

STATE OF TEXAS

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**TAX ABATEMENT AGREEMENT**

COUNTY OF WILLIAMSON

This Tax Abatement Agreement (the “Agreement”) is entered into by and among Williamson County, Texas (the “County”), Titan Gateway35, LLC, a Texas limited liability company (“Owner”) and CelLink, a California corporation (the “Lessee”) (each a “Party” and collectively the “Parties”), acting by and through their authorized representatives.

**W I T N E S S E T H:**

**WHEREAS**, Lessee was founded in 2011 and manufactures flexible circuits for electrical vehicles and battery storage units; and

**WHEREAS**, Owner owns land in Titan Gateway 35 Business Park in Georgetown, Texas, being further described in Exhibit “A” (“Land”), and intends to construct, or cause to be constructed a building on the Land containing approximately 300,000 square feet of industrial space identified as “Building 1” on the City approved site plan (hereinafter defined as the “Improvements”) to be leased to Lessee following construction thereof; and

**WHEREAS**, Lessee and Owner have entered a lease for the Improvements for a period of not less than seven (7) years (the Lease”) for which the Lessee has agreed to pay rent and other charges to Owner; and

**WHEREAS**, Lessee intends to locate Tangible Personal Property (hereinafter defined) at the Leased Premises (hereinafter defined); and

**WHEREAS**, Owner and Lessee intend to make a total combined capital investment of approximately Eighty Million No/100 Dollars (\$80,000,000.00) in the Improvements and Tangible Personal Property (hereinafter defined) as of the sixth (6<sup>th</sup>) anniversary date of the First Year of Abatement (hereinafter defined); and

**WHEREAS**, the County has agreed to abate fifty percent (50%) of the Taxable Value of the Premises (Land and Improvements) and seventy-five percent (75%) of the Taxable Value of Lessee’s Tangible Personal Property, for a period of ten (10) consecutive years; and

**WHEREAS**, the Lease requires Lessee to pay all real property ad valorem property taxes directly to the corresponding governmental authority, and each retaining the right to timely and properly protest such taxes; and

**WHEREAS**, the Parties intend for Owner to have limited obligations and liability under this Agreement, and that the incentives under this Agreement are being provided solely for the benefit of the Lessee.

**WHEREAS**, the City Council of the City of Georgetown, Texas (the “City Council”), passed an Ordinance (the “Ordinance”) establishing Tax Abatement Reinvestment Zone No. 2022-01 (the “Zone”), for commercial/industrial tax abatement, as authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code, as amended (the “Act”); and

**WHEREAS**, the County has adopted guidelines for tax abatement on December 7, 2021 which are still in effect (the “Tax Abatement Guidelines”); and

**WHEREAS**, the Tax Abatement Guidelines contain appropriate guidelines and criteria governing tax abatement agreements to be entered by the City as contemplated by the Act; and

**WHEREAS**, the County has adopted a resolution stating that it elects to be eligible to participate in tax abatement; and

**WHEREAS**, to maintain and enhance the commercial and industrial economic and employment base of Williamson County area, it is in the best interests of the taxpayers for the County to enter into this Agreement in accordance with said Ordinance, the Tax Abatement Guidelines, and the Act; and

**WHEREAS**, the operations of Lessee will create permanent new jobs in the County; and

**WHEREAS**, the Commissioners Court finds that the contemplated use of the Premises (hereinafter defined), and the contemplated Improvements are consistent with encouraging development of the Zone in accordance with the purposes for its creation and/or in compliance with the Tax Abatement Guidelines, the Ordinance adopted by the City, the Act, and all other applicable laws; and

**WHEREAS**, the Commissioners Court finds that the Improvements sought are feasible and practicable and would be of benefit to the Premises to be included in the Zone and to the County after expiration of this Agreement; and

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

**NOW, THEREFORE**, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, including the expansion of primary employment, the attraction of major investment in the Zone, which contributes to the economic development of Georgetown and the enhancement of the tax base in the County, the Parties agree as follows:

## **Article I Definitions**

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

“Appraisal District” shall mean the Williamson Central Appraisal District or its successor.

“Bankruptcy or Insolvency” shall mean the dissolution or termination of a Party’s existence as a going business, insolvency, appointment of receiver for any part of a Party’s property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against such Party, and such proceeding is not dismissed within ninety (90) days after the filing thereof.

“Base Year Taxable Value” shall mean the Taxable Value for the Land for the year in which the Tax Abatement Agreement is executed (2022).

“Certificate of Occupancy” shall mean a temporary or final certificate of occupancy, the first to be issued by the City for the occupancy of the Improvements by Lessee.

“City” shall mean the City of Georgetown, Texas.

“City Economic Development Agreement shall mean that certain agreement pursuant to Chapter 380 Texas Local Government Code by and between City and Lessee relating to renewable energy credits dated approximate date herewith.

“City Tax Abatement Agreement” shall mean that certain tax abatement agreement by and among the City, Owner and Lessee.

“Commencement Date” shall mean the date the City has issued a Certificate of Occupancy.

“Commencement of Construction” shall mean that: (i) the plans have been prepared and all approvals thereof and permits with respect thereto required by applicable governmental authorities have been obtained for construction of the Improvements on the Land; (ii) all necessary permits for the construction of the Improvements on the Land pursuant to the respective plans therefore having been issued by all applicable governmental authorities; and (iii) grading of the Land or the construction of the vertical elements of the Improvements has commenced.

“Commissioners Court” shall mean the governing body of the County.

“Completion of Construction” shall mean: (i) substantial completion of the Improvements; and (ii) the Certificate of Occupancy has been issued.

“County” shall mean Williamson County, Texas.

“Effective Date” shall mean the last date of execution of this Agreement.

“Expiration Date” shall mean March 1 of the calendar year following the tenth (10th) anniversary date of the First Year of Abatement.

“First Year of Abatement” shall mean January 1 of the calendar year immediately following the date a certificate of occupancy has been issued by the City for the occupancy of the Leased Premises by Lessee

“Force Majeure” shall mean any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, riot, terrorism, civil commotion, insurrection, government or de facto governmental action, restrictions or interferences (unless caused by the intentional acts or omissions of the Party), fires, explosions, floods or other inclement weather, strikes, slowdowns or work stoppages, incidence of disease or other illness that reaches outbreak, epidemic, or pandemic proportions or similar causes that results in a reduction of labor force or work stoppage in order to comply with local, state, or national disaster orders, construction delays, shortages or unavailability of supplies, materials or labor, necessary condemnation proceedings, or any other circumstances which are reasonably beyond the control of the Party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstances are similar to any of those enumerated or not, the Party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or performance shall be extended for a period of time equal to the period such Party was delayed, provided the Party whose performance is delayed provides written notice to the other Party not later than fifteen (15) business days after the last day of the month of the occurrence of the event(s) or condition(s) causing the delay or the date the Party whose performance has been delayed becomes aware or should have reasonably known of the event, describing such event(s) and/or condition(s) and the date on which such event(s) and/or condition(s) occurred.

“Freeport Goods” shall have the same meaning as assigned by Section 11.251 of the Tax Code and Article VIII, Section 1-j of the Texas Constitution. Freeport Goods does not include “Goods in Transit” as defined by Tax Code, Section 11.253.

“Goods in Transit” shall have the same meaning assigned by Tax Code, Section 11.253.

“GEDCO” shall mean the Georgetown Economic Development Corporation, a Type A sales tax corporation.

“GEDCO Economic Development Agreement” shall mean that certain economic development agreement by and between the GEDCO and Company dated approximate date herewith.

“Improvements” shall mean a building to be constructed on the Land containing approximately 300,000 square feet of industrial space identified as “Building 1” on the City approved site plan, and other ancillary facilities such as reasonably required parking and landscaping more fully described in the submittals filed by Owner with the City, from time to time, to obtain a building permit(s).

“Land” means the real property described in **Exhibit “A”**.

“Lease” shall mean Lessee’s lease of the Leased Premises for a period of not less than seven(7) years commencing on the Lease Inception Date.

“Lease Inception Date” shall mean the date the term of the Lease commences but no later than December 14, 2022.

“Leased Premises” shall mean the Improvements

“Lessee” shall mean CelLink, a California corporation.

“Lessee Affiliate” shall mean any entity that is directly or indirectly controlled by or is under common control with Lessee.

“Owner” shall mean Titan Gateway35, LLC, a Texas limited liability company.

“Owner Affiliate” shall mean any entity that is directly or indirectly controlled by or is under common control with Owner.

“Premises” shall mean collectively, the Land and Improvements following construction thereof.

“Related Agreement” shall mean any agreement (other than this Agreement) by and between: (i) the County and the Owner or any Owner Affiliate; (ii) the County and Lessee or any Lessee Affiliate; (iii) the GEDCO Economic Development Agreement; (iv) City Economic Development Agreement; and (v) the City Tax Abatement Agreement.

“Required Use” shall mean the continuous lease, use, and occupancy of the Premises by Lessee for the manufacture, and research and development of very large, high-conductance flexible circuits for the solar, LED, and battery industries intelligent wiring systems, or other related manufacturing, research, and development.

“Tangible Personal Property” shall mean furniture, fixtures and equipment owned or leased by Lessee and located at the Premises, after the execution of this Agreement. Tangible Personal Property shall not include inventory, supplies Freeport Goods and Goods in Transit located at the Premises.

“Taxable Value” means the appraised value as certified by the Williamson Central Appraisal District (or its successor) as of January 1 of a given year.

## **Article II**

### **General Provisions**

2.1 Owner is the owner of the Land which is located within the city limits of the City and within the Zone and intends to construct the Improvements and has leased the same to Lessee. Lessee has entered into the Lease and intends to locate and maintain Tangible Personal Property at the Leased Premises.

- 2.2 The Premises are not in an improvement project financed by tax increment bonds.
- 2.3 This Agreement is entered into subject to the rights of the holders of outstanding bonds of the City.
- 2.4 The Premises are not owned or leased by any member of the Commissioners Court of Williamson County.
- 2.5 Owner and Lessee shall each, before May 1, of each calendar year that the Agreement is in effect, certify in writing to the County that the respective Party is in compliance with each term of the Agreement.
- 2.6 The Land and the Improvements constructed thereon at all times shall be used in the manner (i) that is consistent with the City's Comprehensive Zoning Ordinance, as amended, and (ii) that, during the period taxes are abated hereunder, is consistent with the general purposes of encouraging development or redevelopment within the Zone.
- 2.7 During the term of this Agreement beginning on the Lease Inception Date and continuing until the Expiration Date Lessee intends to establish one or more programs at the Leased Premises to create internship and employment opportunities for the benefit of Georgetown Independent School District students.

### **Article III**

#### **Tax Abatement Authorized**

- 3.1 This Agreement is authorized by the Act and in accordance with the County Tax Abatement Guidelines and approved by order of the Commissioners Court.
- 3.2 Subject to the terms and conditions of this Agreement County hereby grants Owner an abatement of fifty percent (50%) of the Taxable Value of the Premises (Land and Improvements) and grants Lessee an abatement of seventy-five percent (75%) of the Taxable Value of the Tangible Personal Property, for a period of ten (10) consecutive years, beginning with the First Year of Abatement; provided however beginning with the sixth (6<sup>th</sup>) year of abatement the combined minimum taxable of the Premises and Tangible Personal Property shall be at least Eighty Million and No/100 Dollars (\$80,000,000.00) ("Minimum Taxable Value") as of January 1 of such tax year and as of January 1, of each calendar year thereafter during the term of this Agreement. The foregoing percentage of Taxable Value of the Premises subject to abatement for each year this Agreement is in effect will apply only to the portion of the Taxable Value of the Premises that exceeds the Base Year Taxable Value. The actual percentage of Taxable Value of the Tangible Personal Property subject to abatement for each year this Agreement is in effect will apply only to the Tangible Personal Property located at the Premises after execution of this Agreement. The failure of the Premises and the Tangible Personal Property to have the Minimum Taxable Value as of January 1 of the sixth (6<sup>th</sup>) year of abatement and as of January 1, of any subsequent calendar year shall not be an event of default subject to termination and repayment of the abated taxes pursuant to Article V hereof but shall result in the forfeiture of the tax abatement for the Premises and the Tangible Personal Property for such tax year.

3.3 The period of tax abatement herein authorized shall be for a period of ten (10) consecutive years beginning with the First Year of Abatement.

3.4 During the period of tax abatement herein authorized, Owner and Lessee shall each be subject to all taxation not abated, including but not limited to, sales tax and ad valorem taxation.

3.5 Beginning with the First Year of Abatement and continuing until the Expiration Date the Premises shall not be used for any purpose other than the Required Use and the operation and occupancy of the Premises in conformance with the Required Use shall not cease for more than thirty (30) days except in connection with and to the extent of an event of Force Majeure or for temporary closures for reasonable periods of time not to exceed ninety (90) consecutive days for expansion, renovation or remodeling. Notwithstanding the forgoing Lessee shall not be in breach of Required Use if the Lessee beginning with the date of termination of the Lease and continuing thereafter until the fifteenth (15th) anniversary of the Commencement Date ,continuously leases or owns other real property and improvements in the City and such premises are not used for any purpose other than the Required Use and the operation and occupancy of the such premises in conformance with the Required Use does not cease for more than thirty (30) days except in connection with and to the extent of an event of Force Majeure, or for temporary closures for reasonable periods of time not to exceed ninety (90) consecutive days for expansion, renovation or remodeling.

3.6 The term of this Agreement shall begin on the Effective Date and shall continue until the Expiration Date, unless sooner terminated as provided herein.

#### **Article IV Improvements**

4.1 Owner intends to construct or cause to be constructed the Improvements on the Land. Nothing in this Agreement shall obligate Owner to construct the Improvements on the Land, but said actions are conditions precedent to tax abatement for the Owner and Lessee pursuant to this Agreement. Lessee intends locate Tangible Personal Property at the Premises. Nothing in this Agreement shall obligate Lessee to locate Tangible Personal Property at the Premises, but said actions are conditions precedent to tax abatement for the Owner and Lessee pursuant to this Agreement. Nothing in this Agreement shall obligate such Parties to have entered into the Lease, but the execution of the Lease is a condition precedent to the tax abatement for Owner and Lessee pursuant to this Agreement.

4.2 As a condition precedent to the initiation of the tax abatement pursuant to this Agreement, Owner agrees, subject to events of Force Majeure, to cause Commencement of Construction of the Improvements to occur on or before December 31, 2021, and subject to events of Force Majeure to cause Completion of Construction of the Improvements to occur on or before December 31, 2022, as good and valuable consideration for this Agreement, and that all construction of the Improvements will be in accordance with all applicable state and local laws, codes, and regulations (or valid waiver thereof).

4.3 Construction plans for the Improvements constructed on the Land will be filed with the City, which shall be deemed to be incorporated by reference herein and made a part hereof for all purposes.

4.4 Owner and Lessee each agree to maintain the Premises during the term of this Agreement in accordance with all applicable state and local laws, codes, and regulations.

4.5 The County, its agents and employees shall have the right of access to the Premises during and following construction to inspect the Improvements at reasonable times and with reasonable notice to Owner and Lessee, as the case may be, and in accordance with visitor access and security policies of the Owner and Lessee, as applicable to ensure that the construction and maintenance of the Improvements are in accordance with this Agreement and all applicable state and local laws and regulations (or valid waiver thereof).

## **Article V**

### **Default; Recapture**

5.1 In the event: (i) Owner and/or Lessee fail to cause Commencement and/or Completion of Construction of the Improvements in accordance with this Agreement; (ii) Owner and/or Lessee have delinquent ad valorem taxes owed to the County (provided Owner and Lessee each retain the right to timely and properly protest such taxes); (iii) Owner and/or Lessee have an event of Bankruptcy or Insolvency; or (iv) Owner and/or Lessee breaches any of the terms and conditions of this Agreement, or a Related Agreement, then Owner or Lessee, as the case may be, after the expiration of the notice and cure periods described below, shall be in default of this Agreement (the “Defaulting Party”). As liquidated damages in the event of such default, the Defaulting Party shall, within thirty (30) days after demand, pay to the County the amount of the taxes that would have been paid by the Defaulting Party to County without the benefit of a tax abatement for their respective property the subject of this Agreement for the tax years for which the Defaulting Party was in default of this Agreement (the “Recapture Amount”) with interest at the statutory rate for delinquent taxes as determined by Section 33.01 of the Tax Code, as amended, but without penalty. The Parties acknowledge that actual damages in the event of default termination would be speculative and difficult to determine. The Parties further agree that Recapture Amount Taxes, including interest, as a result of this Agreement, shall be recoverable against the Defaulting Party and shall constitute a tax lien against the Premises and the Tangible Personal Property, and shall become due, owing, and shall be paid to the County within thirty (30) days after notice of termination.

5.2 Upon breach by Owner and/or Lessee of any of the obligations under this Agreement, the County shall notify the breaching Party (the “Breaching Party”) in writing, which Breaching Party shall have thirty (30) days after delivery of the notice in which to cure any such default. If the default cannot reasonably be cured within such 30-day period, and the Breaching Party has diligently pursued such remedies as shall be reasonably necessary to cure such default, then the County may extend the period in which the default must be cured.

5.3 If the Breaching Party fails to cure the default within the time provided as specified above or, as such time period may be extended, the County, at its sole option, shall have the right to



terminate this Agreement with respect to the Defaulting Party by providing written notice to the Defaulting Party.

5.4 Upon termination of this Agreement by County with respect to a Defaulting Party, the Recapture Amount for the respective property shall become a debt to the County as liquidated damages, and shall become due and payable not later than thirty (30) days after a notice of termination is delivered. The County shall have all remedies for the collection of the Recapture Amount from the Defaulting Party provided generally in the Tax Code for the collection of delinquent property tax. The computation of the Recapture Amount for the purposes of the Agreement shall be based upon the full Taxable Value of the Tangible Personal Property and the Premises, as the case may be, without tax abatement for the years in which Defaulting Party was in Default of this Agreement and for which tax abatement hereunder was received by the Defaulting Party, as determined by the Appraisal District, multiplied by the tax rate of the years in question, as calculated by the County Tax Assessor-Collector. The liquidated damages shall incur penalties as provided for delinquent taxes and shall commence to accrue after expiration of the thirty (30) day payment period.

## **Article VI**

### **Annual Application for Tax Exemption**

It shall be the responsibility of the Owner and Lessee, pursuant to the Tax Code, to file an annual exemption application form for the Tangible Personal Property and the Premises with the Chief Appraiser for the Appraisal District in which the eligible taxable property has situs. A copy of the respective exemption application shall be submitted to the County upon request.

## **Article VII**

### **Annual Rendition**

The Lessee shall annually render the value of the Tangible Personal Property to the Appraisal District and shall provide a copy of the same to the County upon written request. Owner may annually render the value of the Premises to the Appraisal District and shall provide a copy of the same to the County upon written request.

## **Article VIII**

### **Miscellaneous**

8.1 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received (i) three (3) days after deposit in United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the Party at the address set forth below, or such other address as is designated by the applicable Party from time to time, or (ii) on the day received if sent by courier or otherwise hand delivered.

If intended for County, to:

Attn: County Judge  
Williamson County  
Williamson County Court House  
710 South Main Street  
Suite 101  
Georgetown, Texas 78626

If intended for Lessee, to:

Attn: Rob Misso  
VP of Global Operations  
Cellink Corporation  
610 Quarry Rd  
San Carlos, California 94070

With copy to:

Executive Managing Director  
Ginovus  
9 Municipal Drive Suite 1  
Fischers, In  
46038

If intended for Owner, to:

Titan Gateway35, LLC  
Attn: Joe Iannacone  
4903 Woodrow Ave., Bldg. A  
Austin, Texas 78756

With copy to:

Titan Gateway35, LLC  
Attn : Christopher M. Pacheco  
6300 Riverside Plaza Ln, NW Suite 200  
Albuquerque, New Mexico 87120

8.2 Authorization. This Agreement was authorized by resolution of the Commissioners Court authorizing the County Judge to execute this Agreement on behalf of the County.

8.3 Severability. In the event any section, subsection, paragraph, sentence, phrase or word herein is held invalid, illegal or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the Parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word.

8.4 Governing Law. This Agreement shall be governed by the laws of the State of Texas without regard to any conflict of law rules. Exclusive venue for any action under this Agreement shall be the State District Court of Williamson County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

8.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

8.6 Entire Agreement. This Agreement embodies the complete agreement of the Parties hereto, superseding all oral or written previous and contemporary agreements between the Parties and relating to the matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the Parties to be attached to and made a part of this Agreement.

8.7 Recitals. The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein as part of this Agreement.

8.8 Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

8.9 Assignment. This Agreement shall be binding on and inure to the benefit of the Parties to it and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns. This Agreement may not be assigned by the Owner or Lessee without the prior written consent of the County Judge, which consent shall not be unreasonably withheld, denied, or delayed.

8.10 Employment of Undocumented Workers. During the term of this Agreement, the Owner and Lessee each agree not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a (f), the Owner and/or Lessee as convicted 8 U.S.C. Section 1324a (f), shall repay the taxes abated herein, and any other funds received by the respective Party from the County as of the date of such violation within 120 days after the date the Owner and Lessee are notified by the County of such violation, plus interest at the rate of four percent (4%) compounded annually from the date of violation until paid. Owner and Lessee are not liable, and shall not be liable for repayment, for a violation of this section by a subsidiary, affiliate, or franchisee of such Parties or by a person with whom such Party contracts.

8.11 Right of Offset. The County may at its option, offset any amounts due and payable under this Agreement against any debt (including taxes) lawfully due to the County from the Owner and/or Lessee, regardless of whether the amount due arises pursuant to the terms of this Agreement or a Related Agreement or otherwise and regardless of whether the debt due the County has been reduced to judgment by a court.

8.12 Conditions Precedent. The following are conditions precedent to this Agreement and the obligations of the Parties pursuant to this Agreement are expressly subject to the following: (i) Owner or Lessee have provided a copy of the Lease to the County; (ii) the GEDCO Economic Development Agreement is fully executed; (iii) the City Economic Development Agreement is fully executed; and (iv) the City Tax Abatement Agreement is fully executed.

*[Signature page to follow]*

EXECUTED in duplicate originals the 23 day of February, 2021. 22

WILLIAMSON COUNTY, TEXAS

By: 

Bill Gravell Jr., County Judge

Agreed as to Form:

By: 

County Attorney

EXECUTED in duplicate originals the 23 day of February, 2022.

CELLINK CORPORATION

By: 

Kevin Coakley, CEO  
Cellink Corporation

EXECUTED in duplicate originals the 31 day of March, 2022.

TITAN GATEWAY35, LLC

By: Titan Lone Star, LLC  
Its Manager

By: 

Ben F. Spencer, Manager

## EXHIBIT "A"

