

TAX ABATEMENT AGREEMENT

THIS TAX ABATEMENT AGREEMENT (the "Agreement") is entered into by **THE INDUSTRIAL DEVELOPMENT AUTHORITY OF BALDWIN COUNTY, ALABAMA**, a public corporation organized under the laws of the State of Alabama (the "Authority"), and **Buffalo Rock Company**, an Alabama corporation, qualified to transact business in the State of Alabama (herein the "Company").

Recitals

The Company intends to construct a new sales center and drop and hook distribution facility (herein "**Project**") which is more particularly described in **Exhibit A** attached hereto and incorporated herein.

The Company previously submitted to the Authority an application for the Project (the "Application") which is attached hereto as **Exhibit B** and the Authority has performed a Cost/Benefit Analysis of the **Project**.

On February 3, 2026 (the "Effective Date"), the Authority approved the **Project** and agreed to grant abatements of certain non-educational taxes related to the **Project**.

Definitions

Act as referenced herein shall include § 11-54-80 et seq., Code of Alabama (1975), the Tax Incentive Reform Act of 1992, codified at § 40-9B-1, et seq., Code of Alabama (1975), and/or the Alabama Reinvestment and Abatement Act, codified at § 40-9G-1 et seq., Code of Alabama (1975), all as amended as of the date of this Agreement, and any other applicable statutes.

Projections

The Company hereby makes the following good faith estimates and projections:

- a) Total amount of capital investment in the **Project** is \$8,300,000.
- b) The Company in good faith projects the number of individuals to be employed:

- (1) Initially: 100
- (2) End of Year 1: 100
- (3) End of Year 2: 100
- (4) End of Year 3: 100

- c) The Company in good faith projects the amount of payroll of and related to the **Project**:

- (1) Initially: \$6,000,000
- (2) End of Year 1: \$6,000,000
- (3) End of Year 2: \$6,000,000
- (4) End of Year 3: \$6,000,000

The Company estimates that construction of the **Project** will commence by March 1, 2026, and will be completed by March 1, 2027.

Representations and Covenants of the Company

The Company hereby represents, warrants and covenants, in consideration of the Authority executing this Agreement, as follows:

1. The Company is duly qualified to do business in Alabama and has the power to enter, perform and observe the agreements and covenants in this Agreement.
2. The Company is not in violation of any law in any manner material to its ability to perform its obligations under this Agreement and is current on its outstanding liabilities.
3. The Company has duly authorized the execution of this Agreement, and no provision hereof constitutes a default under any agreement or instrument to which it is a party, nor does it contravene any law, judgment or decree to which it is subject.
4. The Company will timely obtain all licenses, permits, consents, certifications, authorizations or other approvals required in connection with its acquisition, construction, installation or operation of the **Project** and the Authority's granting the abatements described herein; and, if required, the consent and approval of the State of Alabama.
5. In all material respects, the Company's acquisition, construction, installation and operation of the **Project** will not conflict with and will be in accordance with applicable statutes, ordinances, orders and regulations, including but not limited to statutes, ordinances, orders and regulations respecting environmental protection.
6. The **Project** is located in an unincorporated area in Baldwin County, Alabama.
7. The Application does not include any capitalized repairs, rebuilds, maintenance, replacement equipment, or costs associated with the renovating and remodeling of existing facilities previously placed in service by the Company.
8. For the purpose of the abatement of construction-related transaction taxes no part of the **Project** has been purchased prior to the Effective Date of this Agreement and the grant of abatements described herein will assist the Company in its completion and operation of the **Project**.
9. No part of the **Project** has been placed in service or operation by the Company or a related party as defined by 26 U.S.C. §267 prior to the Authority's grant of the abatements described herein.
10. The Company's construction and operation of the **Project** will consist of a trade or business described in the Act.
11. The **Project** will be "industrial development property," "private use industrial property" and will constitute a "project" as defined in the Act, and further the **Project** is classified as an industrial or research enterprise as those terms are currently defined by the U.S. Department of Commerce, Office of Management and Budget or similar industry classification system.

12. The information contained in **Exhibit B** is true and correct and, to the extent estimates or projections are contained therein, such have basis in fact and were made in good faith, and the Company acknowledges that the Authority has performed a Cost/Benefit Analysis utilizing the information contained in **Exhibit B** with respect to its grant of the abatements described herein.

13. The Company acknowledges and agrees that the Authority, in approving the abatements described herein, makes no warranty or representation, including but not limited to whether the abatements applied for (and the amounts thereof) will be accepted by taxing agencies/departments of the State of Alabama, its political subdivisions or any municipality. The Company further acknowledges that the Authority has expressly relied on the Company's representations and warranties contained in this Agreement and other submissions and presentations by the Company, and that the Company has relied on the advice of its own agents, servants, employees, attorneys, representatives and consultants with respect to obtaining the abatements applied for and granted herein.

14. The weighted average economic life of the **Project**, determined consistently with the provisions of 26 U.S.C. §147(b) and measured from the date the **Project** are expected to be placed in service, will be greater than 10 years.

15. If the **Project** is a Major Addition as defined in the Act, the Company acknowledges that the provisions of the Act regarding Major Additions are applicable to the **Project** and shall apply to the abatements granted herein.

16. Wherever possible and economically prudent, but within its discretion, the Company will use contractors and sub-contractors from the Baldwin County area. The Company further agrees that it shall use reasonable, economically prudent efforts to maintain any workforce (both managerial and labor), consistent with the population demographics of Baldwin County, Alabama.

Abatements

1. To the extent permitted by applicable law, the Authority hereby grants to the Company abatements of the following taxes with respect to the **Project**:

a. Non-Educational Construction-Related Transaction Taxes which are permitted to be abated under the Act on tangible personal property and taxable services to be incorporated into the **Project**, the cost of which may be added to capital account with respect to the **Project**, except for such taxes levied for educational purposes.

b. Ad Valorem Taxes which are permitted to be abated under the Act, except for such taxes levied for educational purposes, for a period of ten years determined in accordance with the Act.

c. The starting date of the abatements granted in (a)-(c) above shall comply with the rules, procedures and regulations of the Alabama Department of Revenue (herein "Department") as these and other rules, procedures and regulations of the Department as may be amended or modified.

d. For the purposes of this Agreement and the tax abatements granted herein, all real or personal property (herein "Property") shall be valued pursuant to the rules, procedures and regulations of the Department, including but not limited to 810-4-1-.04 and 810-4-1-.12, as these and other rules, procedures and regulations

of the Department may be amended or modified. Notwithstanding the foregoing, declarations or claims by the Company of economic or functional obsolescence of Property for which abatements are granted shall not be permitted during the abatement period other than as a result of damage or destruction; provided, that nothing herein shall modify or alter the depreciation of Property in accordance with the Department's published schedules.

2. Estimates of the amount of tax abated pursuant to this Agreement are set forth below. The Authority and the Company hereby acknowledge that these estimates reflect the amount of tax abated for the period stated, under current law, and that the actual abatement for such taxes may be for a greater or lesser amount depending upon the actual amount of such taxes levied during the abatement period as stated.

a. Non-Educational Ad Valorem Taxes are expected to be approximately \$197,756 and the maximum period for such abatement shall be valid for a period of ten (10) years, beginning with the October 1 lien date next proceeding the acquisition date of abated property.

b. Non-Educational Construction Related Transaction Taxes, except those construction related transaction taxes levied for educational purposes or for capital improvements for education, are expected to be approximately \$284,750 Non-Educational Sales and Use Tax Abatement and such abatement(s) shall not extend beyond the date the Project is placed in service.

3. The Company is solely responsible for the design and planning of the **Project**, the preparation of contracts and purchase orders for the **Project**, and the supervision of all work to complete the **Project**.

4. The Company may assign its rights under this Agreement to an affiliate without the consent of the Authority, provided that: (a) any such assignment complies with the Act; (b) the Company shall continue to be primarily liable for the performance and observance of the agreements and covenants to be performed and observed by it under this Agreement; (c) the Company shall guarantee the payment of revenue bonds issued, if any; and (d) the Company duly notifies the Authority of said assignment.

5. Pursuant to the requirements of the Act, the Company agrees that it will file (by certified mail) a copy of this Agreement and a certified copy of the Authority's Resolution approving the abatements described herein with the Alabama Department of Revenue, and the Revenue Commissioner of Baldwin County, Alabama or any other filing requirements as contained in the Act or requested by the Authority.

6. The Company covenants and agrees to furnish the Authority, after the date on which the **Project** is placed in service and during the abatement period, records, information and documentation which the Authority, in its sole discretion, deems prudent and necessary to determine whether employment and payroll projections are met and the Company has made the expenditures referenced herein and in **Exhibit B**. Further, at the request of the Authority or the Revenue Commissioner of Baldwin County ("Commissioner"), the Company shall provide a description of the **Project** sufficient for the Commissioner to determine what property, real and/or personal, constitutes the **Project** for which the abatements described herein have been granted. If any of the material statements contained herein or in **Exhibit B** are determined to have been

misrepresented or incorrect, whether intentionally, negligently, or otherwise or if the Company fails to comply with any provision of this Agreement the Authority, in its sole discretion, may terminate this Agreement by providing written notice to the Company and the Authority may take such further action as it deems necessary to further the purposes and intent of the Act.

Additional Agreements

1. Upon the execution of this Agreement, the Company shall pay to the Authority the Authority's administrative fee and the Company shall reimburse the Authority its expenses (including reasonable fees and out-of-pocket expenses of legal counsel for the Authority) incurred by the Authority in connection with the preparation and execution of this Agreement, the performance by the Authority of its obligations under this Agreement, and the Authority's exercise of its rights under this Agreement.

2. Any provision hereof to the contrary notwithstanding, the Company agrees and acknowledges nothing contained herein shall be construed to impose a charge against the general credit of the Authority or create any pecuniary liability of the Authority. Further, no director, officer, employee, attorney or agent of the Authority shall have any pecuniary liability with respect to this Agreement.

3. The Company releases the Authority and its directors, officers, employees, attorneys and agents (herein "Indemnitees") from, and will indemnify and hold the Indemnitees harmless against, any and all claims and liabilities of any character or nature whatsoever, including any negligence of Indemnitees, regardless of by whom asserted or imposed, and by or on behalf of any person, firm, corporation, or governmental authority, arising out of, resulting from, or in any manner connected with the **Project**, and without limiting the generality of the foregoing:

- a) liability resulting from any destruction of or damage to property or injury or death of any person or persons occurring in connection with the acquisition, construction, use, non-use, condition or operation of the **Project**.
- b) any liability with respect to any contract or purchase order for the acquisition and construction of the **Project**;
- c) any actions relating to the acquisition and construction of the **Project** or any part thereof;
- d) any claim, liability or loss arising out of any action taken by the Authority at the request of the Company (or any person authorized to act on behalf of the Company) or any inaction by the Authority in any manner related to this Agreement, including but not limited to, the Company's obtaining the tax abatements granted herein.

The Company will pay or reimburse all legal or other expenses reasonably incurred by the Indemnitees, as the case may be, in connection with the investigation or defense of any action or proceeding (whether or not resulting in liability, with respect to any claim, liability or loss in respect of which indemnity may be sought by the Indemnitees) against the Company under the provisions of this Paragraph 3. At the request of the Indemnitees, the Company shall immediately assume the defense of the Authority in connection with any action or proceeding described herein.

Nothing contained in this Paragraph 3 shall be construed to indemnify the Indemnitees against or to release any of such parties from liability for any liability or loss that may result from any intentional or willful misconduct.

Anything to the contrary herein contained notwithstanding, the covenants of the Company contained in this Paragraph 3 shall, with respect to any claim, liability or loss for which the Company is obligated to provide indemnification, remain in full force and effect after the termination of this Agreement until: (i) any cause of action brought in respect of such claim, liability or loss shall be barred by the applicable statute of limitations as determined by a court of competent jurisdiction; or (ii) the payment in full or the satisfaction of such liability or loss, including all reasonable expenses incurred by the Indemnitees in defending against any such claim, liability or loss. The obligations of the Company to indemnify or defend the Indemnitees shall attach and become effective with regard to any claim upon condition that the Indemnitees reasonably notify the Company in writing upon their discovery of such claim, liability or loss and tender of the defense of such to the Company.

4. Each party to this Agreement hereby represents and warrants that the person executing this Agreement on behalf of said party is authorized to do so and that this Agreement shall be binding and enforceable when duly executed and delivered by each party and their respective successors and assigns.

5. This Agreement may not be amended, modified, altered, changed, terminated, or waived in any respect whatsoever, except by a further agreement in writing, properly executed by all the parties.

6. If any provision of this Agreement shall be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby.

7. This Agreement may be executed in counterparts, each of which, when so executed and delivered, shall constitute an original, fully enforceable counterpart for all purposes.

8. This Agreement shall be construed, interpreted and the rights of the parties determined in accordance with the laws of the State of Alabama without reference to choice of law provisions of Alabama law.

9. The Company and the Authority are not and shall not be considered or deemed to be joint venturers or partners and neither shall have the power to bind or obligate the other except as set forth herein.

10. All terms used in this Agreement, regardless of the number or gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and by other gender, masculine, feminine, or neuter, as the context or sense of this Agreement or any section, subsection, or clause herein may require as if such terms had been fully and properly written in such number or gender.

11. The parties to this Agreement hereby submit to the exclusive jurisdiction of the Circuit Court of Baldwin County, Alabama, for purposes of any and all legal proceedings involving any claim or defense arising out of or relating to this Agreement or any transactions or proceedings taken with respect to this Agreement (herein "Proceedings"). Further, each party to this Agreement hereto irrevocably waives, to the fullest extent permitted by applicable law, any objection they may have now or hereafter have as to the venue of any Proceedings to the Circuit Court of Baldwin County, Alabama, including any claim that the Proceedings have been brought in an inconvenient forum.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their respective names as of the 3rd day of February, 2026.

**THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF BALDWIN COUNTY, ALABAMA**

By: 
Jason Badgett, Chairman

ATTEST:

Dale Siebert, Secretary-Treasurer

BUFFALO ROCK COMPANY

By: _____
Its: _____

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**THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF BALDWIN COUNTY, ALABAMA**

By: _____
Jason Badgett, Chairman

ATTEST:

Dale Siebert, Secretary-Treasurer

BUFFALO ROCK COMPANY

By: Kevin Canary
Its: VP & CFO

EXHIBIT A

See Attached

