

CHAPTER 381 ECONOMIC DEVELOPMENT AGREEMENT BETWEEN TOM GREEN COUNTY AND SUPERIOR ENERGY SERVICES, INC.

STATE OF TEXAS

COUNTY OF TOM GREEN

This Chapter 381 Agreement (“Agreement”) is entered into on April 9, 2013 (“Effective Date”) by and between **TOM GREEN COUNTY (“County”)**, Texas, duly acting herein by and through its County Judge, and **SUPERIOR ENERGY SERVICES, INC. (“Superior”)** acting herein by and through its duly authorized officers.

WITNESSETH:

WHEREAS, in accordance with Article III, Section 52-a of the Texas Constitution and Chapter 381 of the Texas Local Government Code under which the County has the authority to make loans or grants of public funds for the purposes of promoting local economic development by stimulating business and commercial activity within the County for new, developing, and expanding businesses; and

WHEREAS, Superior intends to locate equipment (personal property) in the County, which would increase the County’s property tax base, and Superior’s operations in the region will create employment opportunities for residents of the County; and

WHEREAS, in order to encourage Superior to locate equipment in the County, County intends to provide Superior a personal property tax rebate.

WHEREAS, the County has concluded and hereby finds that this Agreement promotes economic development in the County and, as such, meets the requirements under Chapter 381 and is in the best interests of the County; and

WHEREAS, on the Effective Date, the commitments contained in this Agreement shall become legally binding obligations of County and Superior; and

NOW, THEREFORE, in consideration of the mutual benefits described in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and Superior agree as follows:

1. **Definitions.** For the purposes of this Agreement, when not inconsistent with the context, words, used in the present tense include the future tense, words in the plural include the singular, and words in the singular include the plural, and the use of any gender shall be applicable to all genders whenever the sense requires. The words “shall” and “will” are mandatory and the word “may” is permissive. Words not defined in this Agreement shall be given their common and ordinary meaning. The following words shall be given the meanings designated.

- a. **Baseline Date or Baseline** shall mean the date from which Superior's capital assessed value requirements shall be measured, which shall be January 1, 2012.
 - b. **Property** shall refer to as tangible personal property.
 - c. **Subsidiaries** shall refer to Pumpco Energy Services, Inc., Shale Tank Truck, LLC, and any other existing or new subsidiary of Superior Energy Services.
2. **Capital Investment / Assessed Value.** Superior represents that it and/or its Subsidiaries shall make a capital investment in Property with a minimum assessed value of thirty million dollars (\$30,000,000) by December 31, 2012 and agrees to maintain during the term of the Agreement this minimum assessed value.
 3. **Grant of Personal Property Tax Rebate.** In consideration of Superior's and its Subsidiaries making a capital investment in Property in the County with a guaranteed thirty million dollars (\$30,000,000) assessed value, the County agrees, subject to the terms and conditions contained herein, that Property shall be entitled to a fifty percent (50%) rebate of County property taxes paid, hereinafter ("Property Tax Rebate") for the increase in value of said Property over the Base Year for a period of five (5) years. The first Property Tax Rebate shall be for property taxes paid on Property assessed on January 1, 2013. The County, in its sole discretion, may extend this Agreement for an additional period of five (5) years.
 4. **Payment of Rebate.** All Property Tax Rebate payments subject to this Agreement shall be paid to Superior or a designated Subsidiary by the County no later than March 31st of each year following the January 1st assessment date for which the County receives an annual report from Superior. The first payment shall be due March 31, 2014.
 5. **Vehicle Registration.** Superior represents that it and/or its Subsidiaries shall make its best effort to register all new vehicles subject to this Agreement in County.
 6. **Facility Location.** In the event that Superior and/or its Subsidiaries establish a facility or yard which operates or stores commercial vehicles subject to this Agreement, it shall make its best effort to locate such facility or yard within one-half mile of US 67 South or FM 853 and west of FM 2288 to mitigate the impact of commercial traffic in the County.
 7. **Compliance with Law.** Superior and its Subsidiaries agree to abide by all applicable laws, ordinances, codes, rules, requirements, or regulations of the County and the State of Texas, and any subdivision, agency, or authority thereof in effect at the time of the development.
 8. **Payment of Taxes and Assessments.** Superior and its Subsidiaries agree to pay all property taxes that may be owed to the County or any other taxing entity prior to such taxes and/or assessments becoming delinquent; provided that Superior and its Subsidiaries shall have the right to contest in good faith the validity or application of any

such property tax or assessment and shall not be considered in default hereunder so long as such contest is diligently pursued to completion.

9. **Submission of Reports**

- a. Superior shall submit to the County, on an annual basis on or before March 31st, the information or reports necessary for the monitoring of the performance criteria established in this Agreement for Superior and its Subsidiaries.
- b. Because of the highly competitive nature of the industry in which Superior and its Subsidiaries does business, the County agrees that the reports which Superior and its Subsidiaries are required to submit may contain information which Superior and its Subsidiaries considers to be valuable proprietary information. As such, the County agrees to keep any and all reports provided by Superior and Subsidiaries as confidential information to the extent the documents are not public information under the Public Information Act, Chapter 552, TEXAS GOVERNMENT CODE, as amended.

10. **Default.** If Superior and its Subsidiaries fail to maintain the minimum required assessed value outlined in Section 2, Superior shall be in default of this Agreement. The County shall provide Superior written notice of Superior's default. If such default is not cured within thirty (30) days from the date written notice is received by Superior from the County, then the County may at the County's sole option, terminate this Agreement.

11. **Term.** The term of this Agreement shall be from the Effective Date through December 31, 2018, unless this Agreement is extended by the County, which would extend the term of this Agreement through December 31, 2023.

12. **Miscellaneous.**

- a. **Severability.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable under the present or future laws effective while this Agreement is in effect, such provision shall be automatically deleted from this Agreement and the legality, validity, and enforceability of the remaining provision, there shall be added automatically as part of this Agreement a provision that is similar in terms and substance to such deleted provision as may be possible and yet be legal, valid, and enforceable. The failure of the County to approve this Agreement does not affect the legality, validity or enforceability of this Agreement for the County or Superior.
- b. **Texas Law to Apply.** This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties created hereunder are performable in Tom Green County, Texas. In the event of litigation, jurisdiction shall lie in Tom Green County, Texas.

- c. **Amendments.** No amendment, modification or alteration of the terms hereof shall be binding unless the same shall be in writing, dated subsequent to the date hereof and duly executed by the parties hereto.
- d. **No Waiver.** No waiver by any party to this Agreement in any event of default, or breach of any covenant, condition or stipulation herein contained shall be treated as a waiver of any subsequent default or breach of the same or any other covenant, condition, or stipulation.
- e. **Assignment.** Superior may not assign this Agreement without the prior written consent of the County, which consent shall not be unreasonably withheld or delayed; provided, however, that Superior may assign this Agreement to an Affiliate or to a party which acquires all or substantially all of the capital stock of Superior, upon written notice to the County but without the requirement of prior consent.
- f. **Binding.** This Agreement is binding on the parties herein their successor, assigns, parent corporations and subsidiaries.
- g. **Notice.** All notices by this Agreement (i) shall be in writing, (ii) shall be addressed to the parties as set forth below unless notified in writing of a change in address, and (iii) shall be deemed to have been delivered either when personally delivered or, if sent by mail, in which event it shall be sent by registered or certified mail, return receipt requested, three (3) business days after mailing. The addresses of the parties are as follows:

Superior Energy Services, Inc.
117 Elm Grove Road
Valley View, Texas 76272
Attention: Karin Archer

Tom Green County
112 W. Beauregard
San Angelo, Texas 76903
Attention County Judge

[Handwritten signature]

The parties hereto have executed or caused to be executed by their duly authorized officials, this Agreement in multiple counterparts, each of equal dignity.

SUPERIOR ENERGY SERVICES, INC.

By: B. Moore

Date: 4/8/2013

TOM GREEN COUNTY

By: J. Brown

Date: 4-9-13