



**Proposed Terms Sheet
SEASON GROUP Inc.**

This term sheet sets forth the principal terms for the proposed agreement between Season Group ("the Company") and the City of New Braunfels ("City") and the New Braunfels Economic Development Corporation ("NBEDC"). No legally binding obligations will be created by this Term Sheet until written definitive agreements are executed and delivered by all parties. This Term Sheet is not inclusive of all possible provisions, conditions, and requirements of any party to the agreement, and does not represent binding final commitments of any party. This is not a commitment to invest any public funds and is conditioned on the final approvals of New Braunfels Economic Development Corporation ("NBEDC") and the City Council of the City of New Braunfels ("City") as well as other entities listed.

Overview

Proposed Project:

SEASON GROUP USA LLC ("the Company") is considering constructing a new manufacturing facility in New Braunfels. In addition to land acquisition costs estimated at \$1.2 million the company will also spend \$9 million for leasehold improvements. The company will over a 10 year period relocate or hire 200 employees.

Summary of Incentives Offered:

Entity	Form of Incentive	Value of Incentive
New Braunfels Economic Development Corporation	Per Job Grant of \$2,500 annual performance grant	\$500,000
New Braunfels Economic Development Corporation	Infrastructure Grant to Titan Industrial	\$600,000
City of New Braunfels	Annual Performance Based Real Property Tax Rebate	\$150,000
	Total:	\$650,000



Required Employment:

Company agrees to the following employment schedule and local payroll:

Year End	Full-time employees	Minimum Total Local Payroll (2015 dollars)
2018	90	\$3,150,000
2019	100	\$3,570,000
2020	115	\$4,187,610
2021	130	\$4,828,496
2022	150	\$5,682,769
2023	160	\$6,182,852
2024	170	\$6,700,666
2025	180	\$7,236,720
2026	190	\$7,791,535
2027	200	\$8,365,648
		\$57,696,296

The Company shall maintain the minimum levels of full-time employees and wages outlined above throughout the period of receiving rebates and the term of the NBEDC grant.

Required Investment:

SEASON GROUP will make expenditures for its project in certain phases and at certain points in time as set forth below. These capital investments in its facility, furniture, fixtures and equipment are completed for the purposes of beginning operations as part of the proposed project. It is proposed that for the purpose of qualifying for tax rebates, the Company shall meet or exceed these established minimums for Total Taxable Assessed Value. Company will receive a rebate for the difference between the value of the property acquired in the year prior to purchase by Company (2018) and the tax year following Company's investment. (2018 or 2019)

Total Taxable Assessed Value shall mean the Comal Appraisal District's assessed value on any ad valorem improvements or business personal property. Business



Personal Property shall mean to include machinery, furniture, fixtures and equipment. For the purposes of commencing a new Rebate Phase, the Total Taxable Assessed Value shall not include the capital investment necessary for the replacement of machinery and equipment on already established real property. Nor shall the replacement of machinery and equipment restart the rebate period for that particular Rebate Phase.

SEASON GROUP intends to commence operation in New Braunfels according to the following schedule:

Year Investment Made	First Year Taxable	Total Taxable Assessed Value (2015 dollars)	Rebate Period
2018	2019	\$13,630,170	2019-2020
2019	2020	\$16,869,870	2020-2021
2020	2021	\$19,725,098	2021-2022
2021	2022	\$22,201,764	2022-2023
2022	2023	\$24,305,690	2023-2024
2023	2024	\$26,042,618	2024-2025
2024	2025	\$27,418,204	2025-2026
2025	2026	\$28,438,022	2026-2027
2026	2027	\$29,107,566	2027-2028
2027	2028	\$29,775,270	2028-2029

SEASON GROUP shall submit to the City a written certification along with supporting documentation by an authorized officer of SEASON GROUP confirming that the investment required to satisfy the Total Taxable Assessed Value has occurred.

SEASON GROUP's Total Taxable Assessed Value shall meet the amounts detailed above along with the employment requirements prior to receiving the incentives set forth below.



Proposed Incentives

Per Job Grant From NBEDC:

NBEDC, through its own separate agreement, will consider delivering up to an additional \$500,000 in per job grants for the 200 jobs. The grants will be performance based, meaning Company will have to show employment numbers and payroll amounts at an agreed upon time in order to receive the grant. The grant payments will be on a per job basis of \$2,500 per job.

City Property Tax Abatement:

The Company is projected to generate a total of \$1,006,736 of property taxes to the City over the first 10 years. The City will enter into a Chapter 380 agreement with Company for a performance based rebate. Performance will be based on the Required Investment measures outlined above. The City proposes a property tax rebate schedule as follows:

Year	Buildings & Other Real Property				Furniture, Fixtures, & Equipment	Inventories
	Land	Improvements				
1	0%	75%			75%	0%
2	0%	25%			25%	0%
3	0%	25%			25%	0%
4	0%	25%			25%	0%
5	0%	25%			25%	0%
6	0%	10%			10%	0%
7	0%	0%			0%	0%
8	0%	0%			0%	0%
9	0%	0%			0%	0%
10	0%	0%			0%	0%

Titan Industrial Park Grant:

Titan Industrial Park will be seeking a grant for infrastructure improvements at a site to be used for Season Group in the amount of \$600,000.



Additional Terms and Conditions

Indemnification:

SEASON GROUP will indemnify the City and NBEDC.

Undocumented Workers:

Chapter 2264 of the Texas Government Code requires SEASON GROUP to certify that SEASON GROUP will agree not to knowingly employ any undocumented workers during the term of the Agreement. If SEASON GROUP is convicted of a violation under 8 U.S.C. Section 1324a(f), the business shall repay the amount of the property tax rebate with six percent (6%) interest, at the rate and according to the other terms provided by an agreement under Section [2264.053](#), not later than the 120th day after the date the public agency, state or local taxing jurisdiction, or economic development corporation notifies the business of the violation. If convicted, SEASON GROUP shall repay the amount of all property tax rebates for the year(s) in which the violation occurred.

Reporting:

The Company will be required to bi-annually certify that the conditions above are being fulfilled. SEASON GROUP shall provide the previous two quarters of quarterly employment taxes paid to the IRS (Form 941) to verify employment and payroll. SEASON GROUP agrees that all records will be subject to inspection and possible audit by the City of New Braunfels with sufficient notice provided.

Assignment:

This Terms Sheet and any subsequent written agreements are non-assignable without the written consent of all parties.

Place of Contract:

New Braunfels, Comal County, Texas

Governing Law:

This Terms Sheet and any subsequent written agreements shall be governed by and subject to the laws of the State of Texas.

No Third Party Rights:

No Third Party Rights are created or arise under this Terms Sheet or any subsequent written agreements.

Authorizing Statute

The City is authorized to undertake this project under Chapter 380 of Texas Local Government Code. The



NBEDC is permitted to undertake this project under Texas Local Government Code Chapter 501.101.

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