

STATE OF TEXAS

§

COUNTY OF WALLER

§

**TAX ABATEMENT AGREEMENT BETWEEN WALLER COUNTY, TEXAS,  
ADCW HOLDINGS, LLC AND COREWORKS HEAT EXCHANGERS, LLC**

This tax abatement agreement (“Agreement”) is entered into by and between Waller County, Texas (“County”), located at 836 Austin Street, Hempstead, Texas 77445, duly acting herein by and through the Waller County Commissioners’ Court, ADCW Holdings, LLC, (“ADCW”), a Texas limited liability company having its principal place of business at 1200 Alegacy Place, Waller, Texas 77484, and CoreWorks Heat Exchangers, LLC (“CoreWorks”), a Texas limited liability company having its principal place of business at 1300 Alegacy Place, Waller, Texas 77484, (each a “Party,” and collectively “Parties”) on January 21, 2026. ADCW and CoreWorks are the owner and lessee, respectively, of taxable property located within Waller County, Texas and the City of Waller Reinvestment Zone #2, (“Reinvestment Zone”).

**RECITALS:**

WHEREAS, Texas Tax Code Chapter 312, the Property Redevelopment and Tax Abatement Act, authorizes counties to enter into tax abatement agreements subject to specific requirements;

WHEREAS, the Commissioners Court of Waller County, Texas (“Commissioners Court”) has previously adopted the Waller County Tax Abatement Guidelines and Criteria (“Waller County Policy”) governing tax abatement agreements and reinvestment zones; and

WHEREAS, the Waller County Policy constitutes appropriate “guidelines and criteria” to govern tax abatement agreements as required by Texas Tax Code Chapter 312; and

WHEREAS, the County has adopted a resolution stating that it elects to participate in tax abatements; and

WHEREAS, the City of Waller City Council ordered the designation of Reinvestment Zone Number 2-CI of the City of Waller as authorized by Texas Tax Code Chapter 312 on February 6, 2025, and which the City renamed to City of Waller Reinvestment Zone #2 on May 19, 2025 to comply with the Texas Comptroller of Public Account’s reinvestment zone naming standards, and said orders are attached hereto as Exhibit C; and

WHEREAS, the Commissioners Court finds that the terms of this Agreement and the property subject to this Agreement meet the requirements and goals of the Waller County Policy; and

WHEREAS, this Agreement will maintain and/or enhance the commercial/industrial economic and employment base of County, otherwise further the goals of the Policy adopted by County, and produce long-term benefits for the County;

**NOW THEREFORE**, the Parties mutually agree as follows:

**1. DEFINITIONS**

The following words have the meanings specified when used in this Agreement:

- 1.1 “Abatement Period” means a period of eight (8) years, commencing January 1st of the year following completion of the Building, continuing for a period of eight (8) years and

terminating on December 31<sup>st</sup> of the eighth year. Each year shall be a three hundred and sixty-five (365) day period beginning on January 1 and ending on December 31<sup>st</sup> of the relevant year, except for leap years which shall be three hundred and sixty-six (366) day periods.

- 1.2 “Agreement Term” means the period beginning on the Effective Date and continuing through December 31<sup>st</sup> of the eighth (8<sup>th</sup>) year of the Abatement Period.
- 1.3 “Ad Valorem Tax,” whether or not capitalized, means a tax assessed according to the value of property.
- 1.4 “Base Year Value” means the assessed value of the property the taxes of which will be abated under this Agreement as of January 1, 2026.
- 1.5 “Building” means the approximately one hundred and thirty thousand (130,000) square foot facility that will be constructed by ADCW on the Premises, and is described on Exhibit B.
- 1.6 “Effective Date” means the date of the last signature affixed hereto.
- 1.7 “Employee” means a person who:
  - a. is paid directly, or in the case of a contract employee, paid directly or indirectly, by CoreWorks, and
  - b. regularly works at least 40 hours a week at or based from the Premises, excluding time taken for holidays, vacations, sick leave, or other regular leave.
- 1.8 “Improvements” means the Personal Property Improvements together with the Real Property Improvements.
- 1.9 “Inventory” means taxable personal property that is held for sale in the ordinary course of a trade or business
- 1.10 “Personal Property Improvements” means the personal property that can be removed from a building without destroying or changing the building, and includes any machinery or equipment that may be bolted to the floor, but has a shorter life span than the building and is used in the primary line of business as designated by the qualifying business type set in the Waller County Policy, and as shown on Exhibit B.
- 1.11 “Premises” means the parcel of land owned by ADCW located in the Reinvestment Zone in Waller County, Texas, the legal description of which is shown on Exhibit A.
- 1.12 “Project” means the development of the Premises for the manufacture of brazed aluminum heat exchangers for the liquid natural gas industry and the construction and/or installation of the Improvements.
- 1.13 “Real Property Improvements” means the Building and any other buildings, including buildings on skids and portable buildings, parking areas, and any fences attached to the land and as shown on Exhibit B.
- 1.14 “WCAD” means the Waller County Appraisal District.
- 1.15 “Year,” whether or not capitalized, means a calendar year beginning on January 1<sup>st</sup> and continuing through December 31<sup>st</sup>.

## **2. THE PROPERTY**

- 2.1 The “Premises” is the approximately 7.69 acre parcel of land located in Waller, Texas, and legally described on Exhibit A. On or before the commencement of construction of the Building (defined below), and prior to execution of this Agreement, ADCW will own the Premises. The Premises is located within a qualifying Reinvestment Zone pursuant to Texas Tax Code Chapter 312.
- 2.2 The Building is the approximately one hundred and thirty thousand (130,000) square foot facility that will be constructed on the Premises, and is described on Exhibit B. The Building will be constructed and owned by ADCW and will be leased to and occupied by CoreWorks.
- 2.3 The Personal Property Improvements are the personal property and equipment identified in Exhibit B, and will be owned and installed at the Building by CoreWorks.

## **3. THE TAX ABATEMENT**

- 3.1 Tax Abated: The ad valorem property taxes on the increased taxable value of the Improvements above the Base Year Value shall be abated during the Abatement Period at the rate identified in Section 2.2, Tax Abatement Percentages.
- 3.2 Tax Abatement Percentages: The ad valorem taxes shall be abated only for the increased taxable value of the Improvements over the Base Year Value in an amount equal to the percentages listed below:

Tax Abatement Year	Percentage of Tax Abated
Year 1	100%
Year 2	80%
Year 3	80%
Year 4	80%
Year 5	80%
Year 6	50%
Year 7	50%
Year 8	50%

- 3.3 Appraisal: It is understood, and agreed among the parties, that beginning Year 1 of the Abatement Period and continuing each year thereafter, as provided in law, the Premises, Building and any and all other Improvements shall be appraised by the Waller County Appraisal District. The appraisal shall be the market value of the property effective January 1 of each tax year, including the value of any partially completed Improvements.
- 3.4 Appraisal Protest: ADCW and CoreWorks shall have the right, jointly or severally, to protest any appraisals of the Building, Premises, Improvements, or any portion thereof, during the Agreement Term. Nothing in this Agreement shall affect either entity’s right to protest and/or contest any taxes assessed on the Building, Premises, Personal Property Improvements, or any other improvements, and the abatement percentages shall be applied to the amount of taxes finally determined to be due as a result of any such protest and/or contest.

- 3.5 Effect of Appraisal Protest: If ADCW or CoreWorks protests the certified appraised value of the Improvements, and the certified appraised value is reduced as a result of the protest, then the percentage of the abatement granted herein will be adjusted downward by the same percentage rounded to the nearest whole number. For example, if a protest results in the reduction of the property's certified appraised value by 6.6%, then the percentage of the tax abatement granted under this Agreement for the protest year would be decreased by the same percentage rounded to the nearest whole number. Therefore, the Tax Abatement Percentage would be reduced by 7%. The reduction only applies to the property for which the certified appraised value is reduced.
- 3.6 Taxes Not Abated: This Agreement does not abate the taxes for the underlying land, inventory, or supplies. This Agreement does not abate taxes for tangible personal property, unless such property is specifically identified as an Improvement. **This Agreement does not abate taxes for any tangible personal property located on the real property at any time before the commencement of the Abatement Period.** ADCW and CoreWorks shall be subject to taxation on all real and personal property not abated or otherwise exempted.

#### **4. COMPANY PERFORMANCE OBLIGATIONS**

- 4.1 Investment: ADCW shall invest, or cause to be invested, a cumulative amount of at least twenty-five million dollars (\$25,000,000) into the Project in Real Property Improvements by December 31, 2027. CoreWorks shall invest, or cause to be invested, a cumulative amount of at least fifteen million dollars (\$15,000,000) into the Project in Personal Property Improvements by December 31, 2027.
- 4.2 Real Property Improvements: ADCW shall make or cause to be made the Real Property Improvements at the Premises, which shall be of the kind, number, and location described in Exhibit B. ADCW shall, prior to December 31, 2027, construct the Building.
- 4.3 Personal Property Improvements: CoreWorks shall install and maintain the Personal Property Improvements at the Building, which shall have an investment value, as determined in its first year of service, as shown on Exhibit B.
- 4.4 Improvement Quality: ADCW and CoreWorks shall ensure that the Improvements for which they are each responsible are diligently and faithfully undertaken and completed in a good and workmanlike manner. The Improvements shall comply with all applicable federal, state, and local laws and regulations, including but not limited to: Texas Commission on Environmental Quality regulations, Waller County regulations and any applicable municipal regulations, building codes, ordinances, flood, subdivision, building, electrical, plumbing, fire, and life safety codes and regulations, current and as amended.
- 4.5 Premises Operation: CoreWorks shall, by the end of Year 1 of the Abatement Period referenced in Section 9, and until the expiration of the Abatement Period, continuously operate and maintain the Building and Premises as [a manufacturing facility for brazed aluminum heat exchangers for the liquid natural gas industry]. Neither ADCW nor CoreWorks shall change the principal use of the Premises or Building without prior written approval from the Commissioners Court.
- 4.6 Premises Maintenance: Both ADCW and CoreWorks agree to maintain the Building and Premises, and any other constructed improvements in good repair and condition during the Agreement Term, and shall operate them in compliance with applicable health and safety laws and local regulations.

- 4.7 Job Creation: For the duration of this Agreement, CoreWorks shall employ an agreed number of persons as set forth below.
- a. Required Number of Employees: By the end of Year 2 of the Abatement Period, and continuing through December 31 of the final year of the Abatement Period, at least one hundred and four (104) new Employees must be employed at or based from the Premises. The Parties agree and understand that the number of Employees within a certain job class may increase or decrease and that CoreWorks will be in compliance with the Employee requirements so long as one hundred and four (104) new Employees are employed during the Abatement Period, as described herein, regardless of the number of new Employees in each position.
  - b. Waller County Applicants: Where there are qualified applicants, whose principal residence is within Waller County, Texas, CoreWorks shall make a good faith effort to employ such persons to fulfill its Employee obligations. CoreWorks may contact the County to assist in obtaining applicable training grants, if available, to ensure that citizens of Waller County are given every opportunity for employment.
  - c. Employee Benefits: CoreWorks shall offer all of its employees based at the Premises substantially similar employee benefits as those employee benefits offered to other similarly situated employees of CoreWorks.
  - d. Employment Law: CoreWorks shall comply with all applicable federal and state laws governing the employment relationship between employers and employees.
  - e. Failure to Maintain Required Number of Employees: In the event that CoreWorks fails to maintain at least forty-nine percent (49%) of the required minimum number of Employees at the Premises in accordance with (and during the period set forth in) Section 4.7(a) for any consecutive ninety (90) calendar day period, the tax abatement granted by this Agreement will be reduced as a percentage based on the difference. The amount of the tax abatement granted by this Agreement for the tax year following the year in which the requirement was not met is reduced by the same percentage, rounded to the nearest whole number, as the percentage decrease in the actual number of Employees that is maintained in the consecutive ninety (90) calendar day period. For example, if the actual average number of Employees is reduced by 6.6% during a given year, then the percentage of the tax abatement granted for that year under this Agreement on the Improvements would be decreased by the same percentage, rounded to the nearest whole number reducing the abatement by 7%. Should CoreWorks not maintain the required number of employees, and reduce the taxable value of real or property as a result of tax protest, then the greater of the two shall be applied to the reduction.
  - f. Both ADCW and CoreWorks represent that there is no litigation pending against their respective entities for any violation under the Occupational Safety and Health Act.
- 4.8 Inventory: Beginning Year 1 of the Abatement Period, and for each year during the Abatement Period, CoreWorks shall maintain a minimum one million and five hundred thousand (\$1,500,000) rendered taxable inventory value at the Premises. The inventory value is determined as of January 1 of each tax year. CoreWorks agrees to render its personal property at the Premises for tax valuation purposes with the Chief Appraiser for the Waller County Appraisal District annually and within the deadline for filing renditions. CoreWorks shall give the WCAD any necessary permission required for the WCAD to

provide copies of CoreWorks' tax documents to the County for the purpose of verifying rendered inventory values. If CoreWorks fails to maintain the specified inventory values, CoreWorks shall not receive the Tax Abatement for the year in which it fails to maintain the specified inventory values.

- 4.9 Records: ADCW and CoreWorks, as applicable, shall maintain written and/or digital records and supporting documentation relating to and sufficient to reasonably determine: i) the amount of the required investment into the Building and Premises, ii) the hire and termination date of each full-time Employees at the Premises, iii) employee records sufficient to determine whether and how many Employees have a principal residence in Waller County when hired, and iv) the creation, maintenance, and retention of full-time jobs at the Premises. CoreWorks shall not be required to disclose the names or other sensitive personally identifiable information (such as social security numbers, home addresses or telephone numbers) of specific Employees. Each entity shall maintain these records for the Agreement Term. ADCW and CoreWorks, upon a five (5) business day prior notice by the County, shall validate compliance with the terms of this Agreement by allowing the County to review at the Premises records and documents that are directly related to its obligations under this Agreement. The County's inspection shall be for the sole purpose of verifying the information contained in the compliance certifications due pursuant to Section 4.11. The County's review must be done during normal business hours, and no more than once per calendar year. The County shall not be permitted to photocopy any documentation during the inspection. ADCW and CoreWorks may withhold any information it reasonably deems to be confidential (subject to the requirements of any applicable statute). In the event that the County is unable to determine compliance because ADCW or CoreWorks denies access to the information, or information is withheld hereunder, then County may terminate this Agreement upon written notice to ADCW and CoreWorks. The County agrees it will make best efforts not to interrupt ADCW's or CoreWorks' business with such inspections.
- 4.10 Required Forms: ADCW and CoreWorks acknowledge that it is their individual responsibilities to file the Forms 50-116, 50-141, 50-142, the Waller County Tax Abatement Agreement Certification Form, and/or any other reasonably required documentation to verify personal property values and continued compliance for the granted tax abatement to the Waller County Appraisal District annually during the Abatement Period for so long as the law requires annual filing. The forms shall be timely filed in accordance with applicable law, and in no event filed later than the final extension allowed by law. Failure to do so and cure such default within thirty (30) days after receipt of notice of the same will result in the termination of this Agreement. Both entities shall reasonably cooperate with one another in connection with such documentation and reports.
- 4.11 Compliance Certification: ADCW and CoreWorks shall, before December 31 of each year, complete and submit to the WCAD the Waller County Tax Abatement Agreement Certification Form, certifying that each is in compliance with its respective obligations under the Agreement. CoreWorks shall specifically certify that is satisfies the Employment requirements set forth in Section 4.7, and the inventory requirements specified in Section 4.8. Both entities shall reasonably cooperate with one another other in connection with the annual certification.
- 4.12 Right of Access: ADCW and CoreWorks each agree that both the County and the WCAD shall have the reasonable right of access to the Premises and Building by their employees or agents after two (2) business days' prior written notice to inspect the Improvements to

ensure that the Improvements have been made or are being made in accordance with this Agreement. After completion of the Improvements, the County shall have the continuing right of reasonable access to ensure that the Premises and Building are thereafter maintained and operated in accordance with this Agreement, during the Abatement Period. The County agrees (i) to give CoreWorks written notice of its intent to inspect the Premises and Building at least two (2) business days prior to such inspections, (ii) that such inspections shall be during normal business hours, and (iii) CoreWorks shall be permitted to have a representative accompany the County's representative(s) at all times during such inspections. Inspections under this section are independent of any of County's other applicable authority to inspect for purposes of insuring compliance with applicable codes or ordinances. The County's inspections, if any, shall not constitute an acknowledgment or certification to either ADCW or CoreWorks, or any third party, that ADCW or CoreWorks followed federal, state, or local laws or regulations.

- 4.13 Relocation or Business Cessation: Both ADCW and CoreWorks must provide the County thirty (30) days written notice if their respective entities relocate or cease business activities. In the event of relocation or business cessation, unless the relocating or ceasing entity provides credible evidence to clearly indicate the date of relocation or business cessation, the County's determinate of a date of relocation or cessation shall be final and conclusive.
- 4.14 No Delinquent Taxes: Neither ADCW nor CoreWorks shall allow the ad valorem taxes due on any property it owns in Waller County, Texas, whether or not the property is subject to this Agreement, to become delinquent, provided that both entities are entitled to the appraisal protests provided for in Section 3.
- 4.15 No Decrease: ADCW and CoreWorks understand and agree that, notwithstanding the tax abatement granted under this Agreement, the amount of taxes due for the Premises or Building for any year during the Abatement Period will not be less than what was due to the County for the property's Base Year Value.

## **5. TERMINATION, DEFAULT, AND RECAPTURE**

- 5.1 Automatic Termination: This Agreement terminates upon complete performance of the terms and conditions of the Agreement by all Parties, upon the expiration of the Abatement Period, whichever occurs first, or otherwise in accordance with its terms.
- 5.2 Termination by Owner: This Agreement may be terminated by either entity if it elects not to proceed with the project before the Abatement Period commences.
- 5.3 Termination and Recapture by County: The County may terminate this Agreement for the default of any party. The County may terminate this Agreement as to one or more parties in default. The decision as to whether to terminate this Agreement in its entirety, or only as to one or more defaulting parties is in the County's sole discretion.
- 5.4 Default: Default occurs when a party fails to perform their obligations in accordance with the Agreement. It includes, but is not limited to:
  - a. Either ADCW or CoreWorks fails to complete or install its respective Improvements as identified in Exhibit B within the time specified by this Agreement;

- b. CoreWorks fails to employ at least fifty percent (50%) of the number of Employees in accordance with, and during the period set forth in Section 4.7 of this Agreement for any consecutive ninety (90) calendar day period;
- c. Either ADCW or CoreWorks fails to timely file the applicable required forms with the State Comptroller or WCAD during the Abatement Period, and for so long as the law requires;
- d. Either ADCW or CoreWorks becomes delinquent on any taxes owed to any taxing unit located in whole or in part in the County, including the County, without timely and properly following the legal procedures for protest and/or contest of any such taxes;
- e. During the Abatement Period, either ADCW or CoreWorks operates the Premises or the Building in violation of public health and safety laws, or allows the Premises or the Building, or any part thereof, to become a public nuisance, as determined by the ordinances of the County or the State of Texas;
- f. CoreWorks fails to maintain the minimum rendered taxable value of inventory at the Premises as noted in Section 4.8;
- g. Either ADCW or CoreWorks files any petition for bankruptcy;
- h. Any breach of the terms or conditions of this Agreement.

A Party will not be entitled to the tax abatement under this Agreement for any tax year during which the party is in default of this Agreement following the expiration of the applicable cure period in Section 5.6 of this Agreement.

- 5.5 Notice of Default: The County shall provide thirty (30) days written notice to a defaulting party that the party is in default. County intends to terminate the Agreement as to the defaulting party. The County shall also provide the written notice to each other party, whether or not in default.
- 5.6 Opportunity to Cure: If a default may be cured, a defaulting party shall have the opportunity to cure the default beginning on the day of its receipt of the written notice, and continuing for thirty (30) calendar days. If the defaulting party does not cure the default within the time allotted, the County, in its sole discretion, may terminate the Agreement in its entirety, or as to the defaulting party. The cure, if made, shall be to the County's satisfaction. If a cure is not possible, County, in its sole discretion, may terminate the Agreement in its entirety, or as to the defaulting party.
- 5.7 Termination: If either ADCW or CoreWorks defaults or fails to perform in accordance with the terms of the Agreement, and fails to timely cure such default, then County, in its sole discretion, shall unilaterally have the right to terminate this Agreement in its entirety, or as to the defaulting party. If the County determines that the Agreement will be terminated only as to the defaulting party, the Agreement will continue in force for the non-terminated parties.
- 5.8 Recapture, Interest, and Penalty: A terminated party shall pay to the County any and all property taxes that were abated, if any, during the years in which the terminated party was in default. The County shall provide the terminated party a written demand for the recaptured taxes, and the terminated party shall pay the recaptured taxes within 60 days of its receipt of the written demand. In addition, the County may charge the terminated party interest on any recaptured taxes, and on any other taxes delinquent at the time of



termination pursuant to Texas Tax Code Chapter 33. The County will not assess a penalty under Chapter 33 of the Texas Tax Code. The parties agree that interest is not a penalty.

- 5.9 Bankruptcy: If either ADCW or CoreWorks, or any permitted assignee files any petition for bankruptcy, then this Agreement shall be deemed to have automatically terminated one (1) day prior to the filing of the petition for bankruptcy, and upon such termination, all taxes previously abated under this Agreement for both ADCW and CoreWorks which have not been previously recaptured by the County shall be recaptured by the County in accordance with Section 5.3.
- 5.10 Other Remedies: County shall have the right to seek any remedy available at law to which it may be entitled, in addition to termination and/or recapture.

## **6. ASSIGNMENT**

- 6.1 Assignment: The terms and conditions of this Agreement are binding upon permitted successors and assigns of all Parties.
- a. This Agreement cannot be assigned to a new person or entity without the County's written consent. Any assignment must comply with the following terms:
    - 1. An Assignment must be publicly posted by the County for thirty (30) days prior to the regularly scheduled Commissioners Court meeting where consent to the Assignment will be considered;
    - 2. The assignee must explicitly accept all of assignor's obligations under this Agreement,
    - 3. The assignor must retain all of its obligations under this Agreement until the Assignment becomes effective;
    - 4. The Assignment must be executed by both the assignor and the assignee.
    - 5. The assignor must provide the County a fully executed Assignment agreement not later than ten (10) business days prior to the date the Commissioners Court will consider consenting to the Assignment.
  - b. ADCW or CoreWorks may assign this Agreement without prior written consent from the County if such assignment is to any entity that is directly or indirectly controlled by, or is in common control with the transferor entity provided that:
    - 1. The assignor gives written notice of any such assignment to the County at least thirty (30) days prior to the effective date of the assignment;
    - 2. The Assignment is made a part of the official minutes of a regularly scheduled Commissioners Court meeting, and notice of the Assignment is publicly posted for thirty (30) days prior to the regularly scheduled Commissioners Court meeting;
    - 3. The assignee explicitly accepts all of assignor's obligations under this Agreement;
    - 4. The assignor retains its obligations to the County under this Agreement until the Assignment is effective;
    - 5. The Assignment is executed by both the assignor and the assignee; and

6. The assignor provides the County a fully executed Assignment agreement not later than ten (10) business days prior to the date the Assignment is included in the official minutes of the Commissioners Court meeting.
- c. ADCW and CoreWorks understands and agrees that an entity must be entitled to a tax abatement on January 1 in order to claim the exemption for that tax year. If an entity is not entitled to the benefits of this Agreement on January 1 of any given tax year during the Abatement Period, then the entity may not receive the abatement for that year. The County is not responsible for ensuring that an assignment is effective prior to January 1 of any given tax year, or for ensuring that any assignee is entitled to the benefits of this Agreement. An assignee shall not be entitled to the benefits of this Agreement unless the assignment complies with the requirements of this Section 6 prior to January 1 of the applicable tax year.
- d. All future permitted assignees shall be bound by all terms, provisions, and representations of this Agreement. All permitted assignments must require the assignee to irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions set out in this Agreement. The County, at its option, may require ADCW and/or CoreWorks to guarantee the performance and payment of the assignee under this Agreement.

## **7. PROPERTY CONVEYANCE**

- 7.1 Property Conveyance: Neither ADCW nor CoreWorks shall grant, sell, lease, or otherwise convey property, or a portion thereof, subject to this Agreement without first providing 30 day written notice to the County of the intended conveyance. If either ADCW or CoreWorks fails to provide the thirty (30) day written notice, the person or entity receiving the property will not be entitled to the benefits of this Agreement, and the County, in its sole discretion, may immediately terminate this Agreement without providing ADCW or CoreWorks the Opportunity to Cure provided in Section 5.6.

## **8. MODIFICATIONS**

- 8.1 Written Modifications: Any modifications, amendments, and/or additions to this Agreement and its Exhibits must be in a writing dated subsequent to this Agreement, and signed by all Parties. An amendment may only be approved if it is a provision that could have been included in the original Agreement, or it is to remove a provision that were not necessary to the original Agreement. The amendment must comply with the requirements of Texas Tax Code Chapter 312 to be effective. The parties acknowledge and understand that County approval must be made through official action of the Commissioners Court.

## **9. CONFIDENTIAL INFORMATION**

- 9.1 Confidential Information: ADCW and CoreWorks recognize and understand that County is a governmental entity subject to Texas Government Code Chapter 552, the Texas Public Information Act ("PIA"). ADCW and CoreWorks shall clearly mark any confidential documents or other information provided to the County as such. In the event that the County receives any open records requests regarding any such confidential document or information or directly regarding this Agreement or any documents or information related to or prepared in connection therewith, the County will make good faith efforts to promptly notify the affected entity of the request. ADCW and CoreWorks recognize and understand that the final decision as to what information must be disclosed pursuant to the PIA lies

with the Texas Attorney General. ADCW and CoreWorks further agree that County may furnish information acquired through or pursuant to this Agreement and that is requested through the PIA to the Texas Attorney General for a determination of whether the information must be disclosed. The County, its officers, and employees shall have no liability or obligation to any party for the disclosure to the public, or to any person or persons, of any items or data furnished to the County by either ADCW or CoreWorks in reliance on any statute, court opinion, court order, or the advice, decision, or opinion of the Texas Attorney General.

## **10. INDEMNITY**

- 10.1 **INDEMNITY:** ADCW AND COREWORKS AGREE TO DEFEND, INDEMNIFY, AND HOLD HARMLESS THE COUNTY, INCLUDING BUT NOT LIMITED TO THE COUNTY'S OFFICIALS, OFFICERS, EMPLOYEES, AGENTS, AND AFFILIATES, AND THE WALLER COUNTY APPRAISAL DISTRICT, FROM ANY AND ALL THIRD-PARTY CLAIMS, LOSSES, DAMAGES, INJURIES, SUITS, JUDGMENTS, AND REASONABLE ATTORNEY'S FEES RELATING TO THE BREACH OF PERFORMANCE OF THEIR OBLIGATIONS UNDER THIS AGREEMENT, PROVIDED THAT SUCH INDEMNITY DOES NOT EXTEND TO MATTERS BEYOND THE SCOPE OF THIS AGREEMENT. IN NO EVENT SHALL ADCW OR COREWORKS INDEMNIFY COUNTY FOR ACTS, OMISSIONS, DEFAULTS OF COUNTY, INCLUDING, WITHOUT LIMITATION, THE NEGLIGENCE OR WILLFUL MISCONDUCT OF COUNTY OR ANY AGENTS, CONSULTANTS, OR EMPLOYEES THEREOF.

## **11. MISCELLANEOUS PROVISIONS**

- 11.1 **Recitals:** The above stated recitals are incorporated into this Agreement.
- 11.2 **Conflict of Interest:** The County represents and warrants that the Premises do not include any property that is owned by a member of the Waller County Commissioners Court, or owned by any party responsible for the approval of this Agreement.
- 11.3 **Bonds:** This Agreement is subject to the rights of the holders of any outstanding bonds of the County. No bonds for which the County is liable have been used to finance this project. None of the property improvements described in this Agreement are financed by tax increment bonds.
- 11.4 **Force Majeure:** "Force majeure" is any contingency or cause beyond the reasonable control of any Party, including, without limitation, an act of God, public enemy, war, riot, civil commotion, insurrection, or labor strikes. ADCW and CoreWorks shall have additional reasonable time to complete their respective Improvements in the event of force majeure, provided that each is diligently and faithfully pursuing completion of the Improvements at the time additional reasonable time is requested. The party requesting additional reasonable time to complete the Improvements must make a written request to the County in the manner described by Section 11.19. The party requesting the additional reasonable time has the burden of showing they are unable to complete their respective Improvements because of a force majeure event.
- 11.5 **Independent Performance:** It is understood and agreed between the parties that ADCW and CoreWorks are acting independently in the performance of their obligations hereunder, and the County assumes no responsibilities or liabilities for ADCW's or CoreWorks' performance of this Agreement.
- 11.6 **Third Party Beneficiaries:** This Agreement does not benefit any third party.

- 11.7 Governing Law and Venue: This Agreement shall be construed and interpreted in accordance with the laws of the State of Texas, without regard to its conflict of laws provisions. This Agreement is made, and to be performed in Waller County, Texas. Venue for any disputes arising from or regarding this Agreement is exclusively in Waller County, Texas.
- 11.8 No Arbitration: The County does not agree to arbitration for a dispute arising under this Agreement.
- 11.9 Legal Compliance: This Agreement is intended to comply with the requirements of law and is authorized by the Texas Tax Code Chapter 312, Waller County Policy, and by resolution of the Commissioners Court authorizing execution of this Agreement.
- 11.10 County Authorization: This Agreement was authorized by resolution of the Commissioners Court approved by a majority of the Commissioners Court at this regularly scheduled meeting on January 21, 2026 in accordance with applicable provisions of the Texas Tax Code, whereupon the County Judge was authorized to execute this Agreement on behalf of the County.
- 11.11 Other Agreements: This Agreement does not modify, alter, or amend any other agreement or instrument between the County and any other party relating to matters other than the abatement of ad valorem taxes on the Improvements.
- 11.12 Signatories: Signatories to this Agreement represent and warrant that they have the authority to bind the respective Parties.
- 11.13 Expenses: Except as otherwise expressly set forth in this Agreement, each of the parties will bear its own expenses in connection with the transactions contemplated by this Agreement.
- 11.14 Severability: In the event any section, subsection, paragraph, subparagraph, or sentence herein is held invalid, illegal or unenforceable, the remainder of the Agreement shall remain valid and enforceable. In such event there shall be substituted for such deleted provision(s) a provision as similar as possible in terms and in effect to such deleted provision that is valid, legal, and enforceable.
- 11.15 Foreign Investors and Organizations: Both ADCW and CoreWorks recognize and affirm that Waller County will only consider tax abatements for entities in accordance with Section 4.6 of the Waller County Policy. ADCW and CoreWorks agree that in the event either entity attempts to assign this Agreement, or allows an entity to occupy or possess any portion of the Building or Premises in violation of Section 4.6 of the Waller County Policy, this Agreement will immediately terminate without notice and without the benefit of the Opportunity to Cure provided in Section 5.6. In such event, the County shall be entitled to recapture any and all property taxes which have been abated as a result of this Agreement for those years in which either entity violated this Section 11.15.
- 11.16 Entire Agreement: This Agreement and all exhibits referenced herein constitute the entire understanding and agreement among the parties with respect to the subject matter hereof, and none of the parties hereto have relied upon any fact or representation not expressly set forth herein. Any previous agreement, proposal, or understanding, whether oral or written, is hereby superseded. No obligations, agreements, representations, warranties, or certifications, expressed or implied, exist among the Parties with respect to the subject matter hereof except as expressly stated herein.

- 11.17 Headings: All headings and captions used herein are only for the convenience of the Parties, and are of no meaning in the interpretation or effect of this Agreement.
- 11.18 Necessary Parties: Each of the Parties shall be deemed a proper and necessary party in any litigation concerning this Agreement, including litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions, or County actions authorizing same. Any Party shall be entitled to intervene in said litigation.
- 11.19 Notices: Notices delivered hereunder shall be in writing and shall be delivered by personal delivery or certified mail, return receipt requested. Any notice or certification to be provided pursuant to this Agreement shall be delivered to the following persons, unless a substitute representative is designated in writing:

For County:

Carbett "Trey" Duhon, III  
County Judge  
836 Austin Street, Suite 4300  
Hempstead, TX 77445

For ADCW:

ADCW Holdings, LLC  
1200 Alegacy Place  
Waller, TX 77484  
Attn.:

For CoreWorks:

CoreWorks Heat Exchangers, LLC  
1300 Alegacy Place  
Waller, TX 77484  
Attn:

Any party may designate a different notice party or address by giving the other parties at least ten (10) days prior written notice in the manner prescribed above.

- 11.20 Conditions Precedent: This Agreement is conditioned on ADCW's acquisition of the Premises, and pursuant to Texas Tax Code § 312.206 on each ADCW and CoreWorks entering into a tax abatement agreement with the City of Waller, Texas under Texas Tax Code §312.204. If ADCW fails to acquire the Premises, or if either ADCW or CoreWorks fails to enter into a tax abatement agreement with the City of Waller under Texas Tax Code § 312.204, this Agreement will immediately be deemed null and void.

*[Remainder of page intentionally left blank; Signature Page follows.]*

IN WITNESS WHEREOF, and in consideration of the mutual covenants and agreements contained herein, the parties hereto mutually enter into this Agreement as of the Effective Date.

**WALLER COUNTY**

a political subdivision of the State of Texas

Carbett "Trey" Duhon III  
Waller County Judge

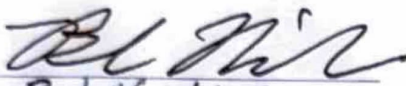
Date

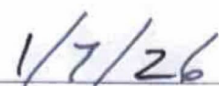
ATTEST:

Debbie Hollan  
Waller County Clerk


Date


**ADCW HOLDINGS, LLC**  
a Texas limited liability company

  
By: Bob Nickles  
Title: Manager

  
Date 1/7/26

**COREWORKS HEAT EXCHANGERS, LLC**  
a Texas limited liability company

  
By: JEFF DIAZ  
Title: PRESIDENT

  
Date 1/7/2026

# EXHIBIT A

ADDRESS: 42460 HIGHWAY 290 BUSINESS  
WALLER, TEXAS 77484  
ORDERED BY: BOB NICKLES

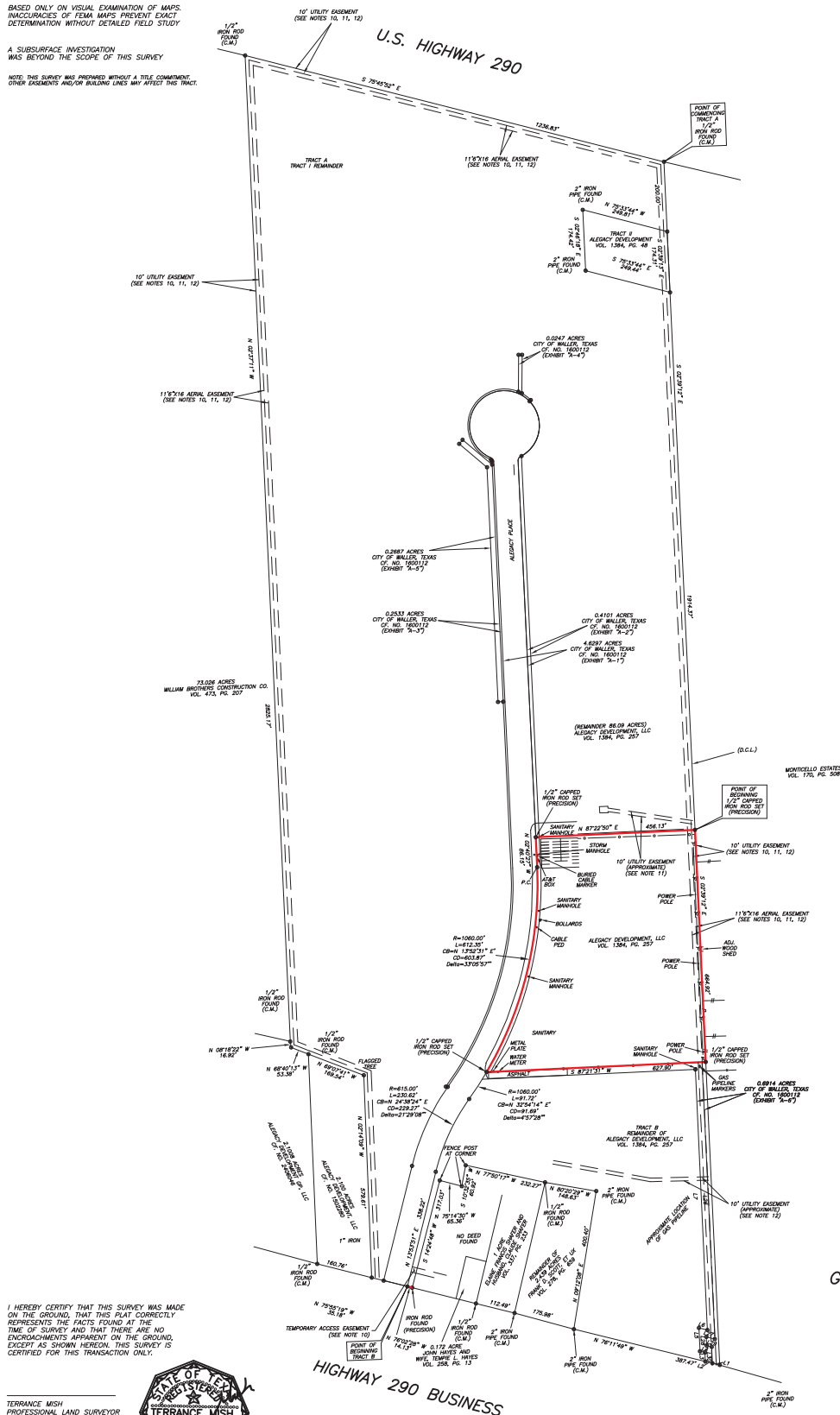
THIS PROPERTY DOES NOT LIE WITHIN THE  
100 YEAR FLOOD PLAIN AS ESTABLISHED  
BY THE U.S. DEPT. OF HOUSING & URBAN  
DEVELOPMENT  
COMMUNITY PANEL NO. 48473C 0155 F  
MAP REVISION: 05/16/2019  
ZONE X

BASED ONLY ON VISUAL EXAMINATION OF MAPS.  
INACCURACIES OF FEMA MAPS PREVENT EXACT  
DETERMINATION WITHOUT DETAILED FIELD STUDY

A SUBSURFACE INVESTIGATION  
WAS BEYOND THE SCOPE OF THIS SURVEY

NOTE: THIS SURVEY WAS PROVIDED WITHOUT A TITLE COMMITMENT.  
OTHER EASEMENTS AND/OR BUILDING LINES MAY AFFECT THIS TRACT.

SCALE: 1" = 200'



7.6972 ACRES  
SITUATED IN THE  
G.A. DENNETT SURVEY, A-124  
WALLER COUNTY, TEXAS

D.L.L.-DIRECTIONAL CONTROL LINE  
RECORD BEARING: TEXAS SOUTH CENTRAL ZONE NO. 4204  
STATE PLANE 800 COORDINATES (NAD83)

DRAWN BY: RE

**PRECISION SURVEYORS**  
PROFESSIONAL LAND SURVEYS  
1-800-LANDSURVEY  
www.precisionlandsurveyors.com  
281-496-1286 FAX 281-496-1867  
890 PINEHURST STREET SUITE 180 HOUSTON, TEXAS 77059  
210-829-4941 FAX 210-829-1555  
1777 HE LOOP AND SUITE 800 SAN ANTONIO, TEXAS 78217  
PPLM NO. 10063700

I HEREBY CERTIFY THAT THIS SURVEY WAS MADE  
ON THE GROUND, THAT THIS PLAT CORRECTLY  
REPRESENTS THE FACTS FOUND AT THE  
TIME OF SURVEY AND THAT THERE ARE NO  
ENCROACHMENTS APPARENT ON THE GROUND,  
EXCEPT AS SHOWN HEREON. THIS SURVEY IS  
CERTIFIED FOR THIS TRANSACTION ONLY.



TERRANCE M. MISK  
PROFESSIONAL LAND SURVEYOR  
NO. 4981  
DRAWING NO. 25-07784  
SEPTEMBER 12, 2025

STATE OF TEXAS       §  
                                  §  
                                  §  
                                  §  
                                  §  
COUNTY OF WALLER   §

Metes & Bounds Property Description

A tract of land containing 7.6972 Acres situated in the G.A. Dennett Survey, Abstract No. 124 of Waller County, Texas, being a portion of the remainder of a tract recorded in the name of Alegacy Development, LLC. in Volume 1384, Page 257 of the Real Property Records of Waller County, Texas (R.P.R.W.C.T.), (being out of Lot "H" of a drawing attached to the plat of Monticello Estates as recorded in Volume 170, Page 508 of the R.P.R.W.C.T.), and being more particularly described by metes and bounds as follows: (Bearings based on the Texas Coordinate System, South Central Zone, NAD83)

COMMENCING at a 1/2 Inch iron rod found on the south right-of-way line of U.S Highway No. 290, at the northwest corner of Monticello Estates as recorded in Plat Record 0B-55 of the Plat Records of Waller County, Texas;

THENCE, SOUTH 02° 39' 12" EAST, with the west line of said Monticello Estates, a distance of 1,914.37 Feet to a 1/2 Inch iron rod with a "PRECISION" cap set at the northeast corner and POINT OF BEGINNING of this tract;

THENCE, **SOUTH 02° 39' 12" EAST**, continuing with the west line of said Monticello Estates, a distance of **664.92 Feet** to a 1/2 Inch iron rod with a "PRECISION" cap set at the southeast corner of this tract;

THENCE, **SOUTH 87° 21' 31" WEST**, across and through the aforementioned Alegacy Development, LLC. Tract, a distance of **627.90 Feet** to a 1/2 Inch iron rod with a "PRECISION" cap set on the east right-of-way line of Alegacy Place at the southwest corner of this tract;

THENCE, with said east right-of-way line the following two (2) courses:

1. in a northeasterly direction with the arc of a curve to the left, having a radius of **1,060.00 Feet**, an arc length of **612.35 Feet**, a central angle of **33° 05' 57"**, a chord bearing of **NORTH 13° 52' 31" EAST**, and a chord distance of **603.87 Feet** to a point at a corner of this tract;

2. **NORTH 02° 40' 27" WEST**, a distance of **86.15 Feet** to a 1/2 Inch iron rod with a "PRECISION" cap set at the northwest corner of this tract;

THENCE, **NORTH 87° 22' 50" EAST**, across and through the aforementioned Alegacy Development, LLC. Tract, a distance of **456.13 Feet** to the POINT OF BEGINNING and containing 7.6972 Acres of land.

(See attached drawing)



Terrance P. Mish  
Registered Professional Land Surveyor  
No. 4981  
Job No. 25-07784  
September 12, 2025



## **EXHIBIT B - SUPPORT DOCUMENTATION FOR REAL AND PERSONAL PROPERTY COVERED BY THE ABATEMENT**

Personal property and fixed equipment. Total values for both should match those totals provided in the economic impact data sheet.

**“Real Property”** real property improvements as designated by the Waller County Appraisal District are any buildings, including those built on skids and portable buildings, parking areas and any fences attached to the land.

**NOTE: Do not include the land values as land is not eligible for tax abatement.**

Please use the table below or attach a list of the value for each building, fencing, driveways and other qualifying real property improvements along with the total value.

### **Real Property Improvements to be completed by ADCW Holdings, LLC**

<b>Description</b>	<b>Value</b>
Buildings – 130,000 square foot manufacturing facility	\$25,000,000
Driveways	
Fencing	
Other Improvements	
Total	\$25,000,000

**“Personal Property”** as designated by the Waller County Appraisal District is anything that can be removed from the building without destroying or changing the building. This category would include any machinery or equipment that may be bolted to the floor but has a shorter life than the building and is used in the primary line of business as designated by the qualifying business type.

### **Personal Property Improvements to be installed by CoreWorks Heat Exchangers, LLC**

<b>Description</b>	<b>Value</b>
13 overhead gantry cranes	\$2,000,000
Brazed aluminum heat exchange furnace	\$9,100,000
Tig welders	\$800,00
Other support equipment	\$3,100,000
Total	\$15,000,000

# EXHIBIT C

## CITY OF WALLER HARRIS AND WALLER COUNTIES, TEXAS

### ORDINANCE NO. 651

**AN ORDINANCE OF THE CITY OF WALLER, TEXAS DESIGNATING A REINVESTMENT ZONE FOR COMMERICAL-INDUSTRIAL TAX ABATEMENT; ASSIGNING THE NAME "REINVESTMENT ZONE NUMBER 2-CI OF THE CITY OF WALLER, TEXAS" TO SAID ZONE; DESCRIBING THE BOUNDARIES THEREOF; PROVIDING FOR AN EFFECTIVE DATE; AND PROVIDING FOR SEVERABILITY.**

**WHEREAS**, the City Council of the City of Waller, Texas (the "City"), as authorized by the property Redevelopment and Tax Abatement Act, Chapter 312, TEX. TAX CODE (the "Act"), wishes to designate a new reinvestment zone in an effort to promote the development or redevelopment of certain contiguous geographic area through the use of tax abatements; and

**WHEREAS**, the City Council finds that creation of the Zone is likely to contribute to the retention or expansion of primary employment in the area and/or would contribute to attract major investments that would contribute to the economic development of the City; and

**WHEREAS**, the City Council find that the Zone area meets the qualifications of the Texas Redevelopment and Tax Abatement Act; and

**WHEREAS**, the City held a public hearing on the creation of the Reinvestment Zone Number 2-CI after providing proper notice to the public and other taxing entities; and

**WHEREAS**, the City adopted Tax Abatement Guidelines through Resolution #2024-18 on the 16th day of December, 2024;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WALLER, TEXAS, THAT:**

**SECTION 1.** The facts and matters contained in the preamble to this ordinance are hereby found to be true and accurate and incorporated into this ordinance for all purposes.

**SECTION 2.** The City Council hereby designates the Alegacy Development, LLC, 1300 Alegacy Place, Waller, Texas, 77484 (mailing only), Waller County, Texas, further described in the legal description attached hereto as **Exhibit A**, and made a part hereof for all purposes, as a Reinvestment Zone under the name "Reinvestment Zone Number 2-CI of the City of Waller, Texas".

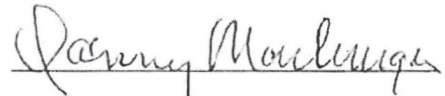
**SECTION 3.** The City Council hereby finds that the improvements sought are feasible and practical and are a benefit to the land to be included in the zone and to the municipality after the expiration of an agreement entered into under Section 312.204 or 312.211, TEX. TAX CODE, as applicable.

**SECTION 4.** In the event any clause phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Waller, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

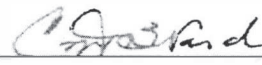
**SECTION 5.** This Ordinance shall take effect immediately upon its approval.

**PASSED, APPROVED and ORDAINED** on this 6<sup>th</sup> day of February, 2025.

**CITY OF WALLER, TEXAS**

  
**DANNY MARBURGER, MAYOR**

ATTEST:

  
**Cynthia Ward, City Secretary**



**CITY OF WALLER**  
**HARRIS AND WALLER COUNTIES, TEXAS**

**ORDINANCE NO. 655**

**AN ORDINANCE OF THE CITY OF WALLER, TEXAS CHANGING THE NAME OF THE “REINVESTMENT ZONE NUMBER 2-CI OF THE CITY OF WALLER, TEXAS” TO “CITY OF WALLER REINVESTMENT ZONE #2”; MAKING OTHER FINDINGS RELATED; PROVIDING FOR EFFECTIVE DATE; AND PROVIDING FOR SEVERABILITY.**

**WHEREAS**, the City Council (the “Council”) of the City of Waller, Texas (the “City”) passed Ordinance No. 651 establishing and naming a reinvestment zone under Chapter 312 of the Texas Tax Code (the “Code”) with the name “Reinvestment Zone Number 2-CI of the City of Waller, Texas”; and

**WHEREAS**, the Texas Comptroller of Public Accounts has provided specific naming standards for Reinvestment Zones formed under the Code;

**WHEREAS**, the Council finds it is in the best interest of the City and to economic development within the City to rename the Reinvestment Zone for easier reporting per the Comptroller’s published guidance;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WALLER, TEXAS, THAT:**

**Section 1.** The facts and matters contained in the preamble to this ordinance are hereby found to be true and accurate and incorporated into this ordinance for all purposes.

**Section 2.** The City Council hereby renames the “Reinvestment Zone Number 2-CI of the City of Waller” to “City of Waller Reinvestment Zone #2.”

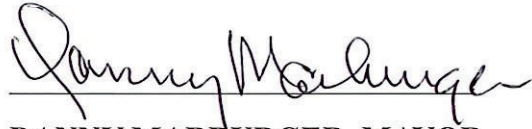
**Section 3.** All other provisions and findings of Ordinance No. 651, attached as Exhibit A, remain true and accurate and are incorporated into this ordinance for all purposes.

**Section 4.** In the event any clause phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Waller, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

**Section 5.** This Ordinance shall take effect immediately upon its approval.

**PASSED, APPROVED and ORDAINED** on this 19<sup>th</sup> day of May 2025.

**CITY OF WALLER, TEXAS**



**DANNY MARBURGER, MAYOR**

ATTEST:



**Cynthia Ward, City Secretary**

