST:


LETICIA BRYSCH, City Clerk



APPROVED AS TO FORM:


IGNACIO RAMIREZ, SR., City Attorney

SECTION 212 AGREEMENT

This SECTION 212 AGREEMENT (this "*Agreement*"), dated September 24, 2019 (the "*Effective Date*"), is made by and between the City of Baytown, Texas (the "*City*"), a home rule municipal corporation, and Enterprise Products Operating LLC, a Texas limited liability company and/or its successors and assigns ("*EPOLLC*").

RECITALS

WHEREAS, EPOLLC owns, or Enterprise Affiliates own, the land and improvements thereon within each of the Existing Tax Parcels, and may own other real property now or in the future, located within the Extraterritorial Jurisdiction; and

WHEREAS, all or a part of the land within the Existing Tax Parcels is currently located within an area of the Extraterritorial Jurisdiction that the City designated as Industrial District No. 2, pursuant to City Ordinance No. 12,922, and other EPO Property may be located within the City's current designation of Industrial District No. 2 or other area designated by the City as an "industrial district" pursuant to Section 42.044 of the LGC; and

WHEREAS, Section 212 provides the City may make a written contract with an owner of land that is located in the Extraterritorial Jurisdiction to guarantee the continuation of the extraterritorial status of such land and, in addition to other lawful terms and considerations the parties to such a contract may deem appropriate, to also do any or all of the following (collectively, the "*212.172(b)(2)-(4) Provisions*"): to extend the municipality's planning

authority over the land by providing a development plan prepared by the landowner and approved by the municipality under which general uses and development of the land are authorized; to authorize enforcement by the municipality of certain municipal land use and development regulations in the same manner the regulations are enforced within the municipality's boundaries; and to authorize enforcement by the municipality of land use and development regulations other than those that apply within the City's boundaries; and

WHEREAS, in exchange for the Payment and the other agreements of EPOLLC set forth herein, the City has agreed to enter into this Agreement with EPOLLC for, among other things, the purposes of guaranteeing, pursuant to Section 212, immunity from annexation by the City for the Term the Initial Land (including, without limitation, each Existing Tax Parcel and Added Tax Parcel therein) and all EPO Property (including, without limitation, each Added Tax Parcel therein); guaranteeing immunity from City regulations for the Initial Land (including, without limitation, each Existing Tax Parcel and Added Tax Parcel therein) and all EPO Property (including, without limitation, each Added Tax Parcel therein); and in exchange therefor, outlining the terms of the Payment and the Annual Contractual Payments to the City; and

WHEREAS, the legitimate interests of the City are advanced by the establishment of a mutually agreed upon regulatory scheme, for the Initial Land (including, without limitation, each Existing Tax Parcel and Added Tax Parcel therein) and all EPO Property (including, without limitation, each Added Tax Parcel therein), that benefits the residents of the City by promoting job creation, and by the receipt of certain payments for goods and services provided by EPOLLC to the City under this Agreement; and

WHEREAS, EPOLLC desires to enter into this Agreement pursuant to terms and conditions contained herein; and

WHEREAS, the Parties agree that this Agreement directly benefits the City and constitutes a written contract for the provision of goods or services to City subject to Subchapter I of Chapter 271 of the Texas Local Government Code.

AGREEMENT

NOW, THEREFORE, for and in consideration of the premises and mutual obligations, covenants, and benefits hereinafter set forth, the Parties agree as follows:

ARTICLE 1.

CERTAIN DEFINITIONS

1.1 As used herein, the following terms shall have the following meanings unless the context expressly otherwise provides:

- (a) “*212.172(b)(2)-(4) Provisions*” has the meaning ascribed to it in the Recitals.
- (b) “*Adjustment Amount*” means (i) for the period from January 1, 2020 to and including December 31, 2028, \$1,360,000,000.00 and (ii) thereafter during the Term, zero.

- (c) “*Ad Valorem Tax Rate*” means, for each calendar year, the applicable tax rate for real property taxes, established and published for such calendar year by the City.
- (d) “*Added Tax Parcel*” means each Tax Parcel within the Initial Land or any EPO Property that is added to this Agreement pursuant to a Supplement.
- (e) “*Adjusted Added Value*” means, with respect to each calendar year following the year in which an Added Tax Parcel that has been made subject to this Agreement pursuant to a Supplement has become a Developed Property, the product obtained by multiplying (a) the Assessed Value of such Added Tax Parcel, times (b) the Applicable Added Value Percentage.
- (f) “*Aggregate Added Value*” means the aggregate Assessed Value at the applicable time of all Added Tax Parcels.
- (g) “*Annual Contractual Payment*” has the meaning ascribed to it in Article 6 hereof.
- (h) “*Applicable Added Value Percentage*” means (a) one hundred percent (100%) at all times when the Aggregate Added Value is less than \$500,000,000, (b) fifty percent (50%) at all times when the Aggregate Added Value is equal to or greater than \$500,000,000 but is less than \$1,000,000,000, (c) forty-five percent (45%) at all times when the Aggregate Added Value is equal to or greater than \$1,000,000,000 but is

less than \$1,500,000,000, (d) forty percent (40%), at all times when the Aggregate Added Value is equal to or greater than \$1,500,000,000 but is less than \$2,000,000,000, and (e) thirty-five percent (35%), at all times when the Aggregate Added Value is equal to or greater than \$2,000,000,000. The Applicable Added Value Percentage shall be calculated for each calendar year during the Term using the Aggregate Added Value for such calendar year; and the resulting Applicable Added Value Percentage shall apply to all Added Tax Parcels for such calendar year. A summary of the Applicable Added Value Percentage that corresponds to various amounts of Aggregate Added Value is set forth below.

Aggregate Added Value	Applicable Added Value Percentage
Less than \$500,000,000.00	100%
Equal to or Greater than \$500,000,000 and less than \$1,000,000,000	50%
Equal to or Greater than \$1,000,000,000 and less than \$1,500,000,000	45%
Equal to or Greater than \$1,500,000,000 and less than \$2,000,000,000	40%
Equal to or Greater than \$2,000,000,000	35%

- (i) “*Appraisal District*” means, with respect to each portion of a Tax Parcel, either the Harris County Appraisal District or the Chambers County

Appraisal District, whichever is responsible for establishing the assessed value of such portion of the Tax Parcel for ad valorem tax purposes.

- (j) “**Assessed Value**” means, with respect to each Tax Parcel for each calendar year during the Term that such Tax Parcel is either an Existing Tax Parcel or an Added Tax Parcel, the final appraised market value of such Tax Parcel as determined in accordance with the Texas Property Tax Code, but excluding any determination based upon special use exemptions such as, by way of example, agricultural use, recreation, parks and scenic land, and timberland. For purposes hereof, if a protest is instituted with respect to the assessed value of a Tax Parcel, the “Assessed Value” shall not be deemed to be final until such protest is fully settled or compromised or, as applicable, a final, non-appealable judgment is rendered by a court of competent jurisdiction establishing the Assessed Value.
- (k) “**Base Assessed Value**” means, with respect to each of the Existing Tax Parcels, for calendar year 2020 and each year thereafter during the Term, the applicable Assessed Value thereof.
- (l) “**Building**” has the meaning ascribed to it in Article 5.
- (m) “**Calculation Dispute**” has the meaning ascribed to it in Article 6 hereof.
- (n) “**City**” has the meaning ascribed to it in the opening paragraph hereof.
- (o) “**City’s Calculation**” shall have the meaning ascribed to it in Article 6.

- (p) “*Connecting Strip*” has the meaning ascribed to it in Section 4.8.
- (q) “*Developed Property*” means a Tax Parcel within the Initial Land or any EPO Property on which construction of buildings, industrial plants or other structures has commenced. For purposes of this Agreement, “construction” of buildings, industrial plants or other structures shall not be deemed to have commenced by virtue of clearing, surveying, temporary storage, excavation or site work on the applicable Tax Parcel; but the pouring of foundations and/or commencement of the erection of permanent structures or building framework on the applicable Tax Parcel shall be deemed to constitute commencement of “construction” of buildings, industrial plants or other structures on such Tax Parcel.
- (r) “*Effective Date*” has the meaning ascribed to it in the opening paragraph hereof.
- (s) “*Effective Tax Rate*” means, for each calendar year during the Term, commencing with calendar year 2020, the rate (expressed as a percentage) equal to the Ad Valorem Tax Rate multiplied by sixty-six percent (66%).
- (t) “*Enterprise*” means EPOLLC and also includes (1) each Enterprise Affiliate and each entity in which EPOLLC or any Enterprise Affiliate owns, directly or indirectly, more than ten percent (10%) of the indicia of ownership, (2) each successor to EPOLLC by merger or other business consolidation of EPOLLC (or any Enterprise Affiliate), and (3) any person

or entity that acquires, in a single transaction or series of transactions, substantially all of the assets of EPOLLC.

- (u) “*Enterprise Affiliate*” means any entity that is controlled by, controlling or under common control with EPOLLC.
- (v) “*EPO Property*” means any land (other than the Initial Land) located within the Extraterritorial Jurisdiction that is owned by Enterprise and that is made subject to this Agreement pursuant to an EPO Property Supplement, whether or not the same is included in an Added Tax Parcel.
- (w) “*EPO Property Election Notice*” has the meaning ascribed to it in Section 4.5.
- (x) “*EPO Property Supplement*” means each written agreement, substantially in the form of **Exhibit C-1** attached hereto, executed between Enterprise and the City pursuant to which a tract or parcel of land owned by Enterprise and located within the Extraterritorial Jurisdiction is made subject to the terms and provisions of this Agreement. Each EPO Property Supplement shall be filed in the Real Property Records of, as applicable, Harris County or Chambers County, or as to any tract or parcel of land that is located in both, in each of said counties.
- (y) “*EPOLLC*” has the meaning ascribed to it in the opening paragraph hereof.

- (z) “*Existing Tax Parcel*” means each of the Tax Parcels (each of which is identified by its tax account) within the Initial Land and that are described on **Exhibit A** attached hereto.
- (aa) “*Extraterritorial Jurisdiction*” means the extraterritorial jurisdiction (as defined in Chapter 42 of the LGC) of the City as it exists as of the Effective Date, as the same may be expanded after the Effective Date.
- (bb) “*First Notice*” has the meaning ascribed to it in Section 7.2.
- (cc) “*First Payment*” means a cash payment in the amount of thirty-three million dollars (\$33,000,000.00).
- (dd) “*Initial Land*” means the approximate 1,737.514 acre tract of land described on **Exhibit B** attached hereto, together with all improvements thereon from time to time.
- (ee) “*Landowner*” means, at any time in question with respect to an Existing Tax Parcel or an Added Tax Parcel, the then current owner thereof.
- (ff) “*LGC*” means the Texas Local Government Code.
- (gg) “*Mortgage*” has the meaning ascribed to it in Section 8.19.
- (hh) “*Mortgagee*” has the meaning ascribed to it in Section 8.19.
- (ii) “*Party*” means either the City or EPOLLC. The term “*Parties*” is a collective reference to both the City and EPOLLC.

- (jj) “**Payment**” means, collectively, the First Payment and the Second Payment.
- (kk) “**Proposed Annexation Parcel**” has the meaning ascribed to it in Section 4.8.
- (ll) “**Second Payment**” means a cash payment in the amount of thirty-three million dollars (\$33,000,000.00).
- (mm) “**Section 212**” means Chapter 212.172 of Subchapter G of the LGC.
- (nn) “**State**” means the State of Texas.
- (oo) “**Supplement**” means each written agreement, substantially in the form of **Exhibit C** attached hereto, executed between, Enterprise and the City pursuant to which a Tax Parcel is added hereto as an Added Tax Parcel. Each Supplement shall be filed in the Real Property Records of, as applicable, Harris County or Chambers County, or as to any Added Tax Parcel that is located in both, in each of said counties.
- (pp) “**Tax Parcel**” means, as applicable but without duplication, (1) land (and the improvements thereon) described in a single tax account with the applicable Appraisal District and (2) tangible personal property (or business personal property) described or referenced in a single tangible personal property (or business personal property) tax account with the Appraisal District.

(qq) “*Term*” means the term of this Agreement, which shall commence on the Effective Date and end at 11:59 p.m. on December 31, 2054.

ARTICLE 2.

REPRESENTATIONS

2.1 Representations of the City. The City hereby represents to Enterprise that, as of the Effective Date:

(A) The City is duly authorized, created and existing in good standing under the laws of the State.

(B) The City has the power, authority and legal right to enter into and perform this Agreement and the execution, delivery and performance hereof (i) has been duly authorized, (ii) will not violate any applicable judgment, order, law or regulation applicable to it, and (iii) does not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the City.

(C) This Agreement constitutes a legal, valid and binding obligation of the City, enforceable in accordance with its terms, except to the extent that the enforceability of this Agreement may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors’ rights.

(D) The execution, delivery and performance of this Agreement by the City does not require the consent or approval of any person which has not been obtained.

2.2 Representations of Enterprise. EPOLLC hereby represents to the City that, as of the Effective Date:

(A) EPOLLC is duly authorized, created and existing in good standing under the laws of the State, and is qualified to do business in the State.

(B) EPOLLC has the power, authority and legal right to enter into and perform its obligations set forth in this Agreement, and the execution, delivery and performance hereof, (i) has been duly authorized, (ii) will not violate any judgment, order, law or regulation applicable to EPOLLC, and (iii) does not constitute a default under or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of EPOLLC.

(C) EPOLLC has sufficient capital to make the Payment as and when due under this Agreement.

(D) This Agreement constitutes a legal, valid and binding obligation of EPOLLC, enforceable in accordance with its terms, except to the extent that the enforceability of this Agreement may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights.

(E) The execution, delivery and performance of this Agreement by EPOLLC does not require the consent or approval of any person which has not been obtained.

ARTICLE 3.

INDUSTRIAL DISTRICT DESIGNATION

3.1 Removal of Industrial District Designation from Subject Property. Immediately prior to the execution of the Agreement and pursuant to Section 42.044 of the LGC, the City has, by separate City Ordinance No. _____, removed the Industrial District No. 2 designation (as expanded by City Ordinance No. 12,922) from the Initial Land.

3.2 Termination of Industrial District Agreements. The Parties hereby agree that each of the industrial district agreements entered under Section 42.044 of the LGC between EPOLLC (or, as applicable, an Enterprise Affiliate) and City and that are described in **Exhibit D** attached hereto are hereby immediately and irrevocably terminated, regardless of the term outlined in such agreement, with the same force and effect as if the respective terms thereof have expired due to the passage of time.

3.3 Added Tax Parcel – Removal of Industrial District Designations. If any Added Tax Parcel is, at the time a Supplement is executed with respect thereto, then located in an industrial district designated or created by the City under Section 42.044 of the LGC, then concurrent with the execution of such Supplement the City shall take all necessary action to remove any industrial district designation applicable thereto and Enterprise shall cooperate with the City in such regard.

3.4 Future Industrial District Designation. For the duration of the Term, the City will not designate, by ordinance or otherwise, any portion of either the Initial Land or any EPO Property as part of an industrial district pursuant to Section 42.044 of the LGC (or any then-

existing statute governing industrial districts), or otherwise expand or extend regulatory control over the Initial Land or any EPO Property in any manner inconsistent with this Agreement.

ARTICLE 4.

ANNEXATION AND REGULATION OF THE TAX PARCELS AND EPO PROPERTY

4.1 **Immunity from Annexation for Term.** The Parties agree that the Initial Land (including, without limitation, each Existing Tax Parcel and Added Tax Parcel therein) and all EPO Property (including, without limitation, each Added Tax Parcel therein) should be allowed to develop, and Enterprise should be allowed to conduct its business, with certainty regarding the conditions under which annexation will be authorized by the City. As a result, the City covenants, agrees and guarantees that, without regard to the City's right and power under existing or subsequently enacted law, the Initial Land (including, without limitation, each Existing Tax Parcel and Added Tax Parcel therein) and all EPO Property (including, without limitation, each Added Tax Parcel therein) shall have, and shall continue to have, an extraterritorial status with the City and shall be immune from partial, whole, full purpose, or limited purpose annexation by the City during the Term of this Agreement.

4.2 **Immunity from Regulation for Term.** A material inducement to Enterprise to enter into this Agreement is that the same not contain any of the 212.172(b)(2)-(4) Provisions. Except as expressly permitted by this Agreement, for the duration of the Term, the City shall not regulate or restrict the Initial Land or the EPO Property for any purpose, including, without limitation, regulation of the use or development of all or any part of the Initial Land (including, without limitation, any Existing Tax Parcel or Added Tax Parcel therein) or the EPO Property (including, without limitation, any Added Tax Parcel therein). Without limiting the generality of

the foregoing, the City agrees that during the Term (a) it shall not regulate the use of any building or property within the Initial Land (including, without limitation, any Existing Tax Parcel or Added Tax Parcel therein) or the EPO Property (including, without limitation, any Added Tax Parcel therein) for business, industrial, residential, or other purposes; (b) it shall not extend, by ordinance or otherwise, to the Initial Land (including, without limitation, any Existing Tax Parcel or Added Tax Parcel therein) or the EPO Property (including, without limitation, any Added Tax Parcel therein), any rules and regulations (i) governing plats, lot size, subdivisions of land, general plans, or development plats, (ii) with respect to payment or performance bonds with regard to construction of improvements, (iii) prescribing or imposing any building, electrical, plumbing or inspection code or codes or permits, (iv) requiring the Landowner to either dedicate land for park purposes or contribute to a special fund to be used for neighborhood parks, or (v) that seek to exercise, in any manner whatsoever, any control over the conduct of business or construction or operation of improvements thereon; (c) it shall not impose, or seek to collect, any fees, assessments, or penalties associated with impact fees, building permits, or park fees upon any of the Initial Land (including, without limitation, any Existing Tax Parcel or Added Tax Parcel therein) or the EPO Property (including, without limitation, any Added Tax Parcel therein), and (d) it shall not implement or adopt any ordinance, rule, regulation or code that has the effect of imposing upon any of the Initial Land (including, without limitation, any Existing Tax Parcel or Added Tax Parcel therein) or the EPO Property (including, without limitation, any Added Tax Parcel therein) the substance of any of the 212.172(b)(2)–(4) Provisions. The Parties expressly acknowledge that the Initial Land and any EPO Property may be subject to generally applicable regulatory oversight by federal, state, and other governmental agencies having jurisdiction, but not including the City. If the City has concern regarding the

application of any such regulatory oversight to any portion of the Initial Land or any EPO Property, the City shall provide at least thirty (30) days prior written notice to EPOLLC detailing the City's concern prior to contacting or coordinating with any such agency regarding such regulatory concern. Notwithstanding the foregoing, or anything to the contrary in this Agreement, in no event shall failure by any Landowner to comply with federal, state or local statutes, laws, ordinances, rules or regulations applicable to any portion of the Initial Land or any EPO Property constitute a default by Enterprise or any other Landowner under this Agreement or entitle the City to exercise any remedies under this Agreement with respect to such failure. If EPOLLC expressly requests in writing and receives services or other assistance from the City or other governmental organizations funded by the City with respect to all or any portion of the Initial Land or the EPO Property, EPOLLC shall reimburse the City for costs incurred by the City in providing such services to the applicable portion of the Initial Land and/or the EPO Property, provided, however, that the costs of any such services are equal to those charged by the City to all its customers, and represent the fair market value of such services. The City, however, is under no obligation to provide any governmental, proprietary or other municipal services to the Initial Land or the EPO Property. Specifically, but without limitation, it is agreed that the City shall not be required to furnish (1) sewer or water services, (2) police protection, (3) fire protection, (4) road or street repairs, and (5) garbage pickup services. The City shall not provide any services to any portion of the Initial Land or the EPO Property beyond the geographic area, scope or time period requested by EPOLLC.

4.3 Survival of Immunity. The immunity from annexation and regulation contained herein is a contractual obligation authorized by Section 212 and shall be effective during the Term irrespective of changes to regulatory controls applicable to the Extraterritorial Jurisdiction

which may be authorized in the future by state law. Furthermore, to the extent any of the Initial Land or EPO Property remains in the Extraterritorial Jurisdiction, is not annexed by the City, and remains subject to this Agreement, the contractual obligations of the Landowner of such property shall also remain in effect, irrespective of changes to statutory requirements altering or limiting the City's ability to annex Initial Land or EPO Property.

4.4 Added Tax Parcel – Supplements; Accrual of Annual Contractual Payments for Added Tax Parcels. Enterprise is obligated to add to this Agreement, as an Added Tax parcel pursuant to a Supplement in accordance with this Section 4.4, each Tax Parcel in either the Initial Land or the EPO Property that, during the Term, becomes a Developed Property. Prior to or within a reasonable time following commencement of construction of buildings, industrial plants or other structures on a portion of the Initial Land or EPO Property that is not within an Existing Tax Parcel or an Added Tax Parcel, Enterprise shall provide written notice to the City thereof, which notice shall be accompanied by a legal description of the portion of the Initial Land or, as applicable, EPO Property, within which such improvements are being constructed, along with a survey thereof and documents reflecting that the same is a Tax Parcel. Not later than ten (10) days following receipt of such notice and information, Enterprise and the City shall each execute, acknowledge and deliver to one another a Supplement, and cause the same to be filed for record in the Real Property Records of Harris County or Chambers County (or both, in the case where parts of such land lie within each of such counties). The accrual of the Annual Contractual Payment attributable to each such Added Tax Parcel shall commence on January 1 of the year following the calendar in which such Added Tax Parcel has become a Developed Property (for clarity, neither the Assessed Value nor the Adjusted Added Value of any Tax Parcel located within either (a) any portion of the Initial Land that is neither an Existing Tax Parcel nor an

Added Tax Parcel or (b) any portion of the EPO Property that has not become an Added Tax Parcel pursuant to a Supplement shall be considered for purposes of calculating the Annual Contractual Payment).

4.5 EPO Property – EPO Property Supplements. Enterprise may, at its election and option exercised at any time and from time to time during the Term, elect to include as part of the EPO Property, any land acquired or owned by Enterprise within the Extraterritorial Jurisdiction that is not then part of a Tax Parcel that is subject to this Agreement. To exercise such right and option, Enterprise shall provide written notice to the City thereof (an “*EPO Property Election Notice*”), which EPO Property Election Notice shall be accompanied by a legal description of the land designed by Enterprise as EPO Property, along with a survey thereof. Not later than ten (10) days following receipt of such EPO Property Election Notice and accompanying information, Enterprise and the City shall each execute, acknowledge and deliver to one another an EPO Property Supplement, and cause the same to be filed for record in the Real Property Records of Harris County or Chambers County (or both, in the case where parts of such land lie within each of such counties). Effective as of the date of the EPO Property Election Notice, (a) the EPO Property described therein shall be subject to the immunity described in Sections 4.1 and 4.2 hereof, and (b) in exchange therefor, Enterprise shall thereafter be obligated to add to this Agreement, as an Added Tax Parcel pursuant to a Supplement in accordance with Section 4.4 hereof, each Tax Parcel therein that becomes a Developed Property. Notwithstanding any contrary provisions hereof, the right to add land as EPO Property is personal to Enterprise and shall not inure to the benefit of, or be exercisable by, any other Landowner. Enterprise shall be responsible for all recording charges assessed for the recordation of each EPO Property Supplement.

4.6 Certain Covenants of City. As a material and fundamental inducement to EPOLLC to execute and enter into this Agreement, to make the Payment and agree to make the Annual Contractual Payments, the City covenants and agrees with and for the benefit of Enterprise as follows:

- (a) The City agrees that it shall not, at any time on or after the Effective Date and through the expiration of the Term, release or reduce any of the Initial Land or EPO Property that is, at the applicable time, within the Extraterritorial Jurisdiction, whether pursuant to Chapter 42 of the LGC or otherwise, and shall not, at any time on or after the Effective Date and through the expiration of the Term, enter into an agreement with any municipality resulting in the transfer, release, swap, or reduction of any of the Extraterritorial Jurisdiction. Notwithstanding the foregoing, if the City must breach its covenants herein because it is required by law to release any portion of the Initial Land or EPO Property that is then within the Extraterritorial Jurisdiction, the Landowner of the released portion may initiate a voluntary petition to the City to be included within the City's Extraterritorial Jurisdiction, and the City shall consent to such voluntary petition to the fullest extent permitted by law. Should, for any reason, the released portion be prevented from being included within the City's Extraterritorial Jurisdiction following the Landowner's voluntary petition, then (i) the City shall immediately release the Landowner of the applicable released land from any further obligation to make Annual Contractual Payments under this Agreement with respect to the released land, and

(ii) such Landowner's sole additional remedy shall be to exercise its remedies under Section 4.6(c) of this Agreement with respect to the applicable released land; and this Agreement shall not be terminated.

- (b) It is the intent of the Parties that the City will not adopt, implement, or impose any fees, charges, or taxes of any kind applicable to the Initial Land or EPO Property. However, if the City adopts, implements, or imposes any fees, charges, or taxes of any kind applicable to all land within its Extraterritorial Jurisdiction (including the Initial Land or EPO Property), EPOLLC or Landowner shall be entitled to deduct an amount equal to such fees, charges, and/or taxes from its Annual Contractual Payment (the "Offset Amount"). The Offset Amount shall be applied to the Annual Contractual Payment for the duration of the requirement to pay the fee, charge, or tax; and in no event shall the Offset Amount be deducted from the Annual Contractual Payment beyond the duration of the Term.
- (c) If the agreements of the City in Section 4.5(a) or (b) are unlawful or unenforceable and either (1) the City releases any of the Initial Land or EPO Property at the applicable time within the Extraterritorial Jurisdiction and as a result thereof, directly or indirectly, any fees, charges or taxes are imposed upon any part of the Initial Land (including, without limitation, any Existing Tax Parcel or Added Tax Parcel therein) or the EPO Property (including, without limitation, any Added Tax Parcel therein), or (2) the City adopts or implements any fees, charges or taxes with regard to the

Initial Land or EPO Property that at the applicable time is within the Extraterritorial Jurisdiction and the same are applicable to any part of the Initial Land (including, without limitation, any Existing Tax Parcel or Added Tax Parcel therein) or the EPO Property (including, without limitation, any Added Tax Parcel therein), then, in either case (and without limitation of the rights and remedies available pursuant to Section 7.1 below), (1) each Landowner (including, for the avoidance of doubt, Enterprise) shall, with respect to each Tax Parcel owned by such Landowner (including, for the avoidance of doubt, Enterprise) affected thereby, have the right to offset the amount of such fees, charges and taxes paid by such Landowner to the City (including, for the avoidance of doubt, Enterprise) against the Annual Contractual Payments due by such Landowner (and thereafter becoming due) until such Landowner has recouped the amount of such fees, charges and taxes through such offset, and (2) in the case of Enterprise with respect to the fees, charges or taxes with regard to any part of the Initial Land or EPO Property that is not within an Existing Tax Parcel or an Added Tax Parcel, Enterprise shall have the right offset the amount of such fees, charges and taxes paid by Enterprise against the Annual Contractual Payments due by Enterprise (and thereafter becoming due) until Enterprise has recouped the amount of such fees, charges and taxes through such offset.

4.7 Annexation of the EPO Property following expiration of the Term or Termination of the Agreement. For clarity, nothing in this Agreement shall be deemed or construed from

restricting, limiting or prohibiting the City from annexing, after the expiration of the Term or termination of the Agreement, all or any part of the Initial Land (including, without limitation, any Existing Tax Parcel or Added Tax Parcel therein) and any EPO Property (including, without limitation, any Added Tax Parcel therein), whether such annexation is a partial, whole, full purpose, or limited purpose annexation.

4.8 Limited Agreement to Facilitate Annexation. During the Term, should the City desire to annex property (the “*Proposed Annexation Parcel*”) within its extraterritorial jurisdiction that, at the applicable time, (i) is not located (in whole or in part) within the Initial Land/or the EPO Property (other than any portion of the Initial Land or EPO Property as to which this Agreement has been terminated pursuant to Section 7.2) (ii) is not contiguous to any property within the City’s then-existing city limits, and (iii) is contiguous to the Initial Property and/or the EPO Property, then the City may provide a description of the Proposed Annexation Parcel to Enterprise and request that Enterprise consent to annexation of a strip of land not exceeding ten feet in width across the Initial Land and/or the EPO Property (such strip, the “*Connecting Strip*”) that connects the Proposed Annexation Parcel to land that is within the City’s then-existing city limits. Following such request by the City, Enterprise shall cooperate with the City in determining a location and configuration for the Connecting Strip that is reasonably acceptable to Enterprise within a commercially reasonable time. Following the determination of the Connecting Strip’s location, (A) Enterprise and the City shall enter into an amendment to this Agreement, in recordable form, that provides that, subject to consummation of full purpose annexation of the Connecting Strip in accordance with this Section 4.8, the Connecting Strip shall no longer constitute part of the Initial Land or the EPO Property for purposes of this Agreement, and (B) Enterprise will initiate a voluntary petition to the City for

the full purpose annexation of only the Connecting Strip. Any costs associated with Enterprise's petition for annexation of the Connecting Strip (including reasonable attorneys' fees, costs for any plat or survey and any filing fees) shall be borne by the City. Notwithstanding the foregoing, Enterprise's obligation to facilitate annexation of the Connecting Strip pursuant to this Section 4.8 shall be conditioned upon grant by the City of such permanent rights of way and easements across the Connecting Strip as may be requested by Enterprise to permit continued pedestrian and vehicular access by Enterprise and any other Landowners over and across the Connecting Strip to the Initial Land and the EPO Property, to allow continued use by Enterprise and any other Landowners of any facilities and equipment that may be located in, on or under the Connecting Strip, and to permit placement in the Connecting Strip by Enterprise and any other Landowners of pipelines, equipment, utilities and other installations as may be necessary or desirable in connection with current or future use or development of the Initial Land and any EPO Property.

ARTICLE 5.

PUBLIC BUILDING

On or before October 31, 2019, EPOLLC shall deliver the First Payment to the City. On or before July 31, 2020, EPOLLC shall deliver the Second Payment to the City. The First Payment and the Second Payment shall be used solely to (a) design and construct a public safety building for the City (the "**Building**"), and (b) to the extent not necessary to pay, and not actually used to pay, the costs and expenses to design, permit and construct the Building, as a reserve to pay the costs and expenses of owning, operating, repairing and maintaining the Building. The City has determined that construction of the Building is reasonable, necessary and beneficial to the City. Neither Enterprise nor any other Landowner shall have any responsibility or liability

with regard to the design, permitting, development, construction, repair, or maintenance of the Building, including but not limited to, the selection of (or acts or omissions of) contractors, suppliers, design professionals, or for any contracts or agreements related to the Building. The City shall be solely responsible for design, permitting, development, construction, repair, and maintenance of the Building, for insurance on the Building, for repair of any casualty affecting the Building, and for funding any costs of developing, constructing, owning or operating the Building (but shall be entitled to receive and apply the Payment thereto).

ARTICLE 6.

ANNUAL CONTRACTUAL PAYMENT

6.1 **Annual Contractual Payments and Calculation.** Commencing with respect to the calendar year that ends on December 31, 2020, and thereafter with respect to each calendar year that ends during the Term, each Landowner shall, with respect to each Existing Tax Parcel or Added Tax Parcel owned by such Landowner in a calendar year, pay to the City the Annual Contractual Payment for such Tax Parcel for such calendar year on or before (i) in the case where there is no Calculation Dispute, the later of (A) January 31 of the immediately succeeding year, or (B) the date that is sixty (60) days after receipt by such Landowner of the City's Calculation (as defined in Section 6.3) with respect to the applicable Tax Parcel owned by such Landowner, or (ii) in the case where there is a Calculation Dispute, ninety (90) days after City's receipt from the Appraisal District of the final Assessed Value for such Tax Parcel for such calendar year. For the avoidance of doubt, no Annual Contractual Payment shall be owed by any Landowner with respect to the 2019 calendar year for any Existing Tax Parcel or Added Tax Parcel.

6.2 The term “*Annual Contractual Payment*” means:

(A) for the Existing Tax Parcels and the Added Tax Parcels, collectively, for each of calendar years 2020 through and including 2028, an aggregate amount determined in accordance with the following formula for the applicable calendar year (taking into account, for each Added Tax Parcel, the provisions of Sections 4.4 and 4.5 with respect to the commencement of accrual of the Annual Contractual Payment in regard thereto):

$$ACP = [(BV \text{ plus } AAV) \text{ minus } AA] \times ETR$$

where

AA means the Adjustment Amount

ACP means the Annual Contractual Payment

AAV means the Adjusted Added Value for the Added Tax Parcels

BV means the Assessed Value of the Existing Tax Parcels

ETR means the Effective Tax Rate

(B) for each of the Existing Tax Parcels for each of calendar years 2029 through and including the last calendar year of the Term, an amount determined in accordance with the following formula for the applicable calendar year:

$$ACP = BV \times ETR$$

where

ACP means the Annual Contractual Payment

BV means the Assessed Value of the Existing Tax Parcel

ETR means the Effective Tax Rate,

and

(C) for each of the Added Tax Parcels for each of calendar years 2029 through and including the last year of the Term, an amount determined in accordance with the following formula for the applicable calendar year:

$$ACP = AAV \times ETR$$

where

ACP means the Annual Contractual Payment

AAV means the Adjusted Added Value for such Added Tax Parcel

ETR means the Effective Tax Rate

Examples of calculation of the Annual Contractual Payment are set forth on Exhibit E, attached hereto.

6.3 Annual Contractual Payment – Separate for Each Tax Parcel; Several Obligation.

The Annual Contractual Payment for each of calendar years 2029 through and including the last calendar year of the Term, calculated as provided in Section 6.1, will apply to, and be separately calculated with respect to, each Existing Tax Parcel and each Added Tax Parcel for each applicable calendar year. Notwithstanding any contrary provision hereof, (i) the obligation to

pay the Annual Contractual Payment for each Existing Tax Parcel and each Added Tax Parcel for each of calendar years 2029 through and including the last calendar year of the Term shall be the obligation of the Landowner that is the record title holder of such Existing Tax Parcel or Added Tax Parcel, as applicable, on January 1 of the calendar year to which such Annual Contractual Payment relates, (ii) in no event shall the obligation to pay the same be the responsibility of any other Landowner, and (iii) in no event shall the failure to pay the same be deemed a breach hereof or default hereunder by any other Landowner.

6.4 Calculation Disputes. The City shall provide to each Landowner with respect to each Existing Tax Parcel and Added Tax Parcel owned by such Landowner, a calculation of the Annual Contractual Payment with respect thereto (the “*City’s Calculation*”) by December 1 of each year, or, if later, within thirty (30) days after the Assessed Value with regard to such Tax Parcel for such year has been determined. Each Landowner shall have forty-five (45) days to dispute the City’s Calculation by written notice to the City (the “*Calculation Dispute*”). A Landowner’s notice of Calculation Dispute must contain the reason for the dispute and a calculation of the Landowner’s determination of the Annual Contractual Payment. The City and Landowner shall meet in person within fifteen (15) days after receipt by the City of such notice of a Calculation Dispute to attempt to resolve any disparities. If a Landowner does not provide notice of a Calculation Dispute within forty-five (45) days following receipt of the City’s Calculation, the City’s Calculation shall be deemed approved and binding upon the City and such Landowner, in the absence of manifest error. Should a Landowner dispute the City’s Calculation with respect to an Existing Tax Parcel or Added Tax Parcel, the Annual Contractual Payment with respect to the applicable Existing Tax Parcel or Added Tax Parcel shall be paid by the Landowner that owns the applicable Tax Parcel or Added Tax Parcel to the City within thirty

(30) days following the resolution of such Calculation Dispute.

ARTICLE 7.

DEFAULT

7.1 City Default. In the event the City defaults in the performance of its obligations under this Agreement, each Landowner affected thereby shall have all rights and remedies set forth in this Agreement and all remedies available at law or in equity, including, but not limited to, the right to institute suit for, and obtain and enforce a judgment for, against the City for specific performance, obtaining and enforcing a judgment therefor, and seeking, obtaining and enforcing judgments for equitable relief; and any and all of such rights and remedies may be exercised by the affected Landowner without the joinder of any other Landowner. The City stipulates and agrees that damages may not be an adequate remedy to any Landowner for the City's breach of this Agreement, and that injunctive relief with respect to any breach, or threatened breach, of this Agreement by the City is appropriate and necessary to provide each Landowner the benefits of this Agreement.

7.2 Landowner Default. In the event any Landowner fails to remit to the City by the date prescribed by Section 6.1 hereof the full Annual Contractual Payment owed to the City by such Landowner with respect to any Existing Tax Parcel or Added Tax Parcel owned by such Landowner, or fails to perform any other covenant or agreement in this Agreement, and such failure continues (i) for a period of thirty (30) days following written notice of such failure ("**First Notice**") from the City to such Landowner and (ii) for a period of ten (10) days following a second notice of such failure from the City to such Landowner (which second notice shall be sent not earlier than thirty-one (31) days after the date the First Notice is sent and shall be

marked conspicuously with “**SECOND NOTICE- FAILURE TO PAY WITHIN TEN DAYS FOLLOWING THE DATE OF THIS NOTICE SHALL CONSTITUTE A DEFAULT UNDER THE SECTION 212 AGREEMENT DATED _____, 2019**”), then the City shall have the right to institute suit for and collect and enforce a judgement against such Landowner for such payment, and to terminate this Agreement as to such Tax Parcel only. Should this Agreement be terminated as to any portion of the Initial Land and EPO Property, the City may, to the extent permissible under then-current state law, impose and/or designate the portion of land as to which this Agreement has been terminated as an industrial district, and may pursue annexation over the portion of land as to which this Agreement has been terminated to the fullest extent permissible under then-current state law.

ARTICLE 8.

GENERAL

8.1 No Personal Liability. To the extent not limited by State law, no director, officer, employee or agent of any Landowner or the City shall be personally responsible for, or have any liability arising under or growing out of, this Agreement.

8.2 Notices. All notices, consents, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (a) upon actual receipt or refusal of delivery or (b) if earlier, and whether or not actually received, (i) one (1) business day after deposit with a recognized overnight delivery service (such as DHL, Federal Express or UPS) for next business day delivery, properly addressed to the intended recipient, with delivery charges prepaid by, or billed to, the sender, or (ii) three (3) business days after deposit with the United States mail, registered or certified mail, return receipt requested, postage prepaid, properly

addressed to the intended recipient. Notwithstanding the foregoing, the City and any Landowner may from time to time agree upon other means of notice, as between the City and such Landowner. The initial notice addresses for the Parties are as follows:

If to the City: City of Baytown, Texas
 P.O. Box 424
 Baytown, Texas 77522
 Attention: City Attorney
 Email: legal@baytown.org

 And
 Attention: City Manager
 Email: citymanager@baytown.org

If to Landowners: Enterprise Products Operating LLC
 1100 Louisiana, Suite 1000
 Houston, Texas 77002
 Attention: General Counsel
 Email: GeneralCounsel@eprod.com

 And
 Enterprise Products Operating LLC
 1100 Louisiana, Suite 1000
 Houston, Texas 77002
 Attention: Vice President- Tax
 Email: prhouy@eprod.com

With a copy to: Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027
Attn: Stephen M. Robinson
Email: srobinson@abhr.com

Each Party may change its address for receipt of notices from time to time by at least ten (10) days prior written notice of such change to the other Party in accordance with this Section. For clarity, each Landowner shall have the right to designate (and, in accordance with the foregoing procedures, change from time to time) its address for notices hereunder.

8.3 Amendments and Waivers. Any provision of this Agreement may be amended or waived if such amendment or waiver is in writing and is signed by (a) the City and (b) each Landowner affected thereby. No course of dealing on the part of the Parties, nor any failure or delay by the Parties with respect to exercising any right, power or privilege of the Parties under this Agreement shall operate as a waiver thereof.

8.4 Successors and Assigns. All covenants and agreements contained by or on behalf of Enterprise or the City in this Agreement shall bind their successors and assigns and shall inure to the benefit of each party and its successors and assigns and, in the case of Enterprise, shall be deemed covenants running with the Initial Land (including, without limitation, each Existing Tax Parcel and Added Tax Parcel therein) and all EPO Property (including, without limitation, each Added Tax Parcel therein) and inure to the benefit of such successor in title to Enterprise to any part of the Initial Land, EPO Property and land with each Existing Tax Parcel and each Added Tax Parcel (including, without limitation, any Mortgagee that may acquire title to any part

thereof by reason of foreclosure of the Mortgage held by it or acceptance of a deed in lieu of foreclosure); provided, that, as aforesaid in Section 4.5, the right to add land as EPO Property (and to receive an EPO Property Supplement) is personal to Enterprise. Nothing in this Agreement shall prohibit EPOLLC (or, as applicable, an Enterprise Affiliate), from divesting or selling all or any portion of any Existing Tax Parcel or Added Tax Parcel to another entity; and following any such divestiture or sale this Agreement shall continue to be applicable to such Existing Tax Parcel or Added Tax Parcel; provided, however, that Enterprise shall not file an EPO Property Supplement with the intention of thereafter conveying the EPO Property that is the subject of such EPO Property Supplement (or any material portion thereof) to an entity that is not either an Enterprise Affiliate or an entity in which EPOLLC and other Enterprise Affiliates do not in the aggregate own, directly or indirectly, at least 10% of the total indicia of ownership. Should a new Landowner take possession of any portion of the Initial Property or EPO Property, such Landowner shall provide notice to the City within sixty (60) days of the change of ownership, and shall include in its notice its address.

8.5 Exhibits; Titles of Articles, Sections and Subsections. The exhibits attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail. Exhibits to this Agreement include:

- **Exhibit A** – Existing Tax Parcels
- **Exhibit B** – Initial Land
- **Exhibit C** – Form Supplement – Added Tax Parcel

- **Exhibit C-1** - Form Supplement – EPO Property Supplement
- **Exhibit D** – Industrial Agreements
- **Exhibit E** – Examples of Annual Contractual Payment calculation

All titles or headings are only for the convenience of the Parties and shall not be construed to have any effect or meaning as to the agreement between the Parties. Any reference herein to a Section or subsection shall be considered a reference to such Section or Subsection of this Agreement unless otherwise stated. Any reference herein to an exhibit shall be considered a reference to the applicable exhibit attached hereto unless otherwise stated.

8.6 Enforceability Opinions. Enforceability opinions, each in form and substance acceptable to Enterprise and confirming the enforceability against the City of the terms of this Agreement, have been provided to Enterprise by (i) the City Attorney, and (ii) Husch Blackwell LLP, and may be relied upon by Enterprise.

8.7 **LIMITED WAIVER OF SOVEREIGN IMMUNITY.** THE PARTIES HEREBY AGREE THAT THIS AGREEMENT CONSTITUTES AN AGREEMENT FOR PROVIDING GOODS OR SERVICES TO THE CITY AND IS A CONTRACT SUBJECT TO SUBCHAPTER I OF CHAPTER 271 OF THE LGC AND AS SUCH, THE CITY IS SUBJECT TO THE PROVISIONS OF THE SAME AND ANY SUCCESSOR STATUTE(S). IN ACCORDANCE WITH SECTIONS 271.152 AND 271.153 OF THE LGC, THE CITY HEREBY WAIVES (AND COVENANTS AND AGREES THAT IT SHALL NOT ASSERT) ANY CONSTITUTIONAL, STATUTORY OR COMMON LAW RIGHT TO SOVEREIGN OR GOVERNMENTAL IMMUNITY FROM SUIT RELATED TO A CLAIM FOR BREACH OF THIS AGREEMENT. NOTHING IN THIS SECTION 8.7, HOWEVER, CONSTITUTES OR SHALL BE CONSTRUED AS, A

WAIVER OF THE CITY'S SOVEREIGN IMMUNITY BEYOND THE SCOPE OF THE WAIVER CONTEMPLATED IN SUBCHAPTER I OF CHAPTER 271 OF THE LGC AND AFFIRMATIVELY AND EXPRESSLY SET FORTH IN THIS AGREEMENT. FURTHER, THE WAIVER IN THIS SECTION 8.7 APPLIES ONLY TO THIS AGREEMENT AND NOTHING IN THIS SECTION 8.7 CONSTITUTES OR SHALL BE CONSTRUED AS A WAIVER OR ADMISSION BY THE CITY WITH REGARDS TO ANY OTHER CONTRACT OR AGREEMENT BY OR BETWEEN THE CITY AND EPOLLC OR ANY OTHER PERSON OR ENTITY.

8.8 Governing Law, Venue, and Waiver of Jury Trial. This Agreement shall be governed and construed in accordance with the laws of the State, without regard to any of its conflicts of law principles. EACH PARTY AGREES THAT ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATED IN ANY WAY TO THIS AGREEMENT SHALL BE BROUGHT SOLELY IN ANY STATE OR FEDERAL COURT SITTING IN THE CITY OF HOUSTON, TEXAS. EACH OF THE PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY CONSENTS TO THE JURISDICTION OF ANY SUCH COURT. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHTS THAT SUCH PARTY HERETO MAY HAVE TO ANY TRIAL BY JURY ON ANY ISSUE ARISING OUT OF ANY LITIGATION OR DISPUTES UNDER THIS AGREEMENT, SUCH PARTY INTENDING TO WAIVE AND FOREVER RELINQUISH ANY RIGHT UNDER APPLICABLE LAW PROVIDING FOR A RIGHT OF TRIAL BY JURY.

8.9 Attorneys' Fees. The prevailing party in any legal proceedings arising out of this Agreement shall be entitled to recover, in addition to any other awards made in such

proceedings, reasonable attorneys' fees incurred in connection therewith. For purposes hereof, the "prevailing party" shall be determined by the court and means the "net winner" of a dispute, taking into account the claims pursued, the claims on which the pursuing Party was successful, the amount of money sought, the amount of money awarded, and offsets or counterclaims pursued (successfully or unsuccessfully) by the other Party.

8.10 Severability. The Parties agree that should any provision of this Agreement be determined to be invalid, illegal or unenforceable, such determination shall not affect any other term of this Agreement, which shall continue in full force and effect. If any term or provision of this Agreement or the application thereof to any person or circumstances is to any extent or for any reason be invalid, illegal or unenforceable, such invalid, illegal or unenforceable provision will not affect any other provisions of this Agreement but this Agreement will be construed with respect to such application to such person or circumstances as if such invalid, illegal or unenforceable provision had never been contained herein.

8.11 No Third Party Beneficiaries. This Agreement is for the sole benefit of the Parties, their affiliates (including Enterprise Affiliates), and their respective successors and permitted assigns, and shall not inure to the benefit of any other person whomsoever (other than successors in title to any of the land within the Initial Land [including, without limitation, each Existing Tax Parcel and Added Tax Parcel therein] or any of the EPO Property [including, without limitation, each Added Tax Parcel therein] and affiliates of each Party [including Enterprise Affiliates] and its successors), it being the intention of the Parties that no third person (other than successors in title to any of the land within the Initial Land or any EPO Property and the affiliates of each Party [including Enterprise Affiliates] and its successors) shall be deemed a third party beneficiary of this Agreement.

8.12 No Partnership. Nothing herein contained shall be construed or held to make the Parties hereto partners in the conduct of any business or be deemed to create any partnership, joint venture, association or joint enterprise between the Parties.

8.13 Entire Agreement. This Agreement represents the final agreement between the Parties with respect to the subject matter of this Agreement. This Agreement may be amended only in a writing signed by the Parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties; provided, that, no amendment that directly affects and applies to a specific Existing Tax Parcel or a specific Added Tax Parcel shall be effective thereto unless the Landowner that owns the same joins in such amendment. There are no unwritten oral agreements between the Parties with regard to the subject matter hereof.

8.14 Ambiguities. In the event of any ambiguity in any of the terms of this Agreement, it shall not be construed for or against any party hereto on the basis that such Party did or did not author the same.

8.15 Non-Waiver. Failure of any Party hereto to insist on the strict performance of any of the agreements contained herein or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered a waiver of the right to insist on and to enforce by an appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.

8.16 Multiple Originals. It is understood and agreed that this Agreement may be executed in a number of identical counterparts each of which shall be deemed an original for all purposes. An electronic or facsimile copy of this Agreement bearing the signature of any party

shall be binding upon such party to the same extent as an original counterpart of this Agreement bearing such party's signature.

8.17 Approval by the Parties. Whenever this Agreement requires or permits approval or consent to be hereafter given by any of the parties, the Parties agree that such approval or consent shall not be unreasonably withheld or delayed.

8.18 Subsequent Change. No subsequent change in the law regarding annexation or regulation by municipalities in the State shall affect the enforceability of any provisions of this Agreement including, without limitation, the immunity from annexation of any of the Initial Land (including, without limitation, any Existing Tax Parcel or Added Tax Parcel therein) or any EPO Property (including, without limitation, any Added Tax Parcel therein) for the duration of the Term pursuant to the terms of this Agreement.

8.19 Additional Actions. The Parties each agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may be necessary or appropriate, from time to time, to carry out the terms, provisions and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions and intent.

8.20 Mortgagee Protection. Upon receipt by City of a written notice from a Landowner that identifies one or more of the Existing Tax Parcels or Added Tax Parcels owned by such Landowner and sets forth the name and address of each holder (each a "**Mortgagee**") of a deed of trust lien or mortgage (each a "**Mortgage**") against such Tax Parcel(s) so identified and until such time as the City is advised otherwise in writing by such Mortgagee that it no longer has or holds a Mortgage (or the City is provided reasonable evidence that such Mortgagee no longer holds a Mortgage), any notice of default or breach hereof provided by the Landowner that

has granted such Mortgage shall also be provided to the Mortgagee of such Landowner. Further, the City agrees to accept a cure of any such default by such Mortgagee and the cure thereof by such Mortgagee shall be with the same force and effect as if cured by the Landowner.

8.21 Estoppels. Upon request of any Landowner (or at the request of any Mortgagee of a Landowner), the City shall provide to such Landowner (or its mortgagee or prospective purchaser or successor in title), without charge and within thirty (30) days following such request, an estoppel certificate certifying to the requestor (and any other parties requested by such requestor) that this Agreement is in full force and effect, and that the requesting or affected Landowner is not in default under this Agreement, nor has any event occurred, with the passage of time would ripen into a default, (or stating such default(s), if any, that are claimed) by the City, and setting forth such other factual information with regard to this Agreement as may reasonably be requested and is true and correct. Upon request by the City to any Landowner, such Landowner shall provide to the City, without charge and within thirty (30) days following such request, an estoppel certificate certifying to the City (and any other parties the City may designate) that this Agreement is in full force and effect, and that the City is not in default under this Agreement, nor has any event occurred, with the passage of time would ripen into a default, (or stating such default(s), if any, that are claimed) by such Landowner, and setting forth such other factual information with regard to this Agreement as may reasonably be requested and is true and correct.

[signature page follows]

Signature Page to Section 212 Agreement

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed as of September 24, 2019.

CITY OF BAYTOWN, TEXAS

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §

§

COUNTY OF _____ §

This instrument was acknowledged before on the _____ day of _____, 2019 by _____, _____ of the City of Baytown, a home rule municipal corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

Printed Name: _____

My Commission Expires: _____

Signature Page to Section 212 Agreement

ENTERPRISE PRODUCTS OPERATING LLC,
a Texas limited liability company

By: Enterprise Products OLPGP, Inc.,
a Delaware corporation, its Sole Manager

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §

§

COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____, 2019
by _____, _____ of Enterprise Products OLPGP, Inc., a
Delaware corporation, Sole Manager of Enterprise Products Operating LLC, a Texas limited
liability company, on behalf of said limited liability company.

Notary Public in and for the State of Texas

Printed Name: _____

My Commission Expires: _____

Exhibits

A – Existing Tax Parcels

B – Initial Land

C – Form Supplement – Added Tax Parcel

C-1 – Form Supplement – EPO Property Supplement

D – Industrial Agreements

E - Examples of Annual Contractual Payment calculation

EXHIBIT A

Existing Tax Parcels

Chambers County Appraisal District:

a) Real Property

1) Account Number: 00020-00100-00100-070230

Property ID: 52589

Property Legal Description: 20 TR 1-1-2-3 HANNAH NASH

b) Personal Property

1) Account Number: 036-2-002766-000570

Property Description: Propane Dehydrogenation (PDH)

2) Account Number: 036-2-002766-000605

Property Description: Belvieu Fractionator IX (Frac #9)

3) Account Number: 36-2-002766-000615

Property Description: Isobutane Dehydrogenation (iBDH)

EXHIBIT B

Initial Land

LEGAL DESCRIPTION

Being approximately 1,737.514 acres of land out of the Hannah Nash Survey, A-20, Chambers County, Texas, which is more particularly described as follows:

TRACT 1 431.0 ACRES

FIELD NOTES of a 431.0 acre tract of land situated in the Hannah Nash League, Abstract No. 20, Chambers County, Texas, being out of and a part of the residue of 2214 acres conveyed to Albert N. Nelson, Jr., by Albert N. Nelson, et ux, by deed dated December 31, 1959, and recorded in Volume 218 at Page 248 of the Deed Records of Chambers County, Texas, and a 13.354 acre tract of land conveyed to Albert N. Nelson, Jr., et al, by Chambers County, Texas, by deed dated September 1, 1995, and recorded in Volume 276 at Page 338 of the Official Public Records of Chambers County, Texas. This 431.0 acre tract of land is more particularly described by metes and bounds as follows, to-wit:

NOTE: Bearings indicated hereon are based on field ties to monumentation indicated in a survey map dated December 14, 2010, certified on December 15, 2010, prepared by Michael Chandler and titled, "SURVEY OF TWO TRACTS OF LAND SITUATED IN THE HANNAH NASH SURVEY A-20 CHAMBERS COUNTY, TEXAS".

BEGINNING (P.O.B.-TRACT 1) at a capped iron rod found for the Southeast corner of this tract of land, a Southeast corner of said residue of 2214 acres, the Southwest corner of a 6.854 acre tract of land called Tract 1 conveyed to Missouri Pacific Railroad Company by Albert N. Nelson, Jr., et al, by deed dated August 31, 1995, and recorded in Volume 279 at Page 567 of the Official Public Records of Chambers County, Texas, the Northwest corner of a 1.576 acre easement conveyed to Missouri Pacific Railroad Company by Patti K. Kroll by deed dated August 3, 1995, and recorded in Volume 277 at Page 184 of the Official Public Records of Chambers County, Texas, and in the North line of 117.91 acres conveyed to Patti K. Kroll by Irene Ulrich Massey by deed dated July 3, 1990, and recorded in Volume 184 at Page 85 of the Official Public Records of Chambers County, Texas.

THENCE South 77°53'02" West with the South line of this tract of land, the South line of said residue of 2214 acres, and the North line of said 117.91 acres a distance of 3895.55 feet to a ½ inch iron rod found for the Southwest corner of this tract of land, a Southwest corner of said residue of 2214 acres, and the Southeast corner of a 32.35 acre tract of land called Tract 1 awarded to Coastal Industrial Water Authority by instrument dated February 23, 1973, and recorded in Volume 359 at Page 119 of the Deed Records of Chambers County, Texas. From this corner a 5/8 inch iron rod found for the Northwest corner of said 117.91 acres, and the Northeast corner of 110.79 acres called Parcel "A" conveyed to Coastal Industrial Water Authority by Lillian U. Keyser, et al, by deed dated January 30, 1970, and recorded in Volume

312 at Page 473 of the Deed Records of Chambers County, Texas, bears South 77°53'02" West a distance of 43.87 feet.

THENCE North 12°08'29" West with a West line of this tract of land, a West line of said residue of 2214 acres, and an East line of said 32.35 acres, at a distance of 1.57 feet found a 5/8 inch iron rod, in all a total distance of 69.21 feet to a ½ inch iron rod found for an interior corner of this tract of land, an interior corner of said residue of 2214 acres, and a Northeast corner of said 32.35 acres.

THENCE South 77°51'31" West with a South line of this tract of land, a South line of said residue of 2214 acres, and a North line of said 32.35 acres a distance of 40.53 feet to a ½ inch iron rod found for a Southwest corner of this tract of land, a Southwest corner of said residue of 2214 acres, and an interior corner of said 32.35 acres.

THENCE in a Northerly direction with a West line of this tract of land, a West line of said residue of 2214 acres, an East line of said 32.35 acres, and a curve to the right, having a central angle of 33°56'10", a radius of 735.00 feet, an arc length of 435.34 feet, and a chord bearing and distance of North 04°45'25" East 429.00 feet to a ½ inch iron rod found for the point of tangency of this tract of land.

THENCE North 21°20'31" East with a West line of this tract of land, a West line of said residue of 2214 acres, and an East line of said 32.35 acres a distance of 4813.02 feet to a ½ inch iron rod found for an angle corner of this tract of land, an angle corner of said residue of 2214 acres, the Northeast corner of said 32.35 acres, and the Southeast corner of a 6.05 acre tract of land conveyed to Coastal Industrial Water Authority by Vera Honsinger, et al, by deed dated June 4, 1971, and recorded in Volume 328 at Page 697 of the Deed Records of Chambers County, Texas.

THENCE North 21°27'31" East with a West line of this tract of land, a West line of said residue of 2214 acres, and an East line of said 6.05 acres a distance of 72.87 feet to a 2 inch iron pipe found for the Northwest corner of this tract of land, the Northwest corner of said residue of 2214 acres, the Southwest corner of a 5.999 acre tract of land conveyed to Shawn Pool by Robert W. Jay, et ux, by deed dated July 13, 2009, and recorded in Volume 1128 at Page 228 of the Official Public Records of Chambers County, Texas, in the North line of said Nash League, and in the South line of the W. B. Bass Survey, Abstract No. 596, Chambers County, Texas.

THENCE North 78°21'04" East with a North line of this tract of land, a North line of said residue of 2214 acres, the North line of said Nash League, the South line of said Bass Survey, and the South line of said 5.999 acres a distance of 823.17 feet to a 2 inch iron pipe found for a Northeast corner of this tract of land, a Northeast corner of said residue of 2214 acres, and in the occupied West right of way line of Old Hatcherville Road.

THENCE South 31°56'22" East with an East line of this tract of land, an East line of said residue of 2214 acres, and the occupied West right of way line of Old Hatcherville Road a distance of 42.62 feet to a 1 inch iron pipe found for an interior corner of this tract of land, an interior corner of said residue of 2214 acres, and an angle corner of Old Hatcherville Road.

THENCE North 77°52'50" East with a North line of this tract of land, a North line of said residue of 2214 acres, the South right of way line of Old Hatcherville Road, and the South right of way line of New Hatcherville Road a distance of 2676.93 feet to a 5/8 inch iron rod found bent for the Northeast corner of this tract of land, the Northeast corner of said residue of 2214 acres, and an angle corner of said Hatcherville Road.

THENCE South 13°31'09" East with an East line of this tract of land, an East line of said residue of 2214 acres, and the West right of way line of Hatcherville Road a distance of 1753.00 feet to a ½ inch iron rod found for a Southeast corner of this tract of land, a Southeast corner of said residue of 2214 acres, and the North or Northeast corner of a 1.262 acre tract of land called Tract 3 conveyed to Missouri Pacific Railroad Company by Albert N. Nelson, Jr., et al, by deed dated August 31, 1995, and recorded in Volume 279 at Page 567 of the Official Public Records of Chambers County, Texas. From this corner a ½ inch iron rod found bent in the West right of way line of Hatcherville Road bears South 13°31'09" East a distance of 826.43 feet.

THENCE South 39°04'00" West with an East line of this tract of land, an East line of said residue of 2214 acres, the West line of said 1.262 acres, the West line of 0.3214 of an acre tract of land called Tract 2, and a 6.854 acre tract of land called Tract 1 conveyed to Missouri Pacific Railroad Company in said deed recorded in Volume 279 at Page 567 of the Official Public Records of Chambers County, Texas, a distance of 1931.82 feet to a ½ inch iron rod found for the point of curvature of this tract of land.

THENCE in a Southerly direction with an East line of this tract of land, an East line of said residue of 2214 acres, the West line of said 6.854 acres, an a curve to the left, having a central angle of 26°38'41", a radius of 1960.10 feet, an arc length of 911.52 feet, and a chord bearing and distance of South 25°44'39" West 903.33 feet to a ½ inch iron rod found for the point of tangency of this tract of land.

THENCE South 12°25'19" West with an East line of this tract of land, an East line of said residue of 2214 acres, and the West line of said 6.854 acres a distance of 915.31 feet to the **PLACE OF BEGINNING**, containing within said boundaries 431.0 acres of land, more or less.

TRACT 2 1210.0 ACRES

FIELD NOTES of a 1210.0 acre tract of land situated in the Hannah Nash League, Abstract No. 20, Chambers County, Texas, being out of and a part of the residue of 2214 acres conveyed to Albert N. Nelson, Jr., by Albert N. Nelson, et ux, by deed dated December 31, 1959, and recorded in Volume 218 at Page 248 of the Deed Records of Chambers County, Texas. This 1210.0 acre tract of land is more particularly described by metes and bounds as follows, to-wit:

NOTE: Bearings indicated hereon are based on field ties to monumentation indicated in a survey map dated December 14, 2010, certified on December 15, 2010, prepared by Michael Chandler and titled, "SURVEY OF TWO TRACTS OF LAND SITUATED IN THE HANNAH NASH SURVEY A-20 CHAMBERS COUNTY, TEXAS".

BEGINNING (P.O.B.-TRACT 2) at a capped iron pipe found marked 5068 for an angle corner of this tract of land, an angle corner of said residue of 2214 acres, in the North line of said Nash League, the Southeast corner of the Herman Ehrenberg Survey, Abstract No. 378, Chambers County, Texas, the Southeast corner of 1081.743 acres conveyed to FVL Ltd., by Carolyn Frost Keenan, et al, by deed dated October 15, 2001, and recorded in Volume 527 at Page 818 of the Official Public Records of Chambers County, Texas, the Southwest corner of the W. B. Bass Survey, Abstract No. 596, Chambers County, Texas, and the Southwest corner of a 114.11 acre tract of land conveyed to Environmental Processing Systems, L.C., by Southeast Loam Associates, Inc., by deed dated July 17, 2009, and recorded in Volume 1135 at Page 399 of the Official Public Records of Chambers County, Texas.

THENCE North 78°22'05" East with the North line of this tract of land, the North line of said residue of 2214 acres, the North line of said Nash League, the South line of said Bass Survey, and the South line of said 114.11 acres a distance of 1856.21 feet to a capped iron pipe found marked 5068 for the Northeast corner of this tract of land, a Northeast corner of said residue of 2214 acres, and in the West line of 6.05 acres conveyed to Coastal Industrial Water Authority by Vera Honsinger, et al, by deed dated June 4, 1971, and recorded in Volume 328 at Page 697 of the Deed Records of Chambers County, Texas.

THENCE South 21°51'31" West with an East line of this tract of land, an East line of said residue of 2214 acres, and the West line of said 6.05 acres a distance of 73.03 feet to a 5/8 inch iron rod found for an interior corner of this tract of land, an interior corner of said residue of 2214 acres, and the Southwest corner of said 6.05 acres.

THENCE North 78°20'31" East with a North line of this tract of land, a North line of said residue of 2214 acres, and the South line of said 6.05 acres a distance of 41.41 feet to a 5/8 inch iron rod found for a Northeast of this tract of land, a Northeast corner of said residue of 2214 acres, and the Northwest corner of a 32.35 acre tract of land called Tract 1 awarded to Coastal

Industrial Water Authority by instrument dated February 23, 1973, and recorded in Volume 359 at Page 119 of the Deed Records of Chambers County, Texas.

THENCE South 21°52'31" West with an East line of this tract of land, an East line of said residue of 2214 acres, and the West line of said 32.35 acres a distance of 4655.69 feet to a ½ inch iron rod found for the point of curvature of this tract of land.

THENCE in a Southerly direction with an East line of this tract of land, an East line of said residue of 2214 acres, the West line of said 32.35 acres, and a curve to the left, having a central angle of 33°55'00", a radius of 1018.00 feet, an arc length of 602.61 feet, and a chord bearing and distance of South 04°46'00" West 593.85 feet to a ½ inch iron rod found for a Southeast corner of this tract of land, a Southeast corner of said residue of 2214 acres, and an interior corner of said 32.35 acres.

THENCE South 77°51'31" West with a South line of this tract of land, a South line of said residue of 2214 acres, and a North line of said 32.35 acres a distance of 79.54 feet to a 5/8 inch iron rod found for an interior corner of this tract of land, an interior corner of said residue of 2214 acres, and a Northwest corner of said 32.35 acres.

THENCE South 12°08'29" East with an East line of this tract of land, an East line of said residue of 2214 acres, and a West line of said 32.35 acres a distance of 68.80 feet to a ½ inch iron rod found for the Southeast corner of this tract of land, a Southeast corner of said residue of 2214 acres, the Southwest corner of said 32.35 acres, and in the North line of 110.79 acres called Parcel "A" conveyed to Coastal Industrial Water Authority by Lillian U. Keyser, et al, by deed dated January 30, 1970, and recorded in Volume 312 at Page 473 of the Deed Records of Chambers County, Texas. From this corner a 5/8 inch iron rod found for the Northeast corner of said 110.79 acres bears North 77°55'13" East a distance of 359.20 feet.

THENCE South 77°50'09" West with a South line of this tract of land, a South line of said residue of 2214 acres, and the North line of said 110.79 acres, at a distance of 316.26 feet found a ½ inch iron rod on line, at a distance of 427.70 feet found a HL&P disc for the Southeast corner of a 42.501 acre easement conveyed to Houston Lighting & Power Company by Albert N. Nelson, Jr., et al, by deed dated November 10, 1969, and recorded in Volume 311 at Page 277 of the Deed Records of Chambers County, Texas, at a distance of 832.70 feet found a HL&P disc for the Southwest corner of said 42.501 acre easement, in all a total distance of 2818.36 feet to a 5/8 inch iron rod found for an angle corner of this tract of land, an angle corner of said residue of 2214 acres, and an angle corner of said 110.79 acres.

THENCE South 78°50'47" West with a South line of this tract of land, a South line of said residue of 2214 acres, and the North line of said 110.79 acres, at a distance of 6206.00 feet found a ½ inch iron rod on line, in all a total distance of 6269.99 feet to a point for the Southwest

corner of this tract of land, a Southwest corner of said residue of 2214 acres, in the centerline of Cedar Bayou, in the West line of Chambers County, in the West line of said Nash League, in the East line of the Hannah Nash League, Abstract No. 54, Harris County, Texas, and the Southeast corner of a 130.479 acre tract of land conveyed to LDH Energy Mont Belvieu, L.P., by Cedar Bayou Ranch, L.P., by deed dated November 9, 2007, and recorded at Clerk's File No. 20070671987 of the Official Public Records of Real Property of Harris County, Texas. From this corner a 1 inch iron pipe found for the Northwest corner of said 110.79 acres, and an angle corner of said 130.479 acres bears South 78°50'47" West a distance of 1135.41 feet.

THENCE in a Northerly direction with the West lines of this tract of land, the West lines of said residue of 2214 acres, the West line of said Nash League Abstract No. 20, the West line of Chambers County, the East line of Harris County, the East line of said 130.479 acres, the East line of said Nash League, Abstract No. 54, the East line of the residue of 490.300 acres conveyed to Cedar Bayou Ranch, L.P., by the Estate of Jess Newton Rayzor by deed dated July 7, 2005, and recorded at Clerk's File No. Y 598473 of the Official Public Records of Real Property of Harris County, Texas, and the centerline of Cedar Bayou the following courses:

North 33°30'12" West, 69.84 feet; North 37°08'44" West, 90.58 feet;
North 24°59'09" West, 71.49 feet; North 40°21'34" West, 102.62 feet;
North 56°59'09" West, 114.08 feet; North 70°51'04" West, 119.33 feet;
North 79°37'56" West, 84.19 feet; North 84°43'42" West, 54.75 feet;
North 69°18'04" West, 54.69 feet; North 47°06'29" West, 133.15 feet;
North 41°33'16" West, 98.32 feet; North 31°40'20" West, 151.83 feet;
North 21°11'15" West, 40.47 feet; North 04°52'40" West, 18.45 feet;
North 09°29'53" East, 134.31 feet; North 11°16'13" East, 165.59 feet;
North 04°56'09" East, 52.58 feet; North 00°12'18" East, 62.92 feet;
North 12°58'10" West, 68.48 feet; North 31°06'32" West, 123.55 feet;
North 60°52'47" West, 73.16 feet; North 69°39'13" West, 71.68 feet;
North 65°20'49" West, 170.38 feet; North 62°06'52" West, 74.86 feet;
North 39°21'33" West, 108.97 feet; North 20°54'24" West, 121.59 feet;
North 19°25'52" West, 154.56 feet; North 04°50'32" West, 69.14 feet;
North 24°27'18" West, 81.78 feet; North 34°56'07" West, 60.53 feet;
North 59°05'29" West, 74.71 feet; North 71°18'55" West, 95.06 feet;
North 78°16'22" West, 85.47 feet; North 80°01'00" West, 140.01 feet;
North 66°58'14" West, 181.77 feet; North 46°25'01" West, 125.16 feet;
North 57°13'52" West, 49.00 feet; North 68°41'49" West, 139.70 feet;
North 56°46'14" West, 90.26 feet; North 32°54'58" West, 66.75 feet;
North 18°14'20" West, 134.01 feet; North 28°30'27" West, 143.13 feet;
North 40°11'56" West, 83.49 feet; North 56°36'38" West, 102.39 feet;
North 68°43'23" West, 88.88 feet; North 72°42'35" West, 110.17 feet;
North 50°28'09" West, 63.26 feet; North 02°34'47" West, 93.88 feet;
North 33°06'28" East, 205.83 feet; North 07°22'01" East, 148.50 feet;
North 02°41'29" East, 203.13 feet; North 03°28'04" East, 114.51 feet;
North 03°30'30" East, 76.19 feet; North 16°06'58" East, 51.94 feet;
North 19°27'14" East, 82.02 feet;

North 05°24'17" East, 80.40 feet to a point for the Northwest corner of this tract of land, the Northwest corner of said residue of 2214 acres, the Northwest corner of said Nash League Abstract No. 20, the Northeast corner of said Nash League Abstract No. 54, the Southwest corner of the Hugh Morgan Survey, Abstract No. 19, Chambers County, Texas, the Southwest corner of 475.96 acres conveyed to Speer Limited One, L.L.C., by David Speer, by deed dated August 30, 2002, and recorded in Volume 577 at Page 568 of the Official Public Records of Chambers County, Texas, the Southeast corner of the Hugh Morgan Survey Abstract No. 1294, Harris County, Texas, and the Southeast corner of the residue of 160 acres conveyed to Viola S. Ackerman by Max William Ackerman by deed dated October 18, 1989, and recorded at Clerk's File No. M 378756 of the Official Public Records of Real Property of Harris County, Texas.

THENCE North 77°50'30" East with a North line of this tract of land, a North line of said residue of 2214 acres, the North line of said Nash League Abstract No. 20, the South line of said Morgan Survey Abstract No. 19, and the South line of said 475.96 acres, at a distance of 177.02 feet found a capped iron rod on line, in all a total distance of 5377.02 feet to a 2 inch iron pipe found for an angle corner of this tract of land, an angle corner of said residue of 2214 acres, the Southeast corner of said Morgan Survey, the Southeast corner of said 475.96 acres, the Southwest corner of said Ehrenberg Survey, and the Southwest corner of said 1081.743 acres.

THENCE North 77°50'37" East with a North line of this tract of land, a North line of said residue of 2214 acres, the North line of said Nash League Abstract No. 20, the South line of said Ehrenberg Survey, and the South line of said 1081.743 acres a distance of 6472.55 feet to the **PLACE OF BEGINNING**, containing within said boundaries 1210.0 acres of land, more or less.

TRACT 3
88.077 ACRES

All that certain tract or parcel of land containing 88.077 acres of land, more or less, being a part of and out of the residue of a called 2,214-acre tract conveyed to Albert N. Nelson, Jr., et al by deed dated August 23, 1950 and recorded in Volume 126, Page 225, Deed Records of the Chambers County (C.C.D.R.), situated in the HANNAH NASH SURVEY, Abstract No. 20, Chambers County, Texas; said 88.077 acre tract being the same property conveyed to Gary R. Nelson by deed dated July 10, 2000 and recorded in Volume 00-464, Page 384, Official Public Records of the Chambers County, Texas (O.P.R.C.C.T.).

TRACT 4
8.437 ACRES

Being a tract or parcel of land containing 8.437 acres of land situated in the HANNAH NASH SURVEY, Abstract Number 20, Chambers County, Texas; being all of a called 6.854-acre tract, all of a called 1.262 acre tract, and all of a called 0.3214 acre tract described as "Tracts 1, 2 and 3" conveyed to Missouri Pacific Railroad Company (now known as Union Pacific Railroad Company) as described in deed recorded in Volume 95-279, Page 567 of the Official Public Record of Chambers County, Texas (O.P.R.C.C.T.).

EXHIBIT C

Form Supplement - Added Tax Parcel

FORM SUPPLEMENT – ADDED TAX PARCEL

SUPPLEMENT TO SECTION 212 AGREEMENT

This Supplement to Section 212 Agreement (“*Supplement*”) dated _____, 20__ (the “*Supplement Effective Date*”), is made by and between the City of Baytown, Texas (the “*City*”), a home rule municipal corporation, and [*insert name of Enterprise or Enterprise Affiliate*], a _____ (“*Enterprise*”).

RECITALS

WHEREAS, reference is here made to that certain Section 212 Agreement (the same, as heretofore amended and as heretofore supplemented, is herein called the “Section 212 Agreement”) dated _____, 2019, between Enterprise Products Operating LLC, a Texas limited liability company, and the City of Baytown, Texas, a home rule municipal corporation, a copy of which is filed for record [[INCLUDE IF APPLICABLE]under Clerk’s File No. _____ of the Real Property Records of Harris County, Texas and]under Clerk’s File No. _____ of the Real Property Records of Chambers County, Texas; and

WHEREAS, Enterprise owns the real property described in Schedule 1 attached and has elected, pursuant to Section 4.4 of the Section 212 Agreement, to include such land as an Added Tax Parcel for purposes of the Section 212 Agreement; and

WHEREAS, in furtherance thereof and as provided for in the Section 212 Agreement, the City and Enterprise execute and deliver this instrument as a “Supplement” for purposes of the Section 212 Agreement.

AGREEMENTS

NOW, THEREFOR, for and in consideration of the covenants and agreements contained herein and in the Section 212 Agreement, the City and Enterprise hereby agree as follows:

1. Defined Terms. Words with initial capital letters used but not defined herein shall have the respective meanings ascribed to them in the Agreement.

2. Added Tax Parcel. The land described on Schedule 1 attached hereto is hereby designated to be and constitutes an Added Tax Parcel for purposes of the Section 212 Agreement, effective as of the next occurring January 1 after the Supplement Effective Date.

3. Representations and Warranties. The City hereby makes to Enterprise the representations and warranties set forth in Section 2.1 of the Section 212 Agreement, with the references therein to the “Agreement” being for purposes hereof a reference to this Supplement and references to the “Effective Date” meaning the Supplement Effective Date for purposes of this Supplement. Enterprise hereby makes to the City the representations and warranties set forth in Section 2.2 of the Section 212 Agreement, with the references therein to the “Agreement” being for purposes hereof a reference to this Supplement and references to the “Effective Date” meaning the Supplement Effective Date for purposes of this Supplement.

(See Following Pages for Signatures)

CITY OF BAYTOWN, TEXAS

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §

§

COUNTY OF _____ §

This instrument was acknowledged before on the _____ day of _____,
20__ by _____, _____ of the City of Baytown, a home
rule municipal corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

Printed Name: _____

My Commission Expires: _____

[Insert Signature Block for Enterprise]

THE STATE OF TEXAS §

§

COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____, 20____
by _____, _____ of _____, a
_____, of behalf of said _____.

Notary Public in and for the State of Texas

Printed Name: _____

My Commission Expires: _____

EXHIBIT C-1
Form Supplement – EPO Property
Supplement

EXHIBIT C-1

FORM SUPPLEMENT – EPO PROPERTY SUPPLEMENT

EPO PROPERTY SUPPLEMENT TO SECTION 212 AGREEMENT

This EPO Property Supplement to Section 212 Agreement (“*EPO Property Supplement*”) dated _____, 20__ (the “*Supplement Effective Date*”), is made by and between the City of Baytown, Texas (the “*City*”), a home rule municipal corporation, and [*insert name of Enterprise or Enterprise Affiliate*], a _____ (“*Enterprise*”).

RECITALS

WHEREAS, reference is here made to that certain Section 212 Agreement (the same, as heretofore amended and as heretofore supplemented, is herein called the “Section 212 Agreement”) dated _____, 2019, between Enterprise Products Operating LLC, a Texas limited liability company, and the City of Baytown, Texas, a home rule municipal corporation, a copy of which is filed for record [[INCLUDE IF APPLICABLE]under Clerk’s File No. _____ of the Real Property Records of Harris County, Texas and]under Clerk’s File No. _____ of the Real Property Records of Chambers County, Texas; and

WHEREAS, Enterprise owns the real property described in Schedule 1 attached and has elected, pursuant to Section 4.5 of the Section 212 Agreement, to subject such land to the Agreement; and

WHEREAS, in furtherance thereof and as provided for in the Section 212 Agreement, the City and Enterprise execute and deliver this instrument as an “EPO Property Supplement” for purposes of the Section 212 Agreement.

AGREEMENTS

NOW, THEREFOR, for and in consideration of the covenants and agreements contained herein and in the Section 212 Agreement, the City and Enterprise hereby agree as follows:

1. Defined Terms. Words with initial capital letters used but not defined herein shall have the respective meanings ascribed to them in the Agreement.

2. EPO Property. The land described on Schedule 1 attached hereto is hereby designated to be and constitute EPO Property for purposes of the Section 212 Agreement, effective as of the next occurring January 1 after the Supplement Effective Date.

3. Representations and Warranties. The City hereby makes to Enterprise the representations and warranties set forth in Section 2.1 of the Section 212 Agreement, with the references therein to the “Agreement” being for purposes hereof a reference to this EPO Property Supplement and references to the “Effective Date” meaning the Supplement Effective Date for purposes of this Supplement. Enterprise hereby makes to the City the representations and warranties set forth in Section 2.2 of the Section 212 Agreement, with the references therein to the “Agreement” being for purposes hereof a reference to this Supplement and references to the “Effective Date” meaning the Supplement Effective Date for purposes of this EPO Property Supplement.

(See Following Pages for Signatures)

CITY OF BAYTOWN, TEXAS

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §

§

COUNTY OF _____ §

This instrument was acknowledged before on the _____ day of _____,
20__ by _____, _____ of the City of Baytown, a home
rule municipal corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

Printed Name: _____

My Commission Expires: _____

[Insert Signature Block for Enterprise]

THE STATE OF TEXAS §

§

COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____, 20____
by _____, _____ of _____, a
_____, of behalf of said _____.

Notary Public in and for the State of Texas

Printed Name: _____

My Commission Expires: _____

EXHIBIT D

Industrial District Agreements

1. Industrial District Agreement between the City of Baytown, Texas and Enterprise Products Operating LLC, executed by the City of Baytown on November 20, 2013 and by Enterprise Products Operating LLC on November 18, 2013, a copy of which is attached.
2. Industrial District Agreement between the City of Baytown, Texas and Enterprise Products Operating LLC, executed by the City of Baytown on June 9, 2013 and by Enterprise Products Operating LLC on May 31, 2017, a copy of which is attached.

Industrial District Agreement

This Industrial District Agreement ("Agreement") is made and entered into between the City of Baytown, Texas, a municipal corporation in Harris and Chambers Counties, Texas, hereinafter also referred to as "Baytown" or "City," and Enterprise Products Operating LLC, a Texas limited liability company, hereinafter referred to as "Property Owner." In consideration of the promises and of the mutual covenants and agreements herein contained, it is agreed by and between the City and Property Owner as follows:

I. Parties

This Agreement is made under the authority of Texas Local Government Code Annotated §42.044 (Vernon 1993), article XI, §5 of the Texas Constitution and other applicable law. The parties to the Agreement and their addresses are:

1. The "City"

City of Baytown
Attn: City Manager
P.O. Box 424
Baytown, TX 77522

Copy to:

City of Baytown
Attn: City Attorney
P.O. Box 424
Baytown, TX 77522

2. The "Property Owner"

Enterprise Products Operating LLC
Attn: Ad Valorem Tax
P.O. Box 4018
Houston, TX 77210-4018

Tax Statement Address:

Enterprise Products Operating LLC
Attn: Ad Valorem Tax
P.O. Box 4018
Houston, TX 77210-4018

II. Identification of Property and Industrial District

This Agreement includes provisions concerning certain real estate and tangible personal property owned or leased by the Property Owner. Real estate located outside the corporate limits of the City is sometimes referred to herein as the "affected area," and it is described in Exhibit A, which is attached to this Agreement and made a part hereof. Acting pursuant to the above mentioned authority, the City Council of the City has by ordinance, designated the affected area

as an industrial district, the same to be known as Baytown Industrial District No. 2 (the "Industrial District").

III.

Term

The term of this Agreement is seven tax years, from 2014 through 2020 unless it is sooner terminated under the provisions hereof. This Agreement shall be effective and binding on the parties hereto upon execution hereof on behalf of the parties to this Agreement and shall remain in effect for seven years. This Agreement supersedes any prior existing agreements between the Property Owner and the City relating to the subject matter hereof and governing the affected area; to the extent any such prior existing agreement required payment on or after January 1, 2014, such payment obligations are hereby canceled and are superseded by the provisions contained herein.

IV.

Limited Immunity from Annexation by the City

In consideration of the obligations of the Property Owner herein set forth, the City hereby guarantees for the term of this Agreement the immunity of the affected area from annexation of any type by the City except for such parts of the affected property as may be necessary to annex property owned by third parties within the Industrial District that the City may decide to annex. Additionally, this Agreement shall not affect the continuation of any limited purpose annexation status to which the affected area is now subject.

V.

Industrial District Payment

As part of the consideration for the City's undertakings as set forth above, the Property Owner agrees to pay to the City on or before December 31st of each year during the term hereof a sum of money equal to: the Base Value Industrial District Payment plus the Added Value Industrial District Payment. The sum of the Base Value Industrial District Payment plus the Added Value Industrial District Payment shall be referred to as the Industrial District Payment.

A.

Base Value Industrial District Payment

The Base Value Industrial District Payment shall be calculated as follows:

- (1) the fair market value is agreed to and stipulated by the parties to be TWO HUNDRED MILLION AND NO/100 DOLLARS (\$200,000,000.00) for tax years 2014 and 2015, and THREE HUNDRED MILLION AND NO/100 DOLLARS (\$300,000,000.00) for tax years 2016, 2017, 2018, 2019 and 2020, which fair market value shall be hereinafter referred to as "Base Year Value," multiplied by

- (2) the property tax rate per \$100.00 of assessed valuation adopted by the City Council for the City, multiplied by the applicable Yearly Payment Rate as detailed below.

The applicable Yearly Payment Rate is the sum of the Industrial District Payment Rate plus the Public Community Improvement Rate and shall be determined using the following chart:

TAX YEAR	INDUSTRIAL DISTRICT PAYMENT RATE	PUBLIC COMMUNITY IMPROVEMENT RATE	YEARLY PAYMENT RATE
2014	.61	.01	.62
2015	.62	.01	.63
2016	.62	.01	.63
2017	.63	.01	.64
2018	.63	.01	.64
2019	.63	.01	.64
2020	.64	.01	.65

B.

Added Value Industrial District Payment

The Added Value Industrial District Payment shall be calculated as follows:

- (1) the fair market value as determined by the City, of all of the Property Owner's land and all other tangible property, real, personal or mixed, within the affected area on January 1 of each year in which an Industrial District Payment is due hereunder minus the Base Year Value, hereinafter referred to as the "Added Value," multiplied by
- (2) the property tax rate per \$100.00 of assessed valuation adopted by the City Council for the City for each year of the term of this Agreement, multiplied by the applicable total added value industrial district payment rate detailed below.

The applicable Total Added Value Industrial District Payment Rate shall be determined using the following chart:

TAX YEAR	ADDED VALUE INDUSTRIAL DISTRICT PAYMENT RATE	PUBLIC COMMUNITY IMPROVEMENT RATE	TOTAL ADDED VALUE INDUSTRIAL DISTRICT PAYMENT RATE
2014	0	.01	.01

TAX YEAR	ADDED VALUE INDUSTRIAL DISTRICT PAYMENT RATE	PUBLIC COMMUNITY IMPROVEMENT RATE	TOTAL ADDED VALUE INDUSTRIAL DISTRICT PAYMENT RATE
2015	0	.01	.01
2016	0	.01	.01
2017	0	.01	.01
2018	.21	.01	.22
2019	.42	.01	.43
2020	.64	.01	.65

If the formula used in calculating the Added Value Industrial District Payment produces a negative number, then the Added Value Industrial District Payment shall be \$0.00.

VI.
Valuations

For the purpose of providing a procedure for determining and collecting the amounts payable by the Property Owner hereunder, there are hereby adopted and made a part hereof all provisions of the Constitution and statutes of the State of Texas pertaining to ad valorem taxation as amended throughout the term of this Agreement (including, in particular, the Texas Property Tax Code); except, however, that (i) to the extent that any of such provisions would require the assessment of the Property Owner's property on an equal and uniform basis with property in the general corporate limits of the City, the provisions of this Agreement will control where in conflict with the provisions of such laws and (ii) the income method of appraisal as described in Section 23.012 of the Texas Property Tax Code shall not be limited to only properties for which a rental market exists. Specifically, nothing contained herein shall limit the income method of appraisal specified in Section 23.012 of the Texas Property Tax Code to only properties for which a rental market exists, instead if such method is used, the chief appraiser shall:

1. use income and expense data pertaining to the property, if possible and applicable;
2. make any projections of future income and expenses only from clear and appropriate evidence;
3. use data from generally accepted sources in determining an appropriate capitalization rate;
4. determine a capitalization rate for income-producing property that includes a reasonable return on investment, taking into account the risk associated with the investment.

A.
Valuation of Property Inside the Corporate Limits but Subsequently Disannexed

Land, improvements and tangible property, real or mixed, of the Property Owner, which are disannexed from the corporate limits of the City during the term of this Agreement, shall

become part of the affected area immediately upon disannexation. The value for such land, improvements and tangible property, real or mixed, shall be based upon the 2014 appraised value, as finally determined by the Chambers County Appraisal District or its legal successor (or through administrative or judicial appeal of the Chambers County Appraisal District's determination), and shall be added to the Base Year Value specified in Article V for purposes of payment hereunder on January 1 of the year the same is disannexed.

B.

Valuation of Property Outside the Corporate Limits

The parties hereto recognize that said Chambers County Appraisal District is not required to appraise the land, improvements, and tangible property, real or mixed, in the affected area, which are not within the corporate limits of the City, for the purpose of computing the payments hereunder. Therefore, the parties agree that to determine the fair market value of all of the Property Owner's land, improvements, and tangible property located outside the corporate limits of the City in accordance with the market value computation contemplated in the Texas Property Tax Code for the purpose of calculating the Property Owner's payment in the manner described above, the City may choose to use the appraised value for each year in which an Industrial District Payment is due hereunder, as finally determined by the Chambers County Appraisal District (or through administrative or judicial appeal of the Chambers County Appraisal District's determination), or by appraisal conducted by the City and/or by an independent appraiser of the City's selection, and at the City's expense. Nothing contained herein shall ever be construed as in derogation of the authority of the Chambers County Appraisal District to establish the appraised value of land, improvements, and tangible personal property in the annexed portion for ad valorem tax purposes.

C.

Binding Effect

Determination of the Base Year Value and the Added Value in the above-stated manner outside the corporate limits shall be made by the City and approved by the Industrial Appraisal Review Board. Such final fair market value as approved by the Industrial Appraisal Review Board shall be final and binding unless either party within thirty (30) days after receipt of the Board's determination petitions for a Declaratory Judgment to the Civil District Court of Harris County, Texas, as provided for by Section XIV hereof. In determining the fair market value of property and improvements as used herein, the Industrial District Appraisal Board shall base its determination on the fair market value as defined in Section VI herein, giving due consideration to comparable present day facilities considering and giving effect to sound engineering valuation practices relative to service life, life expectancy, process and functional obsolescence.

D.
Statements

The City shall mail one statement to the Property Owner on or about December 1 of each year showing the total amount due on December 31 of such year pursuant to this Agreement. Such statement shall be mailed to the "Tax Statement Address" noted in this Agreement. Any amounts due on December 31 that are not paid when due shall become delinquent on January 1 of the following year. Provided, however, if the tax statement is mailed after December 10, the delinquency date is postponed to the first day of the next month that will provide a period of at least 21 days after the date of mailing for payment of the amount due. Delinquent amounts shall be immediately subject to the same penalties, interest, attorneys' fees and costs of collection as recoverable by the City in the case of delinquent ad valorem taxes. The City shall have a lien upon the Property Owner's land within the affected area upon any delinquency in the Industrial District Payment.

E.
Valuation Contests

If any differences concerning the appraised values shall not have been finally determined by the due date of the Property Owner's payment hereunder and the Property Owner desires to pursue any additional available remedies, the Property Owner shall, without prejudice to such remedies, pay to the City by December 31 of each year (subject to the exception in the preceding paragraph for statements mailed after December 10), such amount as is provided in the Texas Property Tax Code, as amended throughout the term of this Agreement, for payments made under such conditions by owners of property within the general corporate limits of the City subject to ad valorem taxation. Any refund payable by the City to the Property Owner hereunder shall be paid within 60 days after receipt by the City of both Chambers County Appraisal District's form notification that the appraised value of the property has been reduced and a written refund request by the Property Owner; if not paid timely, the refund amount shall bear interest at eight percent per annum beginning 60 days after the City received both the Property Owner's written refund request and the Chambers County Appraisal District's formal notification that the appraised value of the property has been reduced.

VII.
Compliance with Law

The City and the Property Owner mutually recognize that the health and welfare of Baytown residents require adherence to high standards of quality in the air emissions, water effluents and noise, vibration and toxic levels of those industries located in the Industrial District, and that development within the District may have an impact on the drainage of surrounding areas. To this end, the Property Owner and the City agree that the same standards and criteria relative to noise, vibration and toxic levels and drainage and flood control which are adopted by the City and made applicable to portions of the City adjacent to the Industrial District shall also be applicable to the affected area. The Property Owner agrees that any industrial or other activity carried on within the affected area will be constructed in strict compliance with all applicable valid state and federal air and water pollution control standards. If the Property

Owner's property within the affected area is subject to the Occupational Safety and Health Act, 29 U.S.C. 65, et seq., as amended, then the Property Owner shall undertake to ensure that its facilities and improvements in the affected area comply with the applicable fire safety standards of such act and the resolutions from time to time promulgated hereunder (the "OSHA Standards"), but there shall be no obligation to obtain any permits of any kind from the City in connection with the construction, operation or maintenance of improvements and facilities in the affected area not located within the corporate limits of the City. Nonetheless, for construction which commences after the execution of this Agreement, the Property Owner agrees that any structure built within the affected area shall be built in accordance with the building code adopted by the City in effect at the time of construction.

The City and the Property Owner recognize that activities in the City's industrial districts are subject to regulation by other governmental entities, including the state and federal governments and their various departments and agencies. The City and the Property Owner also recognize that the City may have an interest in activities in the City's industrial districts that are regulated by other governmental entities. Nothing in this Agreement is intended to limit the City's right and authority to communicate its interest in, or opposition to, those activities to the applicable regulatory agencies or to participate, to the extent allowed by law, in any related administrative or judicial proceeding.

VIII.

Inspections

The Chief Appraiser of the Chambers County Appraisal District and the City or its independent appraiser shall have the same right to enter and inspect the Property Owner's premises and the same right to examine the Property Owner's books and records to determine the value of the Property Owner's properties as are provided in the Texas Property Tax Code as amended.

IX.

Public Community Improvement

The Property Owner may apply to the City for reimbursement for a Public Community Improvement Project designed to further the public community improvement goals of the City of Baytown. Such project, the duration of the project, and the location thereof must be approved in writing by the City Manager of the City based upon the public community improvement goals of the City in effect at the time of the application. The Public Community Improvement Project must be completed prior to the expiration of the Agreement year during which it is approved to be eligible for reimbursement, except if it is approved as a multi-year project. The Public Community Improvement Project may be for multiple years; however, in order to be eligible for reimbursement in accordance with this article, it must be completed prior to the expiration or termination of this Agreement. Further, the project may be constructed on the Property Owner's property; provided that the project is visible from and enhances a public way or other public property. Any reimbursement under this article shall be subject to the City Manager's determination that the completed Public Community Improvement Project meets or exceeds those improvement efforts proposed and approved prior to the start of the project.

Reimbursement may not exceed the amount the Property Owner will pay to the City based solely upon the Public Community Improvement Rate established in Article V hereof during the term of this Agreement. It is expressly understood and agreed that in any year during the term of this Agreement, the Property Owner shall not submit a request for reimbursement which exceeds the amount the Property Owner has paid to the City based solely upon the Public Community Improvement Rate established in Article V hereof. If the Property Owner fails to receive the City Manager's approval of a Public Community Improvement Project prior to the expiration of an Agreement year, the Property Owner will have no claim to the monies paid to the City based upon the Public Community Improvement Rate and the City shall use such funds for a project consistent with the City's public community improvement goals.

X.
Default

A.
Default by Property Owner

In the event of default by the Property Owner in the performance of any of the terms of this Agreement, including the obligation to make the payments above provided for, the City shall have the option, if such default is not fully corrected within sixty (60) days from the giving of written notice of such default to the Property Owner to either (i) declare this Agreement terminated or (ii) continue the term of this Agreement and collect the payments required hereunder. Notwithstanding any to the contrary contained herein, should the City determine the Property Owner is in default according to the terms and conditions of Section VII hereof, the City shall notify the Property Owner in writing by U.S. Mail, certified return receipt requested, at the address stated in this Agreement, and if such default is not cured within sixty (60) days from the date of such notice (the "Cure Period") then such failure to cure shall constitute a material breach of this Agreement; provided that, in the case of a default under Section VII for causes beyond the Property Owner's control that cannot with due diligence be cured within such sixty (60) day period or in the event that the failure to cure results from ongoing negotiations with federal or state officials, administrative proceedings or litigation regarding the necessary cure steps, then the cure period shall be extended until such negotiations, administrative proceedings or litigation are concluded.

B.
Default by City

In the event of default by the City, the Property Owner may, if such default is not fully corrected within 60 days from giving written notice of such default to the City, terminate this Agreement. Upon such termination, both the Property Owner and the City shall be relieved of all further obligations hereunder, but the Property Owner shall not be relieved of the obligation to pay any amounts that accrued prior to such termination. In the event of termination, the City shall have the right to repeal the ordinance designating the affected area as an industrial district. Provided, however, if the termination occurs as a result of the City's exercising its option to terminate (as provided in the first sentence of this Section X), the City shall not have the right to annex the affected area into the general corporate limits of the City so as to subject the affected

area to ad valorem taxes for any part of the period covered by the Property Owner's last payment hereunder.

XI.
Notice

Any notice to the Property Owner or the City concerning the matters to which the Agreement relates may be given in writing by registered or certified mail addressed to the Property Owner or the City at the appropriate respective addresses set forth on the cover page of this Agreement. Any such notice in writing may be given in any other manner. If given by registered or certified mail, the notice shall be effective when mailed. With the exception of annual bills for payments due herein, notice given in any other manner shall be effective when received by the Property Owner or the City, as the case may be.

XII.
No Further Expansion of Taxing Jurisdiction

Nothing herein contained shall be construed to change or enlarge the jurisdiction, power or authority of the City over or with respect to the affected area as prescribed by applicable law, except as specifically provided in this Agreement. The Property Owner shall not be obligated by virtue of this Agreement, or the establishment of the industrial district covering the affected area not within the corporate limits of the City, to make any payments to the City in the nature of a tax or assessment based upon the value of the Property Owner's property in the affected area during the term of this Agreement other than the payments specified herein. Specifically, the Property Owner shall not be liable for any City taxes within the affected area, including, without limitation, City ad valorem taxes on taxable property within the affected area.

XIII.
Reimbursement for Services

If the Property Owner requests and receives mutual aid firefighting assistance and is a member of Channel Industries Mutual Aid organization ("CIMA") or similar organization, the Property Owner shall reimburse the City for costs incurred by the City in providing fire protection services to the Property Owner as shall be provided in the charter, bylaws and agreements pursuant to which CIMA or such similar organization is organized and operates. If the Property Owner requests and receives mutual aid firefighting assistance and is not a member of CIMA or a similar organization, then the Property Owner shall be required to reimburse the City for costs actually expended by the City in providing any firefighting assistance to the Property Owner, including chemical and personnel costs.

XIV.
Declaratory Judgment Action

If any disagreement arises between the parties concerning the interpretation of this Agreement, it is agreed that either of the said parties may petition any Civil District Court of Harris County, Texas, for a Declaratory Judgment determining said controversy and the cause

shall be tried as other civil causes. If the controversy affects an Industrial District Payment, the Property Owner shall, pending final determination of said controversy, pay to the City on the due date the same amount which was paid to the City for the last preceding period as to which there was no controversy concerning the amount owed by the Property Owner to the City. The Property Owner agrees to tender any additional amount of potential liability to the registry of the Civil District Court, Harris County, Texas, pending final determination of the controversy beyond any further appeal.

XV.
Assignment

This Agreement shall not bestow any rights upon any third party, but rather, shall bind and benefit the Property Owner and the City only. If the Property Owner conveys all or any part of the property then covered hereby, the Property Owner shall notify the City within 30 days of the conveyance and shall thereafter cease to be obligated with respect to the property so conveyed and the Base Year Value plus the Added Value shall be apportioned between the Property Owner and the grantee based upon the property conveyed, only if the grantee thereof enters into an Industrial District Agreement with the City with respect to such property so conveyed. No right or obligation under this Agreement may be sold, assigned or transferred.

XVI.
Authority

The Property Owner covenants that it has the authority to enter into this Agreement by virtue of being either the legal or equitable owner of a possessory estate (including a leasehold estate) in the land comprising the affected area, which will not terminate before the expiration date of this Agreement. Additionally, the officers executing this Agreement on behalf of the parties hereby represent that such officers have full authority to execute this Agreement and to bind the party he represents.

XVII.
No Municipal Services

It is agreed that during the term of this Agreement, the City is under no obligation to provide any governmental, proprietary or other municipal services to the affected area. Specifically, but without limitation, it is agreed that the City shall not be required to furnish (1) sewer or water service, (2) police protection, (3) fire protection (4) road or street repairs, and (5) garbage pickup service.

XVIII.
Severability

If any provision of this Agreement, or any covenant, obligation or agreement contained herein, including, without limitation, that term hereof, is determined by a court to be invalidated or unenforceable, such provision, covenant, obligation or agreement shall be reformed so as to comply with applicable law. If it is not possible to so reform such provision, covenant,

obligation or agreement, such determination shall not affect any other provision, covenant, obligation or agreement, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. Provided, further that such invalidity or unenforceability shall not affect any valid and enforceable provision thereof, and each such provision, covenant, obligation or agreement shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law. Notwithstanding the above, if the application of this Section XVIII requires reformation or revision of any term that removes or materially diminishes the obligation of the Property Owner to make the payments to the City described herein (except in the event of a reformation that shortens the term of this Agreement), the City shall have the option to declare this Agreement terminated.

XIX.
Complete Agreement

This Agreement contains all the agreements of the parties relating to the subject matter hereof and is the full and final expression of the agreement between the parties.

XX.
Non-waiver

Failure of either party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing thereunder upon default or failure of performance shall not be considered a waiver of the right to insist on and to enforce by an appropriate remedy, strict compliance with any other obligation hereunder to exercise any right or remedy occurring as a result of any future default or failure of performance.

XXI.
Ambiguities

In the event of any ambiguity in any of the terms of this Agreement, it shall not be construed for or against any party hereto on the basis that such party did or did not author the same.

XXII.
Headings

The headings appearing at the first of each numbered section in this Agreement are inserted and included solely for convenience and shall never be considered or given any effect in construing this Agreement or any provision hereof, or in connection with the duties, obligations or liabilities of the respective parties hereto or in ascertaining intent, if any question of intent should arise.

XXIII.
Choice of Law; Venue

This Agreement shall in all respects be interpreted and construed in accordance with and governed by the laws of the State of Texas and the City, regardless of the place of its execution or performance. The place of making and the place of performance for all purposes shall be Baytown, Harris County, Texas.

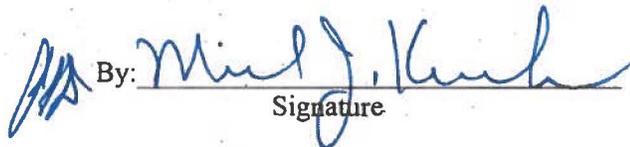
XXIV.
Agreement Read

The parties acknowledge that they have read, understand and intend to be bound by the terms and conditions of this Agreement.

IN WITNESS WHEREOF, this Agreement is executed in multiple counterparts on behalf of the Property Owner this 18th day of November, 2013, and on behalf of the City this 20th day of November, 2013.

**ENTERPRISE PRODUCTS
OPERATING LLC**

**BY: Enterprise Products OLPGP, Inc.,
its Sole Manager**

By: 
Signature

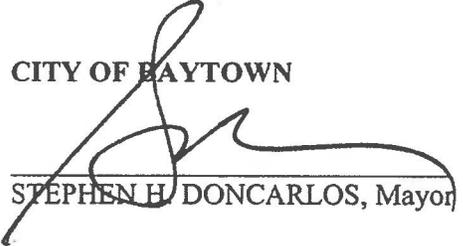
Michael J. Knesek
Printed Name

Senior Vice President, Principal Accounting
Officer Title and Controller

ATTEST:

Oremdi S. Bickel
Assistant Secretary

CITY OF BAYTOWN


STEPHEN H. DONCARLOS, Mayor

ATTEST:


LETICIA BRYSCH, City Clerk

APPROVED AS TO FORM:


IGNACIO RAMIREZ, SR., City Attorney


~~LOUISE RICHMAN, Finance Director~~
CARL CURRIE, Assistant Director of Finance

Exhibit "A"

SURVEY DESCRIPTION:

TRACT B

BEING A TRACT OR PARCEL OF LAND CONTAINING 75.741 ACRES (3,299,293 SQ.FT.) AND SITUATED IN THE HANNAH NASH SURVEY, ABSTRACT NUMBER 20, CHAMBERS COUNTY, TEXAS AND BEING A PART OF ALL OF THOSE PARCELS OF LAND DESCRIBED AS FOLLOWS: A CALLED 431.00 ACRE TRACT OF LAND DESCRIBED IN VOLUME 11-1244 AT PAGE 645, A CALLED FOR 88.077 ACRE TRACT OF LAND DESCRIBED IN VOLUME 11-1244 AT PAGE 658, A CALLED 6.854 ACRE TRACT OF LAND BEING DESCRIBED AS "TRACT 1" DESCRIBED IN VOLUME 1390 AT PAGE 595 ALL IN THE OFFICIAL PUBLIC RECORDS OF CHAMBERS COUNTY, TEXAS (BEARING AND DISTANCES HEREIN ARE ORIENTED TO THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE 4204 AS PER GPS OBSERVATIONS PERFORMED BY NTB ASSOCIATES, INCORPORATED) AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND 1/2" IRON ROD AT THE SOUTHEAST CORNER OF SAID 88.077 ACRE TRACT, SAID POINT ALSO BEING ON THE WEST RIGHT OF WAY OF HATCHERVILLE ROAD (WITH VARYING RW WIDTH) RECORDED IN VOLUME 95-276 AT PAGE 344 FROM WHICH A FOUND 5/8" IRON ROD LYING ON THE PREVIOUS WEST RIGHT OF WAY OF HATCHERVILLE ROAD BEARS N77°02'18"E 19.73' AND RUNNING THENCE N14°21'43"W, ALONG SAID WEST RIGHT OF WAY AND EAST LINE OF SAID 88.077 ACRE TRACT, 126.37' TO A SET 5/8" REBAR WITH CAP STAMPED PLS #5816 AND THE POINT OF BEGINNING; THENCE LEAVING SAID WEST RIGHT OF WAY AND SAID EAST LINE S77°54'53"W 1283.23' TO A SET 5/8" REBAR WITH CAP STAMPED PLS #5816; THENCE S66°35'22"W 53.99' TO A SET 5/8" REBAR WITH CAP STAMPED PLS #5816; THENCE N39°42'01"W 153.49' TO A SET 5/8" REBAR WITH CAP STAMPED PLS #5816; THENCE N49°00'27"W 557.25' TO A SET 5/8" REBAR WITH CAP STAMPED PLS #5816; THENCE N67°48'47"W 319.71' TO A SET 5/8" REBAR WITH CAP STAMPED PLS #5816; THENCE N14°13'21"E 252.74' TO A SET 5/8" REBAR WITH CAP STAMPED PLS #5816; THENCE N14°44'21"E 1196.85' TO A SET 5/8" REBAR WITH CAP STAMPED PLS #5816; THENCE N78°21'06"E 1276.94' TO A SET 5/8" REBAR WITH CAP STAMPED PLS #5816 ON THE SAID WEST RIGHT OF WAY OF HATCHERVILLE ROAD AND THE EAST LINE OF SAID 88.077 ACRE TRACT; THENCE S13°29'05"E, ALONG SAID RIGHT OF WAY AND THE EAST LINE OF SAID 88.077 ACRE TRACT, 240.70' TO A SET 5/8" REBAR WITH CAP STAMPED PLS #5816; THENCE S14°21'43"E, ALONG SAID WEST RIGHT OF WAY AND SAID EAST LINE, 1796.61' TO THE POINT OF BEGINNING CONTAINING 75.741 ACRES, MORE OR LESS.

TOGETHER WITH AND SUBJECT TO ANY AND ALL EASEMENTS, RIGHT OF WAYS, AND OTHER RESTRICTIONS OR ENCUMBRANCES OF RECORD.

Industrial District Agreement

This Industrial District Agreement ("Agreement") is made and entered into between the City of Baytown, Texas, a municipal corporation in Harris and Chambers Counties, Texas, hereinafter also referred to as "Baytown" or "City," and Enterprise Products Operating LLC, a Texas limited liability company hereinafter referred to as "Property Owner." In consideration of the promises and of the mutual covenants and agreements herein contained, it is agreed by and between the City and Property Owner as follows:

I. Parties

This Agreement is made under the authority of Texas Local Government Code Annotated §42.044 (Vernon 1993), article XI, §5 of the Texas Constitution and other applicable law. The parties to the Agreement and their addresses are:

1. The "City"

City of Baytown
Attn: City Manager
P.O. Box 424
Baytown, TX 77522

Copy to:

City of Baytown
Attn: City Attorney
P.O. Box 424
Baytown, TX 77522

2. The "Property Owner"

Enterprise Products Operating LLC
1100 Louisiana Street, 10th Floor
Houston, TX 77002

Tax Statement Address:

Enterprise Products Operating LLC
c/o Enterprise Products Company
Attn: Property Tax Department
P.O. Box 4018
Houston, TX 77210-4018

II. Identification of Property and Industrial District

This Agreement includes provisions concerning certain real estate and tangible personal property owned or leased by the Property Owner. Real estate located outside the corporate limits of the City is sometimes referred to herein as the "affected area," and it is described in Exhibit A,

which is attached to this Agreement and made a part hereof. Acting pursuant to the above mentioned authority, the City Council of the City has by ordinance, designated the affected area as an industrial district, the same to be known as Baytown Industrial District No. 2 (the "Industrial District").

III.
Term

The term of this Agreement commences on the date of Mayor's execution of this Agreement for tax years 2018 through 2024, and will expire thereafter, unless it is sooner terminated under the provisions hereof. This Agreement shall be effective and binding on the parties hereto upon execution hereof on behalf of the parties to this Agreement and shall remain in effect for the above-stated period. This Agreement supersedes any prior existing agreements between the Property Owner and the City relating to the subject matter specific to the term hereof.

IV.
Limited Immunity from Annexation by the City

In consideration of the obligations of the Property Owner herein set forth, the City hereby guarantees for the term of this Agreement the immunity of the affected area from annexation of any type by the City except for such parts of the affected property as may be necessary to annex property owned by third parties within the Industrial District that the City may decide to annex. Additionally, this Agreement shall not affect the continuation of any limited purpose annexation status to which the affected area is now subject.

V.
Industrial District Payment

As part of the consideration for the City's undertakings as set forth above, the Property Owner agrees to pay to the City on or before December 31st of each year during the term hereof a sum of money equal to: the Base Value Industrial District Payment plus the Added Value Industrial District Payment. The sum of the Base Value Industrial District Payment plus the Added Value Industrial District Payment shall be referred to as the Industrial District Payment.

A.
Base Value Industrial District Payment

The Base Value Industrial District Payment shall be calculated as follows:

- (1) the fair market value as agreed to and stipulated by the parties to be as follows for each year indicated:

Year	Base Value
2018	\$300,000,000
2019	\$700,000,000

Year	Base Value
2020	\$750,000,000
2021	\$800,000,000
2022	\$800,000,000
2023	\$800,000,000
2024	\$800,000,000

hereinafter referred to as the "Base Value," multiplied by

- (2) the property tax rate per \$100.00 of assessed valuation adopted by the City Council for the City, multiplied by the applicable Yearly Payment Rate as detailed below:

TAX YEAR	YEARLY PAYMENT RATE
2018	.66
2019	.66
2020	.66
2021	.66
2022	.66
2023	.66
2024	.66

plus

B.

Added Value Industrial District Payment

The Added Value Industrial District Payment shall be calculated as follows:

- (1) the fair market value as determined by the City, of all of the Property Owner's land and all other tangible property, real, personal or mixed, within the affected area on January 1 of each year in which an Industrial District Payment is due hereunder minus the Base Year Value, hereinafter referred to as the "Added Value," multiplied by
- (2) the property tax rate per \$100.00 of assessed valuation adopted by the City Council for the City for each year of the term of this Agreement, multiplied by the applicable added value industrial district payment rate detailed below.

The applicable Added Value Industrial District Payment Rate shall be determined using the following chart:

TAX YEAR	ADDED VALUE INDUSTRIAL DISTRICT PAYMENT RATE
2018	.00
2019	.00
2020	.25
2021	.35
2022	.45
2023	.55
2024	.66

If the formula used in calculating the Added Value Industrial District Payment produces a negative number, then the Added Value Industrial District Payment shall be \$0.00.

VI.
Valuations and Collections

A.
Generally

The parties hereto recognize that said Chambers County Appraisal District is not required to appraise for the City the land, improvements, and tangible property, real or mixed, in the affected area, which is not within the corporate limits of the City, for the purpose of computing the payments hereunder. For the purpose of providing a procedure for determining and collecting the amounts payable by the Property Owner hereunder, there are hereby adopted and made a part hereof all provisions of the Constitution and statutes of the State of Texas pertaining to ad valorem taxation as amended throughout the term of this Agreement (including, in particular, the Texas Property Tax Code), except, however, that (i) to the extent that any of such provisions would require the assessment of the Property Owner's property on an equal and uniform basis with property in the general corporate limits of the City, the provisions of this Agreement will control where in conflict with the provisions of such laws and (ii) the income method of appraisal as described in Section 23.012 of the Texas Property Tax Code shall not be limited to only properties for which a rental market exists. Specifically, nothing contained herein shall limit the income method of appraisal specified in Section 23.012 of the Texas Property Tax Code to only properties for which a rental market exists, instead if such method is used, the chief appraiser shall:

1. use income and expense data pertaining to the property, if possible and applicable;
2. make any projections of future income and expenses only from clear and appropriate evidence;
3. use data from generally accepted sources in determining an appropriate capitalization rate; and
4. determine a capitalization rate for income-producing property that includes a reasonable return on investment, taking into account the risk associated with the investment.

The parties agree that the fair market value of the Property Owner's land, improvements, and tangible property subject to Subsections B and C of this section shall be determined in accordance with the market value computation contemplated in the Texas Property Tax Code for the purpose of calculating the Property Owner's payment under this Agreement on properties annexed or disannexed subsequent to the commencement of this Agreement. The City may choose to use the appraised value as finally determined by the Chambers County Appraisal District (or through administrative or judicial appeal of the Chambers County Appraisal District's determination), or by appraisal conducted by an independent appraiser of the City's selection at the City's expense. The determination of fair market values by the City shall be final and binding unless the Property Owner within thirty (30) days after receipt of the City's determination petitions for a Declaratory Judgment to the Civil District Court of Harris County, Texas, as provided for by Section XIII hereof. Nothing contained herein shall ever be construed as in derogation of the authority of the Chambers County Appraisal District to establish the appraised value of land, improvements, and tangible personal property in the annexed portion for ad valorem tax purposes.

B.

Adjustment of Base Value for Property Inside the Corporate Limits but Subsequently Disannexed

Land, improvements and tangible property, real or mixed, of the Property Owner, which is disannexed from the corporate limits of the City during the term of this Agreement, shall become part of the affected area immediately upon disannexation. The value for such disannexed land, improvements and tangible property, real or mixed shall be determined as described in Subsection A of this Section based upon the year in which the property is disannexed and shall be added to the Base Value specified in Article V each year after the disannexation for purposes of payment hereunder.

C.

Adjustment of Base Value for Property Outside the Corporate Limits but Subsequently Annexed

Land, improvements and tangible property, real or mixed, of the Property Owner, which is annexed into the corporate limits of the City during the term of this Agreement, shall be removed from the affected area the year after the annexation. The value for such annexed land, improvements and tangible property, real or mixed shall be determined as described in Subsection A of this Section based upon the year in which the property is annexed and shall be subtracted from the Base Value specified in Article V each year after the annexation for purposes of payment hereunder.

D.

Statements

The City shall mail one statement to the Property Owner on or about December 1 of each year showing the total amount due on December 31 of such year pursuant to this

Agreement. Such statement shall be mailed to the "Tax Statement Address" noted in this Agreement. Any amounts due on December 31 that are not paid when due shall become delinquent on January 1 of the following year. Provided, however, if the tax statement is mailed after December 10, the delinquency date is postponed to the first day of the next month that will provide a period of at least 21 days after the date of mailing for payment of the amount due. Delinquent amounts shall be immediately subject to the same penalties, interest, attorneys' fees and costs of collection as recoverable by the City in the case of delinquent ad valorem taxes. The City shall have a lien upon the Property Owner's land within the affected area upon any delinquency in the Industrial District Payment.

E.
Valuation Contests

If any differences concerning the appraised values shall not have been finally determined by the due date of the Property Owner's payment hereunder and the Property Owner is pursuing through a declaratory judgment action as specified in Subsection A, the Property Owner shall, without prejudice to such action, pay to the City by December 31 of each year (subject to the exception in the preceding paragraph for statements mailed after December 10), such amount as is provided in the Texas Property Tax Code, as amended throughout the term of this Agreement, for payments made under such conditions by owners of property within the general corporate limits of the City subject to ad valorem taxation. Any refund payable by the City to the Property Owner hereunder shall be paid within 60 days after receipt by the City of both Chambers County Appraisal District's form notification that the appraised value of the property has been reduced and a written refund request by the Property Owner; if not paid timely, the refund amount shall bear interest at the rate specified in Section 2251.025 of the Texas Government Code beginning 60 days after the City received both the Property Owner's written refund request and the Chambers County Appraisal District's formal notification that the appraised value of the property has been reduced.

VII.
Compliance with Law

The City and the Property Owner mutually recognize that the health and welfare of Baytown residents require adherence to high standards of quality in the air emissions, water effluents and noise, vibration and toxic levels of those industries located in the Industrial District, and that development within the District may have an impact on the drainage of surrounding areas. To this end, the Property Owner and the City agree that the same standards and criteria relative to noise, vibration and toxic levels and drainage and flood control which are adopted by the City and made applicable to portions of the City adjacent to the Industrial District shall also be applicable to the affected area. The Property Owner agrees that any industrial or other activity carried on within the affected area will be constructed in strict compliance with all applicable valid state and federal air and water pollution control standards. If the Property Owner's property within the affected area is subject to the Occupational Safety and Health Act, 29 U.S.C. 65, et seq., as amended, then the Property Owner shall undertake to ensure that its facilities and improvements in the affected area comply with the applicable fire safety standards of such act and the resolutions from time to time promulgated hereunder (the "OSHA

Standards”), but there shall be no obligation to obtain any permits of any kind from the City in connection with the construction, operation or maintenance of improvements and facilities in the affected area not located within the corporate limits of the City. Nonetheless, the Property Owner agrees that any structure built within the affected area shall be built in accordance with the building code adopted by the City in effect at the time of construction.

The City and the Property Owner recognize that activities in the City’s industrial districts are subject to regulation by other governmental entities, including the state and federal governments and their various departments and agencies. The City and the Property Owner also recognize that the City may have an interest in activities in the City’s industrial districts that are regulated by other governmental entities. Nothing in this Agreement is intended to limit the City’s right and authority to communicate its interest in, or opposition to, those activities to the applicable regulatory agencies or to participate, to the extent allowed by law, in any related administrative or judicial proceeding.

VIII.
Inspections

The Chief Appraiser of the Chambers County Appraisal District and the City or its independent appraiser shall have the same right to enter and inspect the Property Owner’s premises and the same right to examine the Property Owner’s books and records to determine the value of the Property Owner’s properties as are provided in the Texas Property Tax Code as amended.

IX.
Default

A.
Default by Property Owner

In the event of default by the Property Owner in the performance of any of the terms of this Agreement, including the obligation to make the payments above provided for, the City shall have the option, if such default is not fully corrected within sixty (60) days from the giving of written notice of such default to the Property Owner to either (i) declare this Agreement terminated or (ii) continue the term of this Agreement and collect the payments required hereunder. Notwithstanding any to the contrary contained herein, should the City determine the Property Owner is in default according to the terms and conditions of Section VII hereof, the City shall notify the Property Owner in writing by U.S. Mail, certified return receipt requested, at the address stated in this Agreement, and if such default is not cured within sixty (60) days from the date of such notice (the “Cure Period”) then such failure to cure shall constitute a material breach of this Agreement; provided that, in the case of a default under Section VII for causes beyond the Property Owner’s control that cannot with due diligence be cured within such sixty (60) day period or in the event that the failure to cure results from ongoing negotiations with federal or state officials, administrative proceedings or litigation regarding the necessary cure

steps, then the cure period shall be extended until such negotiations, administrative proceedings or litigation are concluded.

B.
Default by City

In the event of default by the City, the Property Owner may, if such default is not fully corrected within 60 days from giving written notice of such default to the City, terminate this Agreement. Upon such termination, both the Property Owner and the City shall be relieved of all further obligations hereunder, but the Property Owner shall not be relieved of the obligation to pay any amounts that accrued prior to such termination. In the event of termination, the City shall have the right to repeal the ordinance designating the affected area as an industrial district. Provided, however, if the termination occurs as a result of the City's exercising its option to terminate (as provided in the first sentence of this Section IX), the City shall not have the right to annex the affected area into the general corporate limits of the City so as to subject the affected area to ad valorem taxes for any part of the period covered by the Property Owner's last payment hereunder.

X.
Notice

Any notice to the Property Owner or the City concerning the matters to which the Agreement relates may be given in writing by registered or certified mail addressed to the Property Owner or the City at the appropriate respective addresses set forth on the cover page of this Agreement. Any such notice in writing may be given in any other manner. If given by registered or certified mail, the notice shall be effective when mailed. With the exception of annual bills for payments due herein, notice given in any other manner shall be effective when received by the Property Owner or the City, as the case may be.

XI.
No Further Expansion of Taxing Jurisdiction

Nothing herein contained shall be construed to change or enlarge the jurisdiction, power or authority of the City over or with respect to the affected area as prescribed by applicable law, except as specifically provided in this Agreement. The Property Owner shall not be obligated by virtue of this Agreement, or the establishment of the industrial district covering the affected area not within the corporate limits of the City, to make any payments to the City in the nature of a tax or assessment based upon the value of the Property Owner's property in the affected area during the term of this Agreement other than the payments specified herein. Specifically, the Property Owner shall not be liable for any City taxes within the affected area, including, without limitation, City ad valorem taxes on taxable property within the affected area.

XII.

Reimbursement for Services

If the Property Owner requests and receives mutual aid firefighting assistance and is a member of Channel Industries Mutual Aid organization ("CIMA") or similar organization, the Property Owner shall reimburse the City for costs incurred by the City in providing fire protection services to the Property Owner as shall be provided in the charter, bylaws and agreements pursuant to which CIMA or such similar organization is organized and operates. If the Property Owner requests and receives mutual aid firefighting assistance and is not a member of CIMA or a similar organization, then the Property Owner shall be required to reimburse the City for costs actually expended by the City in providing any firefighting assistance to the Property Owner, including chemical and personnel costs.

XIII.

Declaratory Judgment Action

If any disagreement arises between the parties concerning the interpretation of this Agreement, it is agreed that either of the said parties may petition any Civil District Court of Harris County, Texas, for a Declaratory Judgment determining said controversy and the cause shall be tried as other civil causes. If the controversy affects an Industrial District Payment, the Property Owner shall, pending final determination of said controversy, pay to the City on the due date the same amount which was paid to the City for the last preceding period as to which there was no controversy concerning the amount owed by the Property Owner to the City. The Property Owner agrees to tender any additional amount of potential liability to the registry of the Civil District Court, Harris County, Texas, pending final determination of the controversy beyond any further appeal.

XIV.

Assignment

This Agreement shall not bestow any rights upon any third party, but rather, shall bind and benefit the Property Owner and the City only. If the Property Owner conveys all or any part of the property then covered hereby, the Property Owner shall notify the City within 30 days of the conveyance and shall thereafter cease to be obligated with respect to the property so conveyed and the Base Year Value plus the Added Value shall be apportioned between the Property Owner and the grantee based upon the property conveyed, only if the grantee thereof enters into an Industrial District Agreement with the City with respect to such property so conveyed. No right or obligation under this Agreement may be sold, assigned or transferred.

XV.

Authority

The Property Owner covenants that it has the authority to enter into this Agreement by virtue of being either the legal or equitable owner of a possessory estate (including a leasehold estate) in the land comprising the affected area, which will not terminate before the expiration

date of this Agreement. Additionally, the officers executing this Agreement on behalf of the parties hereby represent that such officers have full authority to execute this Agreement and to bind the party he represents.

XVI.
No Municipal Services

It is agreed that during the term of this Agreement, the City is under no obligation to provide any governmental, proprietary or other municipal services to the affected area. Specifically, but without limitation, it is agreed that the City shall not be required to furnish (1) sewer or water service, (2) police protection, (3) fire protection (4) road or street repairs, and (5) garbage pickup service.

XVII.
Severability

If any provision of this Agreement, or any covenant, obligation or agreement contained herein, including, without limitation, that term hereof, is determined by a court to be invalidated or unenforceable, such provision, covenant, obligation or agreement shall be reformed so as to comply with applicable law. If it is not possible to so reform such provision, covenant, obligation or agreement, such determination shall not affect any other provision, covenant, obligation or agreement, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. Provided, further that such invalidity or unenforceability shall not affect any valid and enforceable provision thereof, and each such provision, covenant, obligation or agreement shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law. Notwithstanding the above, if the application of this Section XVII requires reformation or revision of any term that removes or materially diminishes the obligation of the Property Owner to make the payments to the City described herein (except in the event of a reformation that shortens the term of this Agreement), the City shall have the option to declare this Agreement terminated.

XVIII.
Complete Agreement

This Agreement contains all the agreements of the parties relating to the subject matter hereof and is the full and final expression of the agreement between the parties.

XIX.
Non-waiver

Failure of either party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing thereunder upon default or failure of performance shall not be considered a waiver of the right to insist on and to enforce by an appropriate remedy, strict compliance with any other obligation hereunder to exercise any right or remedy occurring as a result of any future default or failure of performance.

XX.
Ambiguities

In the event of any ambiguity in any of the terms of this Agreement, it shall not be construed for or against any party hereto on the basis that such party did or did not author the same.

XXI.
Headings

The headings appearing at the first of each numbered section in this Agreement are inserted and included solely for convenience and shall never be considered or given any effect in construing this Agreement or any provision hereof, or in connection with the duties, obligations or liabilities of the respective parties hereto or in ascertaining intent, if any question of intent should arise.

XXII.
Choice of Law: Venue

This Agreement shall in all respects be interpreted and construed in accordance with and governed by the laws of the State of Texas and the City, regardless of the place of its execution or performance. The place of making and the place of performance for all purposes shall be Baytown, Harris County, Texas.

XXIII.
Agreement Read

The parties acknowledge that they have read, understand and intend to be bound by the terms and conditions of this Agreement.

IN WITNESS WHEREOF, this Agreement is executed in multiple counterparts on behalf of the Property Owner this 31st day of May, 2017, and on behalf of the City this 9th day of June, 2017.

ENTERPRISE PRODUCTS
OPERATING LLC

By: Enterprise Products OLPGP, Inc., Sdk Manager

By: Penny Houy
Penny Houy
Printed Name

Vice President, Tax
Title

STATE OF Texas
COUNTY OF Harris

§
§
§
Before me, Kala Hammons, the undersigned notary public on this day personally appeared Penny Hovey, the Vice President of Enterprise Products Operating LLC, the owner of the affected property, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes, in the capacity, and for the consideration therein expressed.

SUBSCRIBED AND SWORN before me this 31st day of May, 2017

Enterprise Products OLP&P Inc.
the sole Manager of

Kala Hammons
Notary Public in and for the State of Texas
KALA HAMMONS
Notary ID # 1882635
My Commission Expires
August 7, 2020

CITY OF BAYTOWN

[Signature]
STEPHEN H. DONCARLOS, Mayor

ATTEST:

[Signature]
LETICIA BRYSCH, City Clerk

APPROVED AS TO FORM:

[Signature]
IGNACIO RAMIREZ, SR., City Attorney

[Signature]
WADE L. NICKERSON, Finance Director

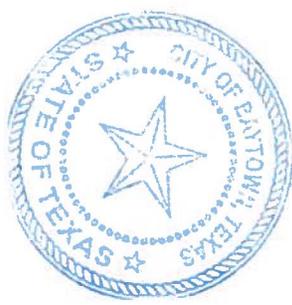


EXHIBIT A
METES & BOUNDS FOR INDUSTRIAL DISTRICT AGREEMENT

**LEGAL DESCRIPTION
LEGAL DESCRIPTION
TRACT A-2
HANNAH NASH SURVEY, A-20
CHAMBERS COUNTY, TEXAS**

A TRACT OR PARCEL OF LAND DESIGNATED AS TRACT A-2 BEING A PORTION OF THE HANNAH NASH SURVEY, ABSTRACT NUMBER 20, CHAMBERS COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT A FOUND 5/8" IRON ROD IN CONCRETE LYING ON THE PREVIOUS WEST RIGHT OF WAY LINE OF HATCHERVILLE ROAD. THENCE S77°02'18"W 19.73' TO A FOUND 1/2" IRON ROD BEING ON THE WEST RIGHT OF WAY LINE OF HATCHERVILLE ROAD (WITH VARYING R/W WIDTH) RECORDED IN VOLUME 276 AT PAGE 344, AND BEING THE POINT OF BEGINNING OF TRACT A (PARENT TRACT). THENCE N14°21'43"W 126.37' TO A FOUND 5/8" REBAR WITH CAP STAMPED RPLS #5816; THENCE S77°54'53"W 1283.23' TO A FOUND 5/8" REBAR WITH CAP STAMPED RPLS #5816; THENCE S66°35'22"W 53.99' TO A FOUND 5/8" REBAR WITH CAP STAMPED RPLS #5816; THENCE N39°42'01"W 153.49' TO A FOUND 5/8" REBAR WITH CAP STAMPED RPLS #5816; THENCE N49°00'27"W 406.21' TO THE POINT OF BEGINNING OF THE LANDS DESCRIBED HEREIN; BEGINNING AT A SET 5/8" IRON ROD WITH CAP STAMPED M.KING RPLS #6651; THENCE S78°15'02"W 1181.22' TO A SET 5/8" IRON ROD WITH CAP STAMPED M.KING RPLS #6651; THENCE N11°44'58"W 2250.00' TO A SET 5/8" IRON ROD WITH CAP STAMPED M.KING RPLS #6651; THENCE N78°15'02"E 1794.38' TO A SET 5/8" IRON ROD WITH CAP STAMPED M.KING RPLS #6651; THENCE S14°44'21"W 729.45' TO A FOUND 5/8" REBAR WITH CAP STAMPED RPLS #5816; THENCE S14°44'21"W 1196.85' TO A FOUND 5/8" REBAR WITH CAP STAMPED RPLS #5816; THENCE S14°13'21"W 252.74' TO A FOUND 5/8" REBAR WITH CAP STAMPED RPLS #5816; THENCE S67°48'47"E 319.71' TO A FOUND 5/8" REBAR WITH CAP STAMPED RPLS #5816; THENCE S49°00'27"E 151.04' TO THE POINT OF BEGINNING, CONTAINING 65.66 ACRES (2,860,285 SQ. FT.), MORE OR LESS. AS SHOWN ON BOUNDARY PLAT ENTITLED, "MAP SHOWING SUBDIVISION OF: TRACT A INTO TRACT A-1 AND TRACT A-2, HANNAH NASH SURVEY, ABSTRACT NO. 20, CHAMBERS COUNTY, TEXAS" BY MICHAEL J. KING, RPLS #6651, DATED MARCH 30, 2017.

TOGETHER WITH AND SUBJECT TO ANY AND ALL EASEMENTS, RIGHT OF WAYS, AND OTHER RESTRICTIONS OR ENCUMBRANCES OF RECORD.

BEARINGS AND DISTANCES HEREIN ARE ORIENTED TO THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE 4204 AS PER GPS OBSERVATIONS PERFORMED BY NTB ASSOCIATES, INC.

**Michael J. King, R.P.L.S.
NTB ASSOCIATES, INC.**

8643 Main St.

Zachary, LA 70791

Phone: 225-751-4002

Cell: 225-454-8925

Fax: 225-751-4006

Texas Firm Registration No. 10193873

**LEGAL DESCRIPTION
ACCESS EASEMENT FOR TRACT A-2
HANNAH NASH SURVEY, A-20
CHAMBERS COUNTY, TEXAS**

A 30' WIDE ACCESS EASEMENT BEING A PORTION OF THE HANNAH NASH SURVEY, ABSTRACT NUMBER 20, CHAMBERS COUNTY, TEXAS AND BEING 15 FEET EACH SIDE OF THE DESCRIBED CENTERLINE: COMMENCING AT A SET 5/8" IRON ROD WITH CAP STAMPED M.KING RPLS #6651, ALSO BEING THE POINT OF BEGINNING OF TRACT A-2; THENCE S78°15'02"W 696.87' ALONG THE SOUTH LINE OF TRACT A-2 TO THE POINT OF BEGINNING OF THE CENTERLINE OF SAID 30' ACCESS EASEMENT; BEGINNING AT A POINT ON THE SOUTH LINE OF TRACT A-2; THENCE CONTINUE ALONG THE FOLLOWING BEARINGS AND DISTANCES ALONG SAID CENTERLINE, S16°42'45"W 132.04', N77°30'26"E 340.57', N71°14'25"E 126.63', N65°00'47"E 123.76', N66°04'48"E 98.46', N74°23'11"E 87.53', N78°28'41"E 1053.22', S89°10'53"E 157.75', N83°30'32"E 52.26', N73°21'14"E 74.50', N67°22'26"E 209.46', N74°48'56"E 85.91' TO THE WEST RIGHT OF WAY OF HATCHERVILLE ROAD (WITH VARYING R/W WIDTH) RECORDED IN VOLUME 276 PAGE 344 AND BEING THE POINT OF TERMIUS OF SAID ACCESS EASEMENT, CONTAINING 1.751 ACRES (76,263 SQ. FT.), MORE OR LESS. AS SHOWN ON BOUNDARY PLAT ENTITLED, "MAP SHOWING SUBDIVISION OF: TRACT A INTO TRACT A-1 AND TRACT A-2, HANNAH NASH SURVEY, ABSTRACT NO. 20, CHAMBERS COUNTY, TEXAS" BY MICHAEL J. KING, RPLS #6651, DATED MARCH 30, 2017. SAID 30' ACCESS EASEMENT IS INTENDED TO FOLLOW THE CENTERLINE OF EXISTING GRAVEL ROAD LOCATED AND SHOWN ON SAID BOUNDARY PLAT. BEARINGS AND DISTANCES HEREIN ARE ORIENTED TO THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE 4204 AS PER GPS OBSERVATIONS PERFORMED BY NTB ASSOCIATES, INC.

**Michael J. King, R.P.L.S.
NTB ASSOCIATES, INC.**

8643 Main St.

Zachary, LA 70791

Phone: 225-751-4002

Cell: 225-454-8925

Fax: 225-751-4006

Texas Firm Registration No. 10193873

EXHIBIT E

Examples of Annual Contractual Payment Calculation

Calculation of Payment for Years 2020 through 2028

Base Value (BV) - Aggregate of Assessed Value of Existing Tax Parcels in Exhibit A

<u>CAD Account #</u>	<u>Description</u>	<u>Assessed Value</u>
00020-00100-00100-070230	Real Estate	1,000,000
036-2-002766-000575	PDH	1,424,664,605
036-2-002766-000615	Frac 9	345,721,573
036-2-002766-000650	iBDH	1,000,306,495
Base Value (BV)		2,771,692,673

Adjusted Added Value (AAV): (Aggregate Added Value) x (Applicable Added Value Percentage)

<u>Aggregate Added Value</u>		
<u>CAD Account #</u>	<u>Description</u>	<u>Assessed Value</u>
TBD	Real Estate - ISOM/DIB	500,000
TBD	ISOM/DIB	351,276,700
TBD	Real Estate - Frac 10	500,000
TBD	Frac10	475,551,090
TBD	Real Estate - Frac 11	500,000
TBD	Frac 11	470,540,027
TBD	Real Estate - PDH2	1,000,000
TBD	PDH2	689,000,000
Aggregate Added Value		1,988,867,817
Applicable Added Value Percentage		40%
Adjusted Added Value (AAV)		795,547,127

Adjustment Amount (AA)	1,360,000,000
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Effective Tax Rate (ETR): Ad Valorem Tax Rate multiplied by 66%

City of Baytown Ad Valorem Tax Rate	\$0.00812030
Multplier	66%
Effective Tax Rate (ETR)	0.5359398%

Annual Contractual Payment (ACP):

	BV	2,771,692,673
[(BV plus AAV) minus AA] x ETR	AAV +	795,547,127
		3,567,239,800
	AA -	1,360,000,000
		2,207,239,800
	ETR x	0.5359398%
Annual Contractual Payment (ACP)		\$11,829,476.57

Calculation of Payment for Years 2029 through Term

Base Value (BV) - Aggregate of Assessed Value of Existing Tax Parcels in Exhibit A			
<u>CAD Account #</u>	<u>Description</u>		<u>Assessed Value</u>
00020-00100-00100-070230	Real Estate		1,000,000
036-2-002766-000575	PDH	+	1,319,804,385
036-2-002766-000615	Frac 9	+	320,293,124
036-2-002766-000650	IBDH	+	898,727,904
Base Value (BV)			2,539,825,413

Adjusted Added Value (AAV): (Aggregate Added Value) x (Applicable Added Value Percentage)			
Aggregate Added Value			
<u>CAD Account #</u>	<u>Description</u>		<u>Assessed Value</u>
TBD	Real Estate - ISOM/DIB		500,000
TBD	ISOM/DIB		315,011,033
TBD	Real Estate - Frac 10		500,000
TBD	Frac10		426,473,620
TBD	Real Estate - Frac 11		500,000
TBD	Frac 11		421,979,161
TBD	Real Estate - PDH2		1,000,000
TBD	PDH2		1,499,800,967
Aggregate Added Value			2,665,764,781
Applicable Added Value Percentage		x	35%
Adjusted Added Value (AAV)			933,017,673

Effective Tax Rate (ETR): Ad Valorem Tax Rate multiplied by 66%			
City of Baytown Ad Valorem Tax Rate			\$0.00812030
Multiplier		x	66%
Effective Tax Rate (ETR)			0.5359398%

Annual Contractual Payment (ACP):			
			BV 2,539,825,413
(BV plus AAV) x ETR		+	AAV 933,017,673
			3,472,843,086
		ETR x	0.5359398%
Annual Contractual Payment (ACP)			\$18,612,348.29