

STATE OF TEXAS §

COUNTY OF WALLER §

TAX ABATEMENT AGREEMENT BETWEEN
WALLER COUNTY, TEXAS AND
GRUNDFOS CBS, INC.

This Tax Abatement Agreement (this “Agreement”) is entered into by and between the County of Waller, Texas (“County”), duly acting herein by and through the County Judge, and Grundfos CBS, Inc. (“Grundfos”), a Delaware corporation with its principal place of business at 902 Koomey Road, Brookshire, Texas 77423. Grundfos owns the property subject to this Agreement, and on which the Improvements (defined hereafter) will be made. The taxable real and personal property is located within Waller County, Texas, in the City of Brookshire, Texas, and is in the City of Brookshire Reinvestment Zone #3 (“Reinvestment Zone”) designated by the City of Brookshire on June 5, 2025. This Agreement is entered as of the last day of signature affixed hereto (the “Effective Date”).

RECITALS:

WHEREAS, on the 5th day of June, 2025 the City of Brookshire passed an Order establishing City of Brookshire Reinvestment Zone #3, a Reinvestment Zone for commercial/industrial tax abatement (“Order”), as authorized by Texas Tax Code Chapter 312, attached hereto as Exhibit C; and

WHEREAS, the City entered into a tax abatement agreement under Texas Tax Code § 312.204 with the property owner; and

WHEREAS, the County is a taxing unit under Texas Tax Code § 312.002, in which the property is located, and wishes to enter into a tax abatement agreement with the property owner; and

WHEREAS, the County has previously adopted the Waller County Tax Abatement Policy Guidelines & Criteria (“Policy”) governing Tax Abatement Agreements and Reinvestment Zones; and

WHEREAS, the Policy constitutes appropriate guidelines and criteria governing Tax Abatement Agreements to be entered into by the County; and

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

WHEREAS, in order to maintain and/or enhance the commercial/industrial economic and employment base of County, to otherwise further the goals of the Policy previously adopted by County, and for the long-term benefit of the County;

NOW THEREFORE, the parties hereto mutually agree as follows:

COVENANTS AND AGREEMENTS:

1. This Agreement shall begin on the Effective Date, and continue until termination in accordance with its terms (the “Agreement Term”).
2. The “Premises” is the parcel of land described in Exhibit A, which is attached hereto and incorporated herein.
3. Grundfos shall make or cause to be made real and personal property improvements (the “Improvements”) on the Premises, and the Improvements shall be of the kind, number, and location specifically described in Exhibit B, which is attached hereto and incorporated herein. In addition, Grundfos shall install and maintain, or cause to be installed and maintained, at the Premises the Improvements described on Exhibit B, the taxable value of which shall be as identified on Exhibit B, and shall be for the purpose of allowing Grundfos to operate or cause the Premises to be operated as required in Section 3.

- a. Grundfos shall ensure the Improvements are diligently and faithfully undertaken and completed in a good and workmanlike manner, in compliance with all applicable federal, state, and local laws and regulations.
 - b. Grundfos shall have additional reasonable time to complete the Improvements in the event of “force majeure,” if Grundfos is diligently and faithfully pursuing completion of the Improvements. “Force majeure” shall mean any contingency or cause beyond the reasonable control of Grundfos including, without limitation, an act of God, public enemy, war, riot, civil commotion, insurrection, or labor strikes.
4. Grundfos 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, or cause to be continually operated and maintained, the Premises as a production facility for water pumps and related equipment. If Grundfos operations at the Premises are prevented due to force majeure, such interruption of operations shall not constitute a default hereunder.
5. Grundfos shall file or cause to be filed the Forms 50-116, 50-141, 50-142, and/or any other reasonably required documentation, to verify personal property values and continued compliance for the abatement granted, to the Waller County Appraisal District annually during the Abatement Period for so long as the law requires annual application. 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 may result in the termination of this Agreement. Further, Grundfos agrees to allow both the County and the Waller County Appraisal

District access to the Improvements to confirm rendered inventory values as part of ensuring compliance with this Agreement.

6. Grundfos shall, in writing in a form reasonably acceptable to both Grundfos and the County and, until the expiration or termination of this Agreement, annually certify compliance with this Agreement, including the Employment requirements set forth in Section 7.
7. EMPLOYEES: For the duration of this Agreement, Grundfos shall employ an agreed number of persons as set forth below.
 - a. Grundfos must hire a minimum of ten (10) new Employees (defined hereafter) each Year of the Abatement Period. For example, this requires ten (10) new Employees by the end of Year 1 of the Abatement Period, and an additional ten (10) new Employees by the end of Year 2 of the Abatement Period, for a total of 20 Employees by the end of Year 2, and continuing for each subsequent Year of the Abatement Period. In the event that Grundfos employs more than ten (10) new Employees during any year of the Abatement Period, then the year immediately following the year in which Grundfos exceeds ten (10) new Employees will be credited with the excess number of new Employees. The new Employees must be employed at or based from the Premises. New Employees may include persons transferred from an existing facility in another Texas county. The parties agree and understand that the number of Employees within a certain class may increase or decrease and that Grundfos will be in compliance with the Employee requirements as long as ten (10) new Employees are employed each Year during the Abatement Period, as described herein, regardless of the number of new Employees in each position.

- b. An Employee is a person who (i) is paid directly by Grundfos or in the case of a contract employee paid directly or indirectly by Grundfos, and (ii) regularly works at least 35 hours a week at or based from the Premises, excluding time taken for holidays, vacations, sick leave, or other regular leave.
- c. Where there are qualified applicants living in Waller County, Grundfos shall make a good faith effort to employ such persons living in Waller County, Texas for its new Employees. Grundfos 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.
- d. Grundfos, upon a five (5) business day prior request by the County, shall validate compliance with the terms of this Section 6 by allowing the County to review Grundfos' records and documents on location at the Premises, or such other reasonable location agreed to by the Parties, that are directly related to Grundfos obligations with regards to the Employees for the sole purpose of verification of the information contained in the compliance certifications due pursuant to Section 5; provided, however, such review must be done during normal business hours no more than once per calendar year, and the County shall not be permitted to photocopy any documentation. Grundfos may withhold any information it reasonably deems to be sensitive (subject to the requirements of any applicable statute). In the event that the County is unable to determine compliance because access to information is denied, or information is withheld hereunder, then the County may terminate this Agreement upon written notice to Grundfos. The County agrees it will make best efforts not to interrupt the Grundfos business with such

reviews, and Grundfos 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.

8. It is understood, and agreed among the parties, that beginning Year 1 of the Abatement Period, as defined herein, and continuing each year thereafter, as provided in law, the Premises and any and all Improvements shall be appraised at market value effective January 1 of each tax year, including the value of any partially completed Improvements.
9. INVENTORY: By the beginning of Year 2 of the Abatement Period, and continuing during the Abatement Period, Grundfos shall maintain a minimum \$2,186,176.00 rendered taxable inventory value at the Premises. Grundfos agrees to render all Personal Property for tax valuation purposes with the Chief Appraiser for the Waller County Appraisal District annually and within the deadline for filing renditions. Grundfos shall give the Waller County Appraisal District any necessary permission required for the Waller County Appraisal District to provide copies of Grundfos tax documents with inventory values to the County for the purpose of verifying rendered inventory values.
10. Subject to the terms and conditions of this Agreement, and subject to the rights of the holders of any outstanding bonds of the County, a portion of the ad valorem property taxes only for real and personal property Improvements for the Premises, which would otherwise be owed to the County, shall be abated for a period of years, commencing January 1, 2028 and terminating December 31, 2033("Abatement Period").
 - a. Said Abatement Period shall be only for qualifying real and personal property Improvements, referenced in Exhibit B, in an amount equal to the percentages listed below:

YEAR 1 (2028) 100%
YEAR 2 (2029) 100%
YEAR 3 (2030) 75%
YEAR 4 (2031) 75%
YEAR 5 (2032) 75%
YEAR 6 (2033) 50%

- b. The abatement percentages in Section 9(a) shall be applied only to the taxes assessed for each year during the Abatement Period on the value of the real and personal property Improvements identified on Exhibit B.
- c. Grundfos shall have the right to protest any appraisals of the Premises, Improvements, or any portion thereof, during the term of this Agreement. Nothing in this Agreement shall affect the right to protest and/or contest any taxes assessed on the Premises and any and all 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.
- d. If the certified appraised value of the real property Improvements is reduced, regardless of the initial appraised value, as the result of Grundfos' protest, the percentage of abatement granted herein will be adjusted downward by the same percentage, then rounded to the nearest whole number. For example, if the protest of the certified appraised value is reduced by 6.6% then the percentage of the tax abatement granted in any given year under this Agreement on the Improvements would be decreased by the same percentage, rounded upward to the nearest whole number, thereby reducing the abatement by 7%.

DEFAULT:

- 11. Grundfos shall be in default if it fails to perform its obligations in accordance with this Agreement. Default includes, but is not limited to:

- a. Improvements not installed or maintained in accordance with this Agreement as described in Exhibit B, except where force majeure is the cause, as provided under Section 2(b);
- b. Grundfos fails to employ the number of persons in accordance with (and during the period set forth in) Section 7 of this Agreement for any consecutive 90-day period, which would reduce the abatement by the same percentage as noted in Section 13;
- c. With respect to the Abatement Period, Grundfos fails to timely file, or cause to be filed, annual renditions for the Premises and any and all Improvements or Grundfos fails to file, or cause to be filed, an annual application with the Waller County Appraisal District for so long as the law requires such an application;
- d. During the Agreement Term, Grundfos allows their ad valorem taxes owed to the County, or any other taxes owed to any other taxing entity located in whole or in part in the County, to become delinquent without timely and properly following the legal procedures for protest and/or contest of any such taxes;
- e. During the Agreement Term, Grundfos operates, allows the Premises to be operated in violation of public health and safety laws; or causes or allows the Premises or any part thereof to become a public nuisance, as provided under the appropriate ordinances of Waller County, or the State of Texas;
- f. For duration of the Abatement Period beginning with Year 2, if Grundfos fails to maintain a minimum of \$2,186,176.00 rendered taxable value of inventory at the Premises, then Grundfos shall not be entitled to the abatement of property taxes for the year in which the default occurs.

12. In the event Grundfos defaults as described in Section 10, the County, or the Waller County Appraisal District shall give Grundfos written notice of such default. If Grundfos has not cured such default under Section 10 within sixty (60) days of said written notice or, if the nature of such default is such that sixty (60) days is not sufficient to affect such cure, does not commence such cure within such sixty (60) days and diligently pursue it to completion, the County may take the actions permitted in Section 12 or Section 13, as applicable.
13. In the event that Grundfos fails to maintain the required minimum number of Employees at the Premises in accordance with (and during the period set forth in) Section 6 for any consecutive 90-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 90-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 upward to the nearest whole number reducing the abatement by 7%. Should Grundfos not maintain the required number of employees, and reduce the taxable value of real property as a result of tax protest, then the greater of the two shall be applied to the reduction.
14. This Agreement may be terminated as follows:
 - a. This Agreement shall automatically terminate upon complete performance of the terms and conditions of the Agreement.

- b. Either party may terminate this Agreement if Grundfos elects not to proceed with the project before the Abatement Period commences.
 - c. If Grundfos, or any permitted successor or assign filed 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 shall be recaptured by the County.
 - d. The County may terminate this Agreement in the event of default in the manner described below.
15. In the event of default under Section 10(a) and Section 10(c)-(e), the County may (after notice and opportunity to cure as provided for herein) terminate this Agreement upon written notice of termination to Grundfos, and the County, in such event, 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 Grundfos was in default under Section 10(a) and Section 10 (c)-(e), and all such taxes shall be paid to the County within sixty (60) days of Grundfos' receipt of written demand from the County following the expiration of the cure period described in Section 11 (provided no cure is made).
- a. In addition to any taxes due as a result of default hereunder, interest on any amounts subject to recapture or not current as of the time of default may be charged at the statutory rate of delinquent taxes, as determined by Chapter 33 of the Texas Tax Code.
 - b. Notwithstanding subsection (a) above, in the event of default or termination, no penalty shall be charged under Chapter 33 of the Texas Tax Code.

MISCELLANEOUS:

16. 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.
17. The terms and conditions of this Agreement are binding upon the permitted successors and assigns of all parties.
 - a. This Agreement cannot be assigned by Grundfos without the County's written consent, which shall not be unreasonably withheld. In order for an Assignment to be effective, the following conditions must be met:
 - i. An Assignment must be publicly posted by the County for 30 days prior to the regularly scheduled Commissioners Court meeting where consent to the Assignment will be considered;
 - ii. The assignee must explicitly accept all or assignor's obligations under this Agreement,
 - iii. The assignor retains all of its obligations under this Agreement until the Assignment becomes effective;
 - iv. The Assignment is executed by both the assignor and the assignee.
 - v. The assignor provides 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. Grundfos may assign this Agreement without written consent from the County if such assignment is to any entity that, directly or indirectly, is controlled by, or is in common control with Grundfos, provided that:

- i. 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;
 - ii. 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 30 days prior to the regularly scheduled Commissioners Court meeting;
 - iii. The assignee explicitly accepts all of assignor's obligations under this Agreement;
 - iv. The assignor retains its obligations to the County under this Agreement until the Assignment is effective;
 - v. The Assignment is executed by both the assignor and the assignee; and
 - vi. The assignor provides the County a fully executed Assignment agreement not later than five (5) business days prior to the date the Assignment is included in the official minutes of the Commissioners Court meeting.
18. This Agreement does not inure to the benefit of any third-party, except permitted successors or assigns
19. Grundfos recognizes and understands that Waller County will not provide public support for companies or companies with a partial ownership from or investors from communist countries or those companies coming from countries with poor human rights records. Grundfos agrees that in the event Grundfos allows such a company to occupy or possess any portion of the Premises, this Agreement will be immediately terminated. 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 Grundfos violated this Section of the Agreement.

20. It is understood and agreed between the parties that Grundfos is acting independently in the performance of its obligations hereunder, and the County assumes no responsibilities or liabilities for Grundfos' performance of this Agreement. GRUNDFOS AGREES 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 GRUNDFOS' BREACH OF PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AGREEMENT. In no event shall Grundfos indemnify County for acts, omissions or defaults of County, including, without limitation, the negligence or willful misconduct of County or any agents, consultants, or employees thereof.
21. Grundfos agrees that both the Waller County Appraisal District and the County, and their agents or employees shall, during the Agreement Term, have the reasonable right of access to the Premises after five (5) business days' prior written notice to inspect the Improvements to ensure that the Improvements have been made and are being made in accordance with this Agreement. After completion of the Improvements, both the Waller County Appraisal District and the County, and their agents and employees shall have the continuing right of reasonable access to ensure that the Premises are thereafter maintained and operated in accordance with this Agreement, during the Abatement Period. The County agrees (i) to give Grundfos notice of its intent to inspect the Premises at least two (2) business days prior to such inspections, (ii) that such inspections shall be during normal

- business hours, and (iii) Grundfos shall be permitted to have a representative accompany the County's representative(s) at all times during such inspections. The County's inspections, if any, shall not constitute an acknowledgment or certification to Grundfos, or any third party, that Grundfos followed federal, state, or local laws or regulations.
22. This Agreement shall be construed and interpreted in accordance with Texas law, and it is performable in Waller County, Texas. Any disputes regarding this agreement shall be litigated or mediated in Waller County, Texas.
 23. This Agreement was authorized by the Commissioners Court of Waller County, Texas at this meeting on June 25, 2025, whereupon it was duly determined that the County Judge would execute the Agreement on behalf of Waller County, Texas.
 24. All amendments and additions to this Agreement and its Exhibits must be approved in writing by Grundfos and the Waller County Commissioners Court, and be done in accordance with Texas Tax Code Chapter 312.
 25. Signatories to this Agreement represent and warrant that they have the authority to bind the respective parties.
 26. 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.
 27. In the event any section, subsection, paragraph, subparagraph, or sentence herein is held invalid, illegal or unenforceable, 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, subparagraph, or sentence. In such event there shall be substituted for such deleted provisions a provision as similar as possible in terms and in effect to such deleted provision that is valid, legal and enforceable.

28. The County shall have the right to seek any remedy available at law to which it may be entitled, in addition to the remedies provided herein.
29. Except as may otherwise be provided herein, this Agreement constitutes the entire understanding between the parties with respect to the subject matter hereof and none of the parties hereto has relied upon any fact or representation not expressly set forth herein. No obligations, agreements, representations, warranties, or certifications, expressed or implied, shall exist among the parties with respect to the subject matter hereof except as expressly stated herein.
30. All headings and captions used herein are for the convenience of the parties only and are of no meaning in the interpretation or effect of this Agreement.
31. Grundfos recognizes and understands that the County is a governmental entity subject to Texas Government Code Chapter 552, the Texas Public Information Act ("PIA"). Grundfos shall 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 Grundfos of the request. Grundfos recognizes and understands that the final decision as to what information must be disclosed pursuant to the PIA lies with the Texas Attorney General. Grundfos further agrees that the 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 Grundfos in reliance on any statute, court opinion, court order, or the advice, decision, or opinion of the Texas Attorney General.

32. Any party hereto may request an estoppel certificate related to this Agreement (each, a "Certificate") from another party hereto so long as the Certificate is requested in connection with a bona fide business purpose. The Certificate, which if requested, will be addressed to a subsequent purchaser or assignee of Grundfos or other party designated by Grundfos which shall include, but not necessarily be limited to, statements that this Agreement is in full force and effect without default, if such is the case, the remaining term of this Agreement, the levels of tax abatement in effect, and such other matters reasonably requested by the party(ies) to receive the Certificate.
33. Grundfos, as a party to this Agreement, shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions, or County actions authorizing same, and Grundfos shall be entitled to intervene in said litigation.
34. Pursuant to Texas Tax Code § 312.206, this Agreement is conditioned on Grundfos entering into a tax abatement agreement with the City of Brookshire, Texas in accordance with Texas Tax Code § 312.204. If Grundfos fails to enter into such agreement with the City of Brookshire, this Agreement will be deemed null and void.
35. 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:

Honorable Trey Duhon
County Judge
425 FM 1488, Suite 106
Hempstead, Texas 77445

For Grundfos:

Grundfos CBS Inc.
902 Koomey Rd
Brookshire, TX 77423
Attn.: Ansell Sims

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

This Agreement is executed as of the date of the last signature affixed hereto.

WALLER COUNTY

Carbett "Trey" Duhon III
Waller County Judge

Date

ATTEST:

Debbie Hollan
Waller County Clerk

Date

GRUNDFOS

Grundfos CBS, Inc.,
a Delaware corporation

By:

Date

Title: