



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER _____

PAGE 1 OF 101

DATE: 07/26/2022

**SUBJECT: APPROVAL OF A TAX ABATEMENT AGREEMENT WITH
DELOITTE LLP FOR THE DELOITTE UNIVERSITY EXPANSION
PROJECT IN THE TOWN OF WESTLAKE**

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court approve the Resolution and Tax Abatement Agreement providing for Tarrant County participation with the Town of Westlake in the abatement of ad valorem taxes on the eligible real and personal property improvements made by Deloitte LLP for expansion of the Deloitte University Campus, for a period of ten (10) years at a maximum abatement percentage of seventy-five percent (75%) as set forth in the Agreement, and authorize the County Judge, or his designee, to execute the Agreement.

BACKGROUND

Deloitte LLP is expanding their current training center and corporate hotel, referred to as Deloitte University (DU). The current campus resides on approximately 107 acres south of State Highway 114 in the Town of Westlake. The 700,000 square foot facility includes 800 guest rooms, 3 dining venues, a ballroom, recreational facilities and a spa/fitness center, multiple conference spaces and a business center. Deloitte recently acquired the adjacent unimproved 117 acres for a total 225 acres campus. Presently, Deloitte is considering construction plans to be completed over two or more phases utilizing the entire 225 acres. DU serves as a central training/leadership development/innovation center for new hires, senior leadership and key public/private leaders. The new facility will be a minimum of 300,000 square feet and will include guest rooms, fitness centers, innovation and learning facilities, and outdoor amenities. Through its design, Deloitte hopes to achieve USGBC Platinum LEED and Well Certifications.

Currently, DU employs approximately 455 full-time and 31 part-time positions, with an average annual payroll of over \$27 million. Employment at the new site is projected to add 25 new full-time Deloitte employees (Managers, Trainers/Instructors, Planning/Logistics, Systems Analysts, Technology and Administrative Support) at an average salary of \$90,000 per year. Additional support personnel will be working on-site in hospitality-related positions, security and maintenance and will be employed by a contracted management company.

Deloitte is one of the nations fast-growing and leading professional services firm, providing audit, tax, consulting and financial advisory services, with over 40,000 personnel in 90 cities in the United States. In Texas, Deloitte maintains offices in Austin, Dallas, Fort Worth, Houston, Irving, Midland and San Antonio. As proposed, construction of the facility would commence in 2023 with planned completion before January 1, 2029.

SUBMITTED BY:	Administrator's Office	PREPARED BY: APPROVED BY:	Maegan P. South
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COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER: _____ DATE: 07/26/2022 PAGE 2 OF 2

Westlake approved an incentive package that includes the abatement of property taxes for 10 years beginning with one hundred percent (100%) in year one (1) and decreasing by ten percent (10%) each year thereafter, a grant in the form of a rebate of a portion of hotel taxes and sales taxes generated from the situs construction sales and from a Procurement Company for a 10-year period, and building permit fee waivers. Deloitte has requested County property tax abatement at 75% for 10 years. The Hospital District is not being requested to participate in tax incentives for this project.

Should Commissioners Court choose to participate in tax abatement for the Deloitte University project, staff proposes County participation at a maximum of 75% of new real and personal property value for a period of 10 years, beginning with a base abatement of 55% and providing for up to a 20% bonus abatement for additional performance-based criteria. To receive a base 55% abatement, the company will be required to meet a minimum combined capital investment of \$300 million which includes no less than \$270,000,000 of real property and an estimated \$30,000,000 of personal property, retain the current positions and add 25 new full-time jobs. Up to an additional 15% abatement can be incrementally earned for added full-time employment and Tarrant County resident employment. Up to an additional 5% abatement can be earned for additional DBE construction and supply/services company spending above the minimum requirements. Should the company not reach its goals in terms of DBE/Tarrant County contracting or Tarrant County resident hiring, the abatement value may be reduced according to the specific deficiencies. The total cumulative percentage of ad valorem tax abatement that may be received in any one year is capped at 75%.

FISCAL IMPACT

Total new real and property value added from this development is estimated at a minimum of \$300 million. Based on current tax rates, should the company earn the maximum tax abatement of 75% for all 10 years on real and personal property values of \$300 million, the project could receive a total 10-year tax abatement of approximately \$5.1 million from the County. Over that same period, the County could receive tax revenues from the unabated portion of the improvements and the base value of the land of approximately \$1.7 million.

Because Deloitte is not requesting Hospital District tax abatement, new tax revenues to the Hospital District from the full value of the project investment are estimated at approximately \$672,000.00 per year, or over \$6 million over the 10-year abatement term.





RESOLUTION

PARTICIPATION IN TAX ABATEMENT DELOITTE LLP

WHEREAS, Deloitte LLP, a Delaware limited liability partnership duly authorized to do business in the State of Texas, acting by and through its officers (hereafter referred to collectively as "Owner"), plans to expand their current training center and corporate hotel – referred to as Deloitte University (DU) by constructing one or more buildings on the land, more particularly described in the Abatement Agreement attached hereto and incorporated herein by reference ("Land"); and

WHEREAS, the Land is located within Tarrant County (the "County"), a political subdivision of the State of Texas, which Premises is located within the Town of Westlake; and

WHEREAS, the Land and all improvements and tangible personal property thereon, whether now existing or hereinafter to be constructed, are subject to ad valorem taxation by the Town of Westlake and the County; and

WHEREAS, the Land and all improvements thereon are located in the Town of Westlake Tax Abatement Reinvestment Zone No. 3, a reinvestment zone for the purpose of tax abatement as authorized by Chapter 312 of the Texas Tax Code, as amended (the "Code"); and

WHEREAS, the Board of Alderman of the Town of Westlake has approved an Economic Development and Tax Abatement Agreement as to the Premises and certain improvements thereon; and

WHEREAS, the Tax Abatement Agreement (the "Agreement") between Tarrant County and Owner, attached hereto, calls for the construction of a new 300,000 square foot facility for training, leadership development and innovation with an estimated total combined investment of \$300,000,000 which includes no less than \$270,000,000 in real property and an estimated \$30,000,000 of added personal property to be completed before January 1, 2029; and

WHEREAS, the Agreement with the Owner is conditioned upon specific investment criteria, continued operation of the facility, the creation and retention of new jobs, and meeting specific Tarrant County and DBE contracting requirements; and


WHEREAS, the Commissioners Court has been requested by the Owner to take the steps required pursuant to the Code to permit partial tax abatement with respect to that portion of the Premises and the improvements thereon which are subject to the taxing jurisdiction of the County, and has further requested that the County enter in the Agreement; and

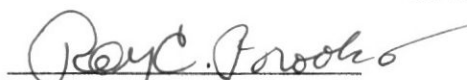
WHEREAS, the County has approved the Tarrant County Tax Abatement Policy Statement Guidelines and Criteria for granting tax abatement in reinvestment zones in Tarrant County;

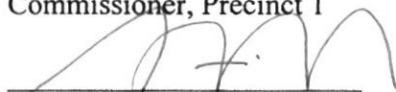
NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Commissioners Court of Tarrant County, Texas:


1. That all recitals set forth in the preamble are hereby found to be true and correct;
2. That the Commissioners Court shall have prudently reviewed each tax abatement agreement approved by a municipality having taxing jurisdiction with respect to property located in the County and within a reinvestment zone designated by such municipality; and according to the adopted guidelines and criteria for tax abatement of the County, shall prudently review and consider each proposed County tax abatement agreement providing participation in tax abatement with a municipality; and shall, solely at its discretion, approve those tax abatement agreements that it finds meet all constitutional and statutory criteria and requirements, and which it finds to be in the best interest of the taxpayers and citizens of the County; and
3. That the Commissioners Court hereby finds that the terms and conditions of the Agreement substantially meet its guidelines and criteria; that the Agreement for the abatement of County Taxes be and is hereby approved; that the County and its Commissioners Court hereby agree to enter into the Agreement as a party thereto; and the County Judge of the County be and is hereby authorized and directed to execute and deliver said Agreement on behalf of the County and its Commissioners Court, substantially in the form attached hereto, and carry out the terms thereof at the appropriate time(s).

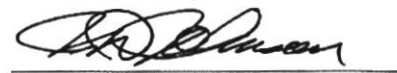
PASSED AND APPROVED, IN OPEN COURT, this 26th day of July 2022, through Court Order No. 138601.


B. Glen Whitley, County Judge


Roy C. Brooks
Commissioner, Precinct 1


Gary Fickes
Commissioner, Precinct 3


Devan Allen
Commissioner, Precinct 2


J.D. Johnson
Commissioner, Precinct 4

THE STATE OF TEXAS §

Tax Abatement Agreement
DELOITTE LLP, a Delaware Limited
Liability Partnership

COUNTY OF TARRANT §

THIS TAX ABATEMENT AGREEMENT, (the "Agreement") is entered into by and between **DELOITTE LLP, a Delaware Limited Liability Partnership**, an entity duly authorized to do business in the State of Texas, acting by and through its authorized officer or representative (hereafter referred to as "**DELOITTE LLP**"), and **TARRANT COUNTY, TEXAS**, acting by and through its County Judge or his designee, (hereafter referred to as "**COUNTY**").

WITNESSETH:

WHEREAS, the Tarrant County Commissioners Court has resolved that the COUNTY may elect to participate in, and offer, tax abatements and has adopted a Policy Statement for Tax Abatement, which constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the COUNTY, attached hereto and incorporated herein as Exhibit "A"; and

WHEREAS, on the 24th day of March, 2008, the Board of Aldermen (the "**Board**") of the Town of Westlake ("**Westlake**") adopted Ordinance No.589 establishing Town of Westlake Tax Abatement Reinvestment Zone No. Three (the "**Zone**"), for the purpose of commercial-industrial tax abatement as authorized by Chapter 312 of the Texas Tax Code ("**Tax Code**"), a copy of which is attached hereto and incorporated herein for all purposes as Exhibit "B"; and

WHEREAS, DELOITTE LLP or one of its Affiliates, as the owner of the Land (herein defined), which Land is located completely within the Zone and is subject to ad valorem taxation by the County, intends to develop and construct one or more buildings on the Land, and the development and construction on the Land is expected to significantly enhance the economic and employment base of the Town of Westlake and Tarrant County; and

WHEREAS, on the 29th day of March, 2021, the Town Council of Westlake approved and authorized the execution and delivery of an Economic Development Agreement, by and between DELOITTE LLP and Westlake, a copy of which is attached hereto and incorporated herein for all purposes as Exhibit "C"; and

WHEREAS, prior to March 31, 2021, DELOITTE LLP (or one of its Affiliates) constructed certain facilities, including, but not by way of limitation, a learning and innovation center within Westlake (referred to herein as DU1); and

WHEREAS, DELOITTE LLP or one of its Affiliates has acquired additional land in Westlake and is considering constructing new facilities, and reconstructing and/or expanding existing facilities within Westlake (referred to herein as DU2 and, together with DU1, DU); and

WHEREAS, DELOITTE LLP has submitted to the County an application for tax abatement with various attachments concerning the contemplated use of the Land for DU2 (the “**Application**”), a copy of which is attached hereto and incorporated herein for all purposes as Exhibit “D”; and

WHEREAS, the Commissioners Court finds that the contemplated use of the Land and the Qualified Facilities are consistent with encouraging development of the Zone in accordance with the purposes for its creation and comply with the Policy Statement and similar guidelines and criteria adopted by the County and all applicable law.

NOW THEREFORE, the COUNTY and DELOITTE LLP, for and in consideration of the mutual premises and promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, which consideration includes the attraction of major investment to the Zone, the increased payroll that contributes to the enhancement of the tax base in the County and the economic development and tax abatement incentives set forth herein below, as authorized by Chapter 312 of the Tax Code, to the extent applicable, do hereby contract, covenant and agree as set forth below:

I.

DEFINITIONS

Whenever used in the Agreement, the following capitalized terms shall have the meanings ascribed to them:

A. “Affiliate” shall mean any entity that owns or controls, is owned or controlled by or is under common ownership or control with, DELOITTE LLP or any entity the ownership of which is substantially the same as DELOITTE LLP.

B. “DU Personnel Positions” shall mean all positions held by an employee, partner or principal of DELOITTE LLP or any of its Affiliates, in which such employee, partner or principal works on a full-time basis for DELOITTE LLP or any of its Affiliates and has an office in, or works primarily from, DU.

C. “DU2 Jobs” shall mean (i) all positions held by an employee, partner or principal of DELOITTE LLP or any of its Affiliates, in which such employee, partner or principal works on a full-time basis for DELOITTE LLP or any of its Affiliates and has an office in, or works primarily from, DU2 and (ii) management-level contractor positions, in which such contractor is engaged by DELOITTE LLP or any of its Affiliates and primarily performs management, supervisory, oversight or leadership functions related to DU2.

D. “DU2 Qualified Facilities” shall mean all Qualified Facilities, as defined, constructed on Land on or after March 31, 2021; a single building, which constitutes a part of the DU2 Qualified Facilities may be referred to as a “DU2 Qualified Facility.”

E. "Force Majeure" shall mean any contingency or cause beyond the reasonable control of DELOITTE LLP, including, without limitation, acts of God, or the public enemy, epidemic, pandemic, or disease outbreak (including COVID-19 and including any law, regulation, directive or pronouncement that relates to, or arises out of, an epidemic, pandemic, or disease outbreak), war, riot, civil commotion, insurrection, governmental or de facto governmental action (unless caused by acts or omissions of DELOITTE LLP or any of its Affiliates), fire, explosions or floods, and strikes.

F. "Jobs" shall mean (i) all DU Personnel Positions, (ii) all DU2 Jobs, and (iii) all positions held by any contractor, in which such contractor is engaged by DELOITTE LLP or any of its Affiliates and performs functions at, or related to, DU.

G. "Land" shall mean the parcel(s) of land which is more particularly described in Exhibit "E" which is attached hereto and incorporated herein for all purposes.

H. "Project" shall mean the DU2 Qualified Facility, the operation of the business related thereto, and the improvements, infrastructure and/or modifications related thereto approved under Westlake's Planned Development Regulations and to be constructed on the Land located in Tarrant County by or on behalf of DELOITTE LLP or its Affiliates.

I. "Qualified Facilities" shall mean the buildings and other structural components of the corporate facility constructed by or on behalf of DELOITTE LLP or its Affiliates on the Land located in Tarrant County; a single building which constitutes a part of the Qualified Facilities may be referred to as a "Qualified Facility."

II.

DELOITTE LLP'S COVENANTS

A. DELOITTE LLP or one of its Affiliates shall construct, install and maintain, or cause to be constructed, installed and maintained, on and within the portion of the Land in Tarrant County, consistent with the Westlake zoning ordinance and other Westlake ordinances, the DU2 Qualified Facilities containing (i) a minimum of Three Hundred Thousand (300,000) gross square feet of total structures on the Land, having a minimum combined capital investment of Three Hundred Million Dollars (\$300,000,000), which includes no less than Two Hundred Seventy Million Dollars (\$270,000,000) in Construction Costs (as defined below), and (ii) tangible personal property having an initial cost of no less than Thirty Million Dollars (\$30,000,000) (the "**Required Improvements**"). The kind and location of the Required Improvements are more particularly described in the Application. As long as the conditions in the first sentence of this Section II.A are satisfied and the Required Improvements are used in substantial compliance with the purposes and the manner described in the Application, variations in the Required Improvements from the description provided in the Application shall not be an Event of Default (as defined herein).

For purposes of this Agreement, "**Construction Costs**" shall mean site development and building costs, including, without limitation, actual construction costs, signage costs, contractor fees, the costs of supplies and materials, engineering fees, architectural fees and other professional costs, and development and permitting fees expended directly in connection with the Project. Nothing in this Article II, Section A. shall be deemed to establish or affect the taxable appraised

value of the Land, Project or Qualified Facilities. DELOITTE LLP understands and agrees that the real property and the Required Improvements on the Land shall be eligible for and subject to tax abatement under this Agreement only to the extent set forth in Article IV., Section B of this Agreement.

B. DELOITTE LLP covenants to substantially complete all of the Required Improvements before January 1, 2029 (the "**Completion Date**"). In the event that performance by DELOITTE LLP or one of its Affiliates of any of Deloitte LLP's obligations under the terms of this Agreement, or the Application (if any), shall be interrupted or delayed by a Force Majeure event, DELOITTE LLP shall have such additional time as is reasonably necessary after such occurrence abates or the effects thereof have dissipated to complete performance and, provided that DELOITTE LLP is diligently and faithfully pursuing the completion of such performance, in the event of such occurrence, DELOITTE LLP's failure to complete all of the Required Improvements before January 1, 2029, shall not be an Event of Default hereunder.

C. DELOITTE LLP covenants that the Required Improvements shall be completed and the DU2 Qualified Facilities shall be used, in each case, in a manner generally consistent with the description of the Project set forth in the Application.

D. DELOITTE LLP covenants that throughout the Abatement Term (as defined herein) the DU2 Qualified Facilities shall be operated and maintained as a training, conference, and entertainment center and corporate hotel, which use is consistent with the Westlake zoning ordinance and other Westlake ordinances for the general purposes of encouraging development or redevelopment of the Zone

E. Failure by DELOITTE LLP to meet any of the applicable commitments set forth in Section IV.B.1.b), c), d), e), or f) shall not constitute an "Event of Default," as that term is defined in Article VI hereof, but will result in the reduction or loss of the Abatement (as defined herein) for each year in which such commitments are not satisfied, as described in Section IV.B.2 hereof.

III.

GENERAL PROVISIONS

A. The DU2 Qualified Facilities are not, and shall not be, an improvement project financed by tax increment bonds.

B. Neither the Land nor any of the DU2 Qualified Facilities covered by this Agreement are owned or leased by any member of the Court or any member of the governing body of any taxing units joining in or adopting this Agreement.

C. All or any portion of the Land and/or Project may be eligible for complete or partial exemption from ad valorem taxes, as a result of existing law or future legislation. This Agreement shall not be construed as evidence that such exemptions do not apply to the Land and/or Project.

IV.

ABATEMENT TERMS AND CONDITIONS

A. Subject to compliance with the terms and conditions of this Agreement, the County hereby grants real and personal property tax abatement (collectively, the "**Abatement**"), as it relates to Tarrant County ad valorem taxes only, to DELOITTE LLP and its Affiliates relative to the Project and the DU2 Qualified Facilities. Tarrant County Hospital District ad valorem taxes are not subject to abatement under this Agreement.

B. The amount of the Abatement shall be based on a percentage of the increase in the aggregate appraised value (as established by the Tarrant Appraisal District) for the Project (including, without limitation, the DU2 Qualified Facilities) over the value of the improvements (if any) to the Land as of January 1, 2022, the year in which this Agreement is executed. The Abatement percentage in each year during the Abatement Term may range up to a maximum of seventy-five percent (75%) of the increase in value resulting from the Project, including, without limitation, the construction of the DU2 Qualified Facilities and installation of other Required Improvements, and shall be calculated as set forth below:

1. **Base Abatement.** Subject to reduction in accordance with the following terms of this Agreement, a "**Base Abatement**" value of fifty-five percent (55%) will be granted if DELOITTE LLP and/or any of its Affiliates meets the minimum performance requirements as follows:

- a) The construction and installation of the Required Improvements as set forth in Article II, Section A, to be substantially completed/installed by the Completion Date.
- b) During the Abatement Term, DELOITTE LLP shall create and/or maintain at least four hundred eighty (480) Jobs (the "**Minimum Jobs Requirement**"), consisting of the following: (i) the creation of at least twenty-five (25) new DU2 Jobs by (the end of the first year of the Abatement Term and the retention thereof for the remainder of the Abatement Term; (ii) the retention of at least one hundred (100) DU Personnel Positions; and (iii) the retention of an additional three hundred fifty-five (355) Jobs during the Abatement Term.
- c) During each calendar year of the Abatement Term, Tarrant County residents shall hold at least twenty-five percent (25%) of all Jobs (the "**Tarrant County Jobs Requirement**" and, with the Minimum Jobs Requirement, the "**Jobs Requirements**").
- d) The expenditure by the Completion Date of twenty-five percent (25%) of all Construction Costs (excluding, however, in this case, developer fees, contractor fees, development and permitting fees, and any other cost or expense other than actual construction costs, signage costs, the costs of supplies and materials, engineering fees, architectural fees, and other similar professional fees (collectively, the "**Excluded Construction Costs**") on the use of Tarrant County Contractors (as defined below) for the Required Improvements and any other

improvements constructed on the Land (the “**Tarrant County Construction Requirement**”). As used herein, the term “**Tarrant County Contractors**” shall mean any corporation, partnership, limited liability company or sole proprietorship maintaining an addressed office location within Tarrant County from which it conducts all or a substantial part of its business operations within Tarrant County.

e) The expenditure by the Completion Date of fifteen percent (15%) of all Construction Costs (excluding, however, in this case, the Excluded Construction Costs) on the use of DBE Contractors (as defined below) for the Required Improvements and any other improvements constructed on the Land (the “**DBE Construction Requirement**”, and, together with the Tarrant County Construction Requirement, the “**Construction Requirements**”). As used herein, the term “**DBE Contractors**” shall mean contractors who are DBEs, and the term “**DBE**” shall mean:

- i. a corporation formed for the purpose of making a profit and at least 51 percent of all classes of the shares of stock or other equitable securities of which are owned by one or more persons who are socially or economically disadvantaged because of their identification as members of certain groups that have been subject to racial or ethnic prejudice or cultural bias without regard to their qualities as individuals or capabilities as a business, and whose ability to compete in the free enterprise system is impaired due to diminished opportunities to obtain capital and credit as compared to others in the same line of business who are not socially disadvantaged. ”DBE“ includes the State of Texas definition of historically underutilized businesses (HUBs) as defined in Section 2161.001 of the Texas Government Code, and as it may be updated;
- ii. a sole proprietorship formed for the purpose of making a profit that is owned, operated, and controlled exclusively by one or more persons described in Section IV.B.1.e.i. above;
- iii. a partnership that is formed for the purpose of making a profit in which 51 percent of the assets and interest in the partnership is owned by one or more persons described by Section IV.B.1.e.i. above, and in which minority or women partners have proportionate interest in the control, operation, and management of the partnership affairs; or
- iv. a limited liability company that is formed for the purpose of making a profit in which 51 percent of the assets and interest in the company is owned by one or more persons described by Section IV.B.1.e.i. above.

Dollars spent with DBE Contractors may also count as dollars spent with Tarrant County Contractors, and vice versa, for the purposes of Section IV.B.1.d or IV.B.1.e above if the DBE Contractor is also a Tarrant County Contractor, or vice versa, as applicable.

f) The expenditure of at least (i) fifteen percent (15%) of Supply and Service Expenses (as such term is defined below) with DBE Contractors (the “**DBE Supply and Service Requirement**”), and (ii) twenty-five percent (25%) of Supply and Service Expenses (as such term is defined below) with Tarrant County Contractors (the “**Tarrant County Supply and Service Requirement**”, and, together with the DBE Supply and Services Requirement, the “**Supply and Service Requirements**”) per calendar year commencing with the Completion Date and continuing until the expiration of the Abatement Term. As used herein, the term “**Supply and Service Expenses**” shall mean those customary supplies and services purchased by or on behalf of DELOITTE LLP or one of its Affiliates for the operation and maintenance of the Project, the Required Improvements and the other improvements constructed on the Land including, without limitation, office supplies, production equipment and supplies, landscaping services, janitorial services and maintenance services. For purposes of computing the annual Tarrant County Contractors and DBE Contractors percentage of Supply and Service Expenses, those annual supplies and services where the purchase thereof is based on a company -wide purchase agreement which is not specific to the DU2 Qualified Facilities or controlled by the local division of DELOITTE LLP or its Affiliates located on the Land, may not be included in computing the total costs of Supply and Service Expenses.

Upon DELOITTE LLP's written request, the County will advise DELOITTE LLP as to whether any given entity is a Tarrant County Contractor or a DBE Contractor for purposes of this Article IV., Section B.1.

Failure of DELOITTE LLP to comply with the minimum employment requirements of Article IV, Section B.1.b) above will result in the reduction of the Abatement to zero percent (0%) for the year immediately following any year in which these requirements are not met. Notwithstanding anything to the contrary contained herein, the determination of DELOITTE LLP's compliance with the various employment requirements of this Agreement shall be based on DELOITTE LLP's and/or its Affiliates' employment and partnership data for December 31 (or another date requested by DELOITTE LLP and reasonably acceptable to the County) of the applicable calendar year, the determination of compliance with the construction expenditure requirements for the Required Improvements and the Construction Requirements shall be based on spending during the period of time prior to and including the Completion Date of the Required Improvements, and the determination of compliance with the Supply and Service Expenses Requirement shall be based on spending on Supply and Service Expenses for the entire applicable calendar year.

2. **Reduction in Abatement Percentage.** Failure to meet the requirements as set forth in Article IV.B.1 c), d), e), or f) will result in the reduction of the Base Abatement percentage based upon the following:

a) If the expenditure for the DBE Construction Requirement is less than fifteen percent (15%) of all Construction Costs (excluding, however, in this case, the Excluded Construction Costs) for the Required Improvements and any other improvements constructed on the Land, but equal to or greater than five percent

(5%) of all Construction Costs (excluding, however, in this case, the Excluded Construction Costs) for the Required Improvements and any other improvements constructed on the Land, then the Base Abatement will be reduced by five (5) percentage points for the remainder of the Abatement Term (e.g., 55% Base Abatement minus 5% reduction equals a reduced Base Abatement of 50%). If the expenditure for the DBE Construction Requirement is less than five percent (5%) of all Construction Costs (excluding, however, in this case, the Excluded Construction Costs) for the Required Improvements and any other improvements constructed on the Land, then the Base Abatement will be reduced by ten (10) percentage points for the remainder of the Abatement Term (e.g., 55% Base Abatement minus 10% reduction equals a reduced Base Abatement of 45%).

b) If the expenditure for the DBE Supply and Service Requirement in any calendar year is below fifteen percent (15%) of the total annual Supply and Service Expenses, then the Base Abatement will be reduced by a separate five (5) percentage points for the year immediately following any year in which these requirements are not met, and which reduction shall continue until the DBE Supply and Service Requirement is met.

c) If the expenditure for the Tarrant County Construction Requirement is less than twenty-five percent (25%) of all Construction Costs (excluding, however, in this case, the Excluded Construction Costs) for the Required Improvements and any other improvements constructed on the Land, but equal to or greater than fifteen percent (15%) of all Construction Costs (excluding, however, in this case, the Excluded Construction Costs) for the Required Improvements and any other improvements constructed on the Land, then the Base Abatement will be reduced by a separate five (5) percentage points for the remainder of the Abatement Term. If the expenditure for the Tarrant County Construction Requirement is less than fifteen percent (15%) of all Construction Costs (excluding, however, in this case, the Excluded Construction Costs) for the Required Improvements and any other improvements constructed on the Land, then the Base Abatement will be reduced by ten (10) percentage points for the remainder of the Abatement Term.

d) If the expenditure with Tarrant County Contractors for the Supply and Service Requirement in any calendar year is below twenty-five percent (25%) of the total annual Supply and Service Expenses, then the Base Abatement will be reduced by a separate five (5) percentage points for the year immediately following any year in which these requirements are not met, and which reduction shall continue until the Tarrant County Supply and Service Requirement is met.

e) If the percentage of Tarrant County Residents holding Jobs in any calendar year is below twenty-five percent (25%) of the total Jobs, then the Base Abatement will be reduced by a separate one (1) percentage point for each one percent (1%) deficiency from the Tarrant County Jobs Requirement for the year immediately following any year in which these requirements are not met.

3. **Additional Abatement Percentage.** In any year that DELOITTE LLP, and/or any of its Affiliates receives an Abatement greater than zero percent (0%) under Article IV., Sections B.1 and B.2., DELOITTE LLP and/or any of its Affiliates may receive up to an additional twenty percentage points (20%) of Abatement, based upon the following criteria, each of which is independent of the other in the determination of additional abatement percentage.

- a) For Jobs above the Minimum Jobs Requirement, the Abatement will increase by an additional one (1) percentage point for each five (5) Jobs added up to a maximum of an additional fifteen percent (15%) for the year immediately following any year in which the additional criteria is met.

Examples:

- 490 full time Jobs = 10 additional Jobs = 2% additional Abatement for the following year
 - 555 full-time Jobs = 75 additional Jobs = 15% additional Abatement for the following year
- b) If the Jobs held by Tarrant County residents is greater than thirty-five percent (35%) of all Jobs, the Abatement will increase by an additional five percent (5%) for the year immediately following any year in which the additional criteria is met.
 - c) For use of DBE Contractors for twenty-five percent (25%) or more of total Construction Costs (excluding, however, in this case, the Excluded Construction Costs), the Abatement will increase by an additional five percent (5%) for the remainder of the Abatement Term.
 - d) For use of either Tarrant County Contractors or DBE Contractors for more than twenty-five percent (25%) of total annual expenditures on Supply and Service Expenses in any calendar year, the Abatement will increase by an additional five percent (5%) for the year immediately following any year in which the additional criteria is met.

The total cumulative percentage of ad valorem tax abatement that may be received in any one year, pursuant to this Agreement, shall not exceed seventy-five percent (75%) of the increased value.

C. The term of the Abatement (the “**Abatement Term**”) shall begin on January 1 of the first year following the issuance of a Certificate of Occupancy (“**CO**”) for a DU2 Qualified Facility designated by DELOITTE LLP, as described below (the “**Beginning Date**”) and, unless sooner terminated as herein provided, shall end on December 31st immediately preceding the tenth (10th) anniversary of the Beginning Date. DELOITTE LLP may, in its sole discretion, designate any DU2 Qualified Facility to commence the Abatement Term by submitting the CO for such DU2 Qualified Facility to Westlake, together with a notice indicating the date of the commencement of

the Abatement Term; however, in no event shall the Abatement Term start later than January 1, 2029.

D. DELOITTE LLP and/or its Affiliates shall have the right to protest, contest or litigate: (a) any assessment of the value of the Project by any appraisal district which appraises real or personal property on all or any part of the Project; and (b) any tax imposed on the Project by any taxing authority. The tax abatements provided for herein shall be applied to the amount of taxes finally determined to be due, whether as a result of any such protest, contest or litigation, or otherwise.

V.

RECORDS, AUDITS AND EVALUATION OF PROJECT

A. Subject to applicable law governing financial disclosure by DELOITTE LLP, the County shall have the right to review and audit the Project to determine compliance with this Agreement. The County shall annually (or such other times deemed appropriate by the County) evaluate the Project to ensure compliance with this Agreement. On or before April 30th of every year during the Abatement Term, DELOITTE LLP shall provide the County with information and documentation, as reasonably requested by the County, detailing DELOITTE LLP's material compliance with each applicable term of this Agreement. Failure to provide such information timely shall be considered an Event of Default hereunder. The information shall include, but not be limited to, the following:

- (1) The total number of Jobs, the average salary of the Jobs (as applicable), and the number of Jobs held by people who reside in Tarrant County;
- (2) The gross dollars spent on supplier and professional service contracts, with detail sufficient to demonstrate the amounts by contract awarded and performed by Tarrant County businesses and DBE's; and
- (3) If the dollars or percentages do not equal the requirements of this Agreement, DELOITTE LLP shall explain the reason for the failure to meet the requirements and state a recommended course of rectification.

B. The County shall make a decision and rule on the eligibility of the Project for Abatement for that year, based on the information furnished for that year, on or before August 1 of the taxable year and shall notify DELOITTE LLP in writing as set forth in Article VII hereof.

C. As a part of the audit process, during normal business hours throughout the Abatement Term, providing at least five (5) business days' prior written notice is given to DELOITTE LLP by the County, the County shall have access to the DU2 Qualified Facilities by County employees for the purpose of inspecting the DU2 Qualified Facilities to ensure that the DU2 Qualified Facilities have been completed and maintained in accordance with the specifications and conditions of this Agreement; provided, however, that DELOITTE LLP shall have the right to accompany County employees on any such inspection and that each such inspection shall be conducted in a manner which does not breach DELOITTE LLP's security procedures and which is least disruptive of DELOITTE LLP's and its Affiliates' employees and business operations.

VI.

BREACH AND REMEDY

A. The occurrence of the following conditions shall constitute an event of default ("**Event of Default**") hereunder: (i) the Required Improvements are not completed in accordance with this Agreement; (ii) DELOITTE LLP allows its unabated ad valorem real property taxes with respect to the Land or DU1 and DU2 Qualified Facilities, or its unabated ad valorem taxes with respect to tangible personal property located on the Land or within the DU1 and DU2 Qualified Facilities, to become delinquent by failing to timely pay or by failing to timely and properly follow the legal procedures for protest and/or contest of any such ad valorem real property or tangible personal property taxes; or (iii) subject to the terms and provisions contained in Article II, Paragraphs A. and E. hereof, DELOITTE LLP fails to comply with any of the remaining material terms or conditions of this Agreement, and any such failure (hereinafter, a "breach") specified in either clause (i), (ii) or (iii), above, remains uncured for ninety (90) days following DELOITTE LLP's receipt of written notice (the "**Breach Notice**") from the County, delivered in accordance with Section VIII hereof, of the event and nature of such breach; provided, however, that if such breach is not reasonably susceptible of cure within such ninety (90) day period and DELOITTE LLP or any of its Affiliates has commenced and is continuing to pursue the cure of such breach, then after first advising the Court of such cure efforts, DELOITTE LLP shall automatically receive an additional ninety (90) day period within which to cure such breach. The Court may authorize additional time to cure any such breach, but is not obligated to grant such additional time. Notwithstanding anything expressed or implied herein to the contrary, no Event of Default shall exist if the failure of DELOITTE LLP or any of its Affiliates to fully perform its obligations hereunder is the result of a Force Majeure event. Further the time for cure of a breach by DELOITTE LLP or any of its Affiliates shall be extended by the reasonable time DELOITTE LLP or any of its Affiliates is delayed by a Force Majeure event.

B. Upon the occurrence and during the continuation of any uncured Event of Default, the County shall have the right, as the sole and exclusive remedy of the County (the County hereby waiving all other remedies), to suspend the Abatements pursuant to a notice (the "**Suspension Notice**") delivered in accordance with Section VIII hereof, and thereafter to receive from DELOITTE LLP, as liquidated damages, a sum equal to (i) the amount of all ad valorem taxes which were assessed against the DU2 Qualified Facilities and which would have been paid to the County by DELOITTE LLP but for this Agreement, for each year in which the Event of Default occurred and was continuing, without the benefit of abatement (after taking into account any applicable exceptions or exemptions), and (ii) interest thereon charged at the rate of four and one-half percent (4.50%) per year and calculated for the period commencing on the date such taxes would have been delinquent and continuing through the date of payment of such liquidated damages. The parties acknowledge that actual damages in the event of default and termination would be speculative and difficult to determine, and agree that the calculation of liquidated damages shall not include any penalties or late charges. Such amount shall be a debt to the County and shall be due, owing and paid to the County within sixty (60) days of the receipt by DELOITTE LLP of the Suspension Notice, subject to any and all lawful offsets, settlements, deductions, or credits to which DELOITTE LLP may be entitled. If the County delivers a Suspension Notice pursuant to this Section VI, then DELOITTE LLP shall thereafter have no right to receive the

Abatements unless and until DELOITTE LLP has cured the breach or breaches specified in the Breach Notice.

C. Notwithstanding the foregoing paragraph, if the County and DELOITTE LLP mutually determine that the development or use of the Land or the DU2 Qualified Facilities as contemplated herein is no longer appropriate or that a higher or better use is preferable, the parties may terminate this Agreement by a writing signed by both parties, all Abatement Terms then in effect shall expire as of the effective date of the termination, there shall be no recapture of amounts previously abated, and neither party shall have any further rights or obligations hereunder.

VII.

EFFECT OF SALE, ASSIGNMENT OR TRANSFER OF PROPERTY

The Abatements shall vest in DELOITTE LLP or one of its Affiliates and, except as provided below, may be assigned to a new owner of all or a portion of the Land or DU2 Qualified Facilities, only upon the Court's approval, which shall not be unreasonably withheld, based upon the ability of the new owner or assignee to assume all of the obligations of DELOITTE LLP under this Agreement for the balance of the Abatement Term; provided further, that the assignee does actually assume all obligations of DELOITTE LLP hereunder. DELOITTE LLP shall notify the County pursuant to Section VIII of any proposed assignment requiring the Court's approval at least fifteen (15) days prior to the proposed effective date of such assignment. Except as provided below, any attempted assignment without the prior approval of the Court shall be grounds for the termination of this Agreement (upon ten (10) days' written notice from the County to DELOITTE LLP) as to the portion of the Land or DU2 Qualified Facilities assigned, conveyed, transferred or sold and the proportionate amount of the Abatement hereunder. Notwithstanding the foregoing, DELOITTE LLP shall have the right, without the County's consent, to transfer, convey or lease all or any portion of the Land, the Project or the DU2 Qualified Facilities to one or more Affiliates and, in connection therewith, to assign to such Affiliates all or any portion of DELOITTE LLP's rights and obligations under this Agreement, provided that each assignee assumes the applicable terms and conditions of this Agreement. Any Affiliate or other party to whom any transfer, conveyance, lease or assignment is made in accordance with this Section VII shall be included within the definition of "DELOITTE LLP" for purposes of this Agreement. The County agrees that upon transfer, conveyance, lease or assignment made in accordance with this Section VII, the assignee or transferee, rather than DELOITTE LLP, shall receive the benefits of the Abatements attributable to the portion of the Land or Qualified Facilities transferred or conveyed to such assignee or transferee, provided that the terms and conditions of this Agreement and the Abatements have been complied with.

VIII.

NOTICE

Any notice, demand, or other communication required to be given or to be served upon any party hereunder, shall be void and of no effect unless given in accordance with the provisions of this Section. All notices shall be in writing and shall be delivered personally or sent by overnight courier service, by certified or registered mail, postage pre-paid, or by facsimile transmission and shall be deemed received, in the case of personal delivery, when delivered, in the case of overnight

courier service, on the next business day after delivery to such service, in the case of mailing, on the third day after mailing (or, if such day is a day on which deliveries of mail are not made, on the next succeeding day on which deliveries of mail are made) and, in the case of facsimile transmission, upon transmittal. All notices, demands and other communications shall be given to the parties hereto at the following addresses:

COMPANY: DELOITTE LLP
Janet Lewell
Senior Finance Officer
Deloitte LLP
333 SE 2nd Avenue, Suite 3600
Miami, FL 33131

With copies to: Deloitte
Office of General Counsel
1221 Avenue of the Americas
New York, New York 10020

COUNTY: B. Glen Whitley
County Judge
Tarrant County
100 E. Weatherford
Fort Worth, Texas 76196

With copies to: Maegan South
Economic Development
Tarrant County
100 E. Weatherford, Suite 404
Fort Worth, Texas 76196

IX.

COURT AUTHORIZATION

This Agreement is authorized by resolution of the Commissioners Court authorizing the County Judge or his designee to execute this Tax Abatement Agreement on behalf of the COUNTY.

X.

DELOITTE LLP AUTHORIZATION

The person executing this Agreement on behalf of DELOITTE LLP represents to the County that all appropriate and necessary action has been taken to authorize said person to do so for and on behalf of the party for which his or her signature appears, that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement, and that such an authorization is valid and effective on the date hereof.

XI.

SEVERABILITY

In the event any section, subsection, paragraph, sentence, phrase or word of this Agreement is held invalid, illegal or unconstitutional, 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, sentence, phrase or word. In the event that (i) any Abatement Term with respect to any property is longer than allowed by law, or (ii) the Abatements apply to a broader classification of property than is allowed by law, then the Abatements shall be valid with respect to the classification of property abated hereunder, and the portion of the Abatement Term, that is allowed by law.

XII.

ESTOPPEL CERTIFICATE

Any party hereby may request an estoppel 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 DELOITTE LLP and any third party lender identified by DELOITTE LLP, if applicable, shall include, but not necessarily be limited to, statements that this Agreement is in full force and effect without default (or if default exists the nature of default and curative action, which should be undertaken to cure same), the remaining term of this Agreement, the levels and remaining terms of the Abatements in effect, and such other matters reasonably requested by the party(ies) to receive the certificates.

XII.

APPLICABLE LAW

This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas.

XIII.

RECORDATION OF AGREEMENT

A certified copy of this Agreement in recordable form shall be recorded in the Deed Records of Tarrant County, Texas.

XIV.

AMENDMENT

This Agreement may be modified by the parties hereto to include other provisions which could have originally been included in this Agreement or to delete provisions that were not originally necessary to this Agreement pursuant to the procedures set forth in Title 3, Chapter 312 of the Code.

XV.

FURTHER ASSURANCES

The County agrees to take any and all action reasonably necessary or appropriate to fulfill the terms of this Agreement.

XVII.

ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties regarding the subject matter contained herein, supersedes any prior understanding or written or oral tax abatement agreements or representations between the parties regarding the matters contained herein, and can be modified only by a written instrument subscribed to by both parties. This Agreement may be executed in multiple counterparts, each of which shall be considered an original for all purposes.

XVIII.

SUCCESSORS AND ASSIGNS

Subject to the provisions of Section VII hereof, this Agreement shall be binding on, and shall inure to the benefit of, the legal representatives, successors and assigns of the County and DELOITTE LLP.

[SIGNATURE PAGES FOLLOW]

EXECUTED to be effective as of the latter date of execution by the parties below.

ATTEST:

April Stanku

TARRANT COUNTY, TEXAS

By: B. Glen Whitley
Name: B. Glen Whitley,
Title: County Judge

Date: July 26, 2022

APPROVED AS TO FORM*:

Kenji Hunt
Assistant Criminal District Attorney

** By law, the Criminal District Attorney's Office may only approve contracts for its clients. We reviewed this document as to form from our client's legal perspective. Other parties may not rely on this approval. Instead those parties should seek contract review from independent counsel.*

DELOITTE LLP, a Delaware limited liability partnership

By: _____
Name:
Title:

Date: _____

EXHIBIT "A"

Policy Statement

TARRANT COUNTY TAX ABATEMENT POLICY

TARRANT COUNTY POLICY & PROCEDURES SUMMARY

TARRANT COUNTY POLICY:

Minimum investment - New business: \$5,000,000 Expansion: \$3,000,000.

1. Applicable to new construction and expansions/modernization.
2. Abatement on eligible real and fixed personal property.
 - a) Minimum job requirements include 25 jobs for new business and sustained employment level for existing business expansions.
 - b) Abatement for companies moving within the County; considered if agreeable to both cities.
3. Additional evaluation criteria:
 - a) Environmental impacts of project (company must show intent to participate in regional air quality program educating employees on the Ozone Action Program);
 - b) Diversity of employment base and commitment to a diversified workforce;
 - c) Minimum of 25% of new jobs created filled by Tarrant County residents (includes transferring employees who move to and reside in Tarrant County);
 - d) Use of minimum 15% DBE and 25% Tarrant County contractors in total annual construction/suppliers/services contract costs;
 - e) Provision of health care benefits at rate reasonable to allow access by majority of employees.
4. County approval of a tax abatement applies to both County and Hospital District ad valorem taxes.
5. Value of existing personal property currently on tax rolls will remain taxable and be included in base value, even if it is moved to a new abated location or replaced due to modernization or expansion.

6. Project is ineligible for abatement if the application for County abatement was filed after the commencement of construction, alteration or installation of new improvements.

GENERAL PROCEDURES:

1. Company begins negotiations with City; City makes County aware of request and invites County comments during negotiations. County makes City aware of concerns/changes prior to final action by City.
2. Company makes application to County for participation in abatement. County negotiates additional performance criteria with Company required for County participation.
3. Once an abatement agreement is approved by City, County action to participate at terms specified by City agreement take place with 90 days of the execution date of the municipal abatement agreement.

GUIDELINES AND CRITERIA

I. GENERAL PURPOSE AND OBJECTIVES

As authorized under Chapter 312 of the Texas Tax Code, Tarrant County has established this policy so as to work in concert with other taxing authorities as part of an overall publicly supported incentive program designed to create job opportunities that bring new economic advantages or strengthen the current economic base of our community.

It is the intent of the Commissioners Court to consider approval or denial of any request for tax abatement for projects in unincorporated Tarrant County or participation in any tax abatement agreement agreed to and adopted by an incorporated city, which meets the minimum eligibility criteria as set forth in this policy, following the filing of a formal application for tax abatement from the County. As prescribed by Section 312.206 of the Tax Code, the Commissioners Court may approve participation with a municipality in a tax abatement agreement no later than the 90th day after the date the municipal agreement is executed. Further it is the intent of Tarrant County that the County will not approve nor join an abatement agreement that provides one Tarrant County city a competitive advantage over another Tarrant County city seeking the same project or encourages an applicant to move from one Tarrant County city to another, unless such agreement is agreeable to both such incorporated cities and both parties have indicated their approval in writing to Tarrant County.

In the case where the property is located within a municipality's extraterritorial jurisdiction, the municipality shall be the initiating taxing entity unless expressly deferred to the County. For those areas within Tarrant County that are not located within the boundaries of an incorporated municipality and a municipality has deferred to the County or in unincorporated areas not located in a municipality's extraterritorial jurisdiction, the guidelines and criteria contained in this policy

will be applied by the Commissioners Court when considering the establishment of a reinvestment zone and the adoption of an abatement agreement.

II. DEFINITIONS

- (a) "Abatement" means the full or partial exemption from ad valorem taxes of certain real and/or personal property in a reinvestment zone designated for economic development purposes.
- (b) "Eligible Jurisdiction" means Tarrant County and any municipality, school district, college district, or other entity, which is located in Tarrant County, that levies ad valorem taxes upon and provides services to property located within the proposed or existing reinvestment zone.
- (c) "Agreement" means a contractual agreement between a property owner and/or lessee and an eligible jurisdiction for the purposes of tax abatement.
- (d) "Base Year Value" means the assessed value of the applicant's real and personal property located in a designated reinvestment zone on January 1 of the year of the execution of the agreement, plus the agreed upon value of real and personal property improvements made after January 1, but before the execution of the agreement.
- (e) "Economic Life" means the number of years a property improvement is expected to be in service in a facility.
- (f) "Deferred Maintenance" means improvements necessary for continued operations which do not improve productivity or alter the process technology.
- (g) "Disadvantaged Business Enterprise (DBE)" means:
 - (1) a corporation formed for the purpose of making a profit and at least 51 percent of all classes of the shares of stock or other equitable securities of which are owned by one or more persons who are socially or economically disadvantaged because of their identification as members of certain groups that have been subject to racial or ethnic prejudice or cultural bias without regard to their qualities as individuals or capabilities as a business, and whose ability to compete in the free enterprise system is impaired due to diminished opportunities to obtain capital and credit as compared to others in the same line of business who are not socially disadvantaged. "DBE" includes the State of Texas definition of historically underutilized businesses (HUBs) as defined in Texas Government Code 407.101 and as it may be updated.
 - (2) a sole proprietorship formed for the purpose of making a profit that is owned, operated, and controlled exclusively by one or more persons described in paragraph (1);

- (3) a partnership that is formed for the purpose of making a profit in which 51 percent of the assets and interest in the partnership is owned by one or more persons described by paragraph (1), and in which minority or women partners have proportionate interest in the control, operation, and management of the partnership affairs.
- (h) "Expansion" means the addition of buildings, structures, fixed machinery and equipment, and fixed personal property for the purposes of increasing production capacity.
- (i) "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.
- (j) "Fixed Machinery and Equipment and/or Personal Property" means tangible machinery, equipment, or personal property that is securely placed or fastened and stationary within a building or structure, or which is movable but remains at and is used solely at the project site.
- (k) "Manufacturing Facility" means buildings and structures, including fixed machinery and equipment, and fixed personal property, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- (l) "Modernization" means the replacement and upgrading of existing facilities which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation, and extends the economic life of the facility. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery and equipment, and fixed personal property. It shall not be for the purpose of reconditioning, refurbishing, repairing, or completion of deferred maintenance.
- (m) "New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- (n) "Other Basic Industry" means buildings and structures including fixed machinery and equipment, and fixed personal property not elsewhere described, used or to be used for the production of products or services which primarily serve a market outside Tarrant County [or the Fort Worth Consolidated Metropolitan Statistical Area] and result in the creation of new permanent jobs and bring new wealth in to Tarrant County.
- (o) "Regional Distribution Center Facility" means building and structures, including fixed machinery and equipment, and fixed personal property, used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility operator.

- (p) "Non-Manufacturing Facilities" means buildings and structures, used to service and/or house individuals on a permanent or temporary basis.
- (q) "Regional Service Facility" means building and structures, including fixed machinery and equipment, and fixed personal property, used or to be used to service goods.
- (r) "Reinvestment Zone" is an area designated as such for the purpose of tax abatement as authorized by Chapter 312 of the Texas Tax Code.
- (s) "Regional Entertainment Facility" means buildings and structures, including machinery and equipment, used or to be used to provide entertainment through the admission of the general public where the majority of the users reside at least 100 miles from its location in the County.
- (t) "Regional Retail Facility" means buildings and structures including fixed machinery and equipment used or to be used to provide retail services from which a large portion of the revenues generated by the activity at the facility are derived from users outside the County.
- (u) "Research Facility" means building and structures, including fixed machinery and equipment, and fixed personal property, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.

III. ABATEMENT AUTHORIZED

- (a) Authorized Facility. A facility may be eligible for abatement if it is a Manufacturing Facility, a Research Facility, a Regional Distribution Center Facility, A Regional Service Facility, a Regional Entertainment Facility, Regional Retail Facility, a Non-Manufacturing Facility, or Other Basic Industry as defined. The economic life of a facility and any improvements must exceed the life of the abatement agreement.
- (b) Creation of New Value. Abatement may be only granted for the additional value of eligible property improvements made subsequent to and listed in an abatement agreement between the County and the property owner and lessee, subject to such limitations as Commissioners Court may require.
- (c) New and Existing Facilities. Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- (d) Eligible Property. Abatement may be extended to the value above the Base Year Value of buildings, structures, fixed machinery and equipment, fixed personal property, and site improvements plus that office space and related fixed improvements necessary to the operation and administration of the facility.

- (e) Ineligible Property. The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; tools; furnishings, and other forms of movable personal property; vehicles; vessels; private aircraft; deferred maintenance investments; property to be rented or leased except as provided in Section 3 (f); also, any property included in the calculation of base year value as defined.
- (f) Owned/Leased Facilities. If a leased facility is granted abatement the agreement shall be executed with the lessor and the lessee.
- (g) Value and Term of Abatement. Abatement shall be granted effective with the execution of the agreement. The value of the abatement will be determined based on the merits of the project, including, but not limited to, total capital investment value and added employment. Up to one hundred percent of the value of new eligible properties may be abated for a total term of abatement not to exceed ten years. However, a project must provide an extraordinary economic benefit to the County to be considered for a one hundred percent abatement.
- (h) Economic Qualification. In order to be eligible for designation as a County reinvestment zone and/or receive County tax abatement, the planned improvement:
- (1) for new businesses, must be reasonably expected to produce a minimum added value of Five Million Dollars (\$5,000,000) in real and personal property to Tarrant County and create and sustain a minimum of 25 new full-time jobs.
 - (2) for expansions or modernizations of existing businesses, must be reasonably expected to produce a minimum added value of Three Million Dollars (\$3,000,000) in real and personal property improvements to Tarrant County, and sustain existing employment levels.
 - (3) must not be expected to solely or primarily have the effect of transferring employment from one part of Tarrant County to another without a majority vote of approval from the Commissioners Court.
 - (4) must be necessary for expansion and/or modernization because the capacity cannot be provided efficiently utilizing existing improved property when reasonable allowance is made for necessary improvements.
 - (5) the above investment and employment minimums may be waived at the discretion of the Commissioners Court for projects located in Federal or State designated Enterprise Zones.
- (i) Additional Criteria For Abatement. To be eligible for abatement, the project must be expected to meet the specific goals and requirements as noted below. If a company is unable to meet the minimum requirements of this section, a variance must be

requested with a detailed explanation as to the circumstances that preclude the company from meeting the minimum requirements.

- (1) Use of DBE and Tarrant County Businesses. The project must provide for the utilization of Disadvantaged Business Enterprises for a minimum of 15% of the total costs for construction contracts and annual supply and service contracts. Additionally, the project must provide for the utilization of Tarrant County businesses for a minimum of 25% of the total costs for construction contracts and annual supply and services contracts.
 - (2) Tarrant County Employment. The company must hire Tarrant County residents for a minimum of 25% of the new full time jobs to be created by the project. Residents, for the purpose of this policy, are those employees who reside in Tarrant County, whether through relocation or existing residency.
 - (3) Environmental Impacts. Environmental impact information must be provided, noting any anticipated impacts of the project on the environment, including, but not limited to, water quality, storm water and runoff, floodplain and wetlands, solid waste disposal, noise levels, and air quality. Additionally, the company must provide a written company policy on air quality mitigation, the company's plan for participation in the region's Ozone Action Program, and a report of employer assistance in encouraging alternative commute programs and employee trip reductions. For companies new to the region, the above policies and plan must be completed and presented within the first year of the abatement.
 - (4) Employee Benefits. The company must offer a health benefit plan to its full-time employees at a rate that is reasonable to the majority of its employees and which allows access to the plan by the employees' dependents. For additional consideration, the company may provide information on other employee benefits provided, such as retirement/pension programs and subsidies for education, job-training, transportation assistance and child/elderly care.
- (j) Taxability. From the execution of the abatement to the end of the agreement period taxes shall be payable as follows:
- (1) The value of ineligible property as provided in Section III (e) shall be fully taxable;
 - (2) The base year value of existing eligible property shall be fully taxable, as well as the value of any existing personal property currently on the tax rolls in Tarrant County that is either moved to a new abated location or is replaced due to modernization or expansion.

- (3) The additional value of new eligible property shall be taxable in the manner and for the period provided for in the abatement agreement, subject to the terms described in Section III (g); and
- (4) The additional value of new eligible property shall be fully taxable at the end of the abatement period.

IV. APPLICATION

- (a) Download a copy of the Tax Abatement Application
- (b) Any present or potential owner of taxable property in Tarrant County may request the creation of a reinvestment zone and/or tax abatement by filing a written request with the County Judge.
- (c) The application shall consist of a completed application form including, but not limited to: a general description of the new improvements to be undertaken; a descriptive list of the improvements for which an abatement is requested; a list of the kind, number and location of all proposed improvements of the property; a map and property description; a time schedule for undertaking and completing the proposed improvements; employment and contract information; the location of existing company locations in Tarrant County and the surrounding counties and the expected number of transferring employees; details of the environmental impacts of the project, and employee benefit information. In the case of modernization a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant, to be attached to the application.
- (d) All applications for creation of reinvestment zones or abatements shall incorporate a feasibility study estimating the economic effect of the proposed reinvestment zone and tax abatement on Tarrant County, other eligible participating jurisdictions, and the applicant.
- (e) Upon receipt of a completed application for creation of a reinvestment zone, the County Judge shall notify in writing and provide a copy of the application to the presiding officer of the governing body of each eligible jurisdiction.
- (f) Upon receipt of a completed application and/or request to participate with a municipality in an abatement agreement, Tarrant County Administrator's Office must review and provide recommendation to the Commissioners Court within 30 days and before the public hearing.
- (g) The County shall not establish a reinvestment zone, nor participate in an abatement, if it finds that the application for County reinvestment zone/tax abatement was filed

after the commencement of construction, alteration, or installation of improvements related to the proposed modernization, expansion or new facility.

- (h) Variance. Request for variance from the provisions of this policy must be made in written form to the County Judge and submitted with the application for abatement, provided, however, the total duration of an abatement shall in no instance exceed ten years. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Request for variance must be approved by a majority vote of the Commissioners Court.

V. PUBLIC HEARINGS AND APPROVAL

- (a) For projects in unincorporated Tarrant County, the Commissioners Court may not adopt a resolution designating a County reinvestment zone until it has held a public hearing at which interested persons are entitled to speak and present evidence for or against the designation. Notice of the hearing shall be clearly identified on the Commissioners Court agenda at least 30 days prior to the hearing. The presiding officers of eligible jurisdictions shall be notified in writing at least 15 days prior to the hearing.
- (b) Prior to entering into a tax abatement agreement the Commissioners Court may, at its option, hold a public hearing at which interested persons shall be entitled to speak and present written materials for or against the approval of the tax abatement agreement.
- (c) In order to enter into a tax abatement agreement, the Commissioners Court must find that the terms of the proposed agreement meet these Guidelines and Criteria and that:
 - (1) there will be no substantial adverse affect on the provision of the jurisdiction's service or tax base: and
 - (2) the planned use of the property will not constitute a hazard to public safety, health or morals.
- (d) Any application requesting a variance under Section IV (g) shall be approved by a majority vote of the Commissioners Court. No application which deviates from the requirements of these Guidelines and Criteria shall be approved unless accompanied by a request for variance as provided under Section IV (g).

VI. AGREEMENT

- (a) After approval the County shall formally pass a resolution and execute an agreement with the owner of the facility and lessee as required. The Court Order shall include:
 - (1) estimated value of real and personal property to be abated and the base year value;

- (2) percent of value to be abated each year as provided in Section III (g);
- (3) the commencement date and the termination date of abatement;
- (4) the proposed use of the facility; nature of construction, time schedule, map, property description and improvement list as provide in Section IV (b);
- (5) contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided in Sections III (a), III (e), III (g) VII, VIII, and IX, or other provisions that may be required for uniformity or by state law, and;
- (6) a statement of the facility owner's policy regarding Disadvantaged Business Enterprises (DBEs), and the estimated dollar amount and percentage of total contracts to be awarded to DBEs for construction, professional services, purchases of equipment and supplies and other services required for the abated improvements;
- (7) amount of investment and average number of jobs involved; and
- (8) an assessment of the environmental impacts of the project, including a statement of the owner's policy addressing regional air quality and information on the use of alternative fuels in fleet vehicles.
- (9) a statement indicating the provision of a health care benefit plan for employees and dependents.

Such agreement shall normally be executed within 60 days after the applicant has forwarded all necessary information and documentation to the County.

(b) Participation in tax abatement agreements with municipalities requires additional information to be included in the Court Order approving the agreement, as follows:

- (1) a copy of the agreement between the applicant and municipality shall be attached and made apart of the Court Order for all purposes;
- (2) authorization for the County Judge to execute a signatory page on behalf of the Commissioners Court which shall be attached and made part of the original agreement.

VII. RECAPTURE

Commissioners Court reserves the right to review compliance for full or partial recapture in the event that the applicant fails to perform in "good faith." If a project is not completed as specified in the tax abatement agreement, the County has the right to cancel the abatement agreement and abated taxes shall become due to the County and other affected taxing units as provided by law.

If any of the provisions contained in the tax abatement agreement, i.e., employment, amount of investment, etc., are not met, the County shall have the right to reduce or cancel the abatement agreement. If a project granted a tax abatement ceases to operate or is no longer in conformance with the tax abatement agreement, the agreement shall not be in effect for the period of time during which the project is not operating or is not in conformance.

VIII. ADMINISTRATION

- (a) The Chief Appraiser of the County shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the chief Appraiser shall notify the affected jurisdictions which levies taxes of the amount of the assessment.
- (b) The agreement shall stipulate that employees and/or designated representatives of the County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.
- (c) Upon completion of construction the County and/or the jurisdiction creating the reinvestment zone shall annually (or at such other times as deemed appropriate by the Commissioners Court) evaluate each facility receiving abatement to ensure compliance with the agreement and report possible violations to the contract and agreement to the Commissioners Court and the District Attorney. On or before April 30th of every year during the life of the abatement agreement, the company or individual receiving the abatement shall complete and file a Tax Abatement Evaluation Report, along with other required written documentation, detailing and certifying the abatement recipient's compliance with the terms of the abatement agreement. Failure to provide information requested in the compliance evaluation by the prescribed deadline may result in taxes abated in the prior year being due and payable. The company or individual receiving a tax abatement shall provide information to the County for the evaluation which shall include, but not be limited to, the following:
 - (1) the number and dollar amounts of all construction contracts and subcontracts awarded on the project;
 - (2) the total number of employees of the company, their gross salaries, and the number of employees residing in Tarrant County and their gross salaries, reported in job classifications appropriate to the employee;

- (3) the gross dollars spent on supplier and professional service contracts, indicating the amounts by contract awarded and performed by Tarrant County business and individuals;
- (4) the dollar amount of contracts awarded to Disadvantaged Business Enterprises;
- (5) detail of actions taken to mitigate any adverse environmental impacts of the project, if applicable; and
- (6) should the dollars, percentages, or actions not meet the original or modified requirements of the abatement agreement, a statement shall be provided explaining the reason for the failure to meet the requirements and a recommended course of rectification.

IX. ASSIGNMENT

Tax abatement agreements may be assigned to a new owner or lessee of the facility with the written consent of the Commissioners Court, which consent shall not be unreasonably withheld. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in the agreement. Any assignment of a tax abatement agreement shall be to an entity that contemplates the same improvements or repairs to the property, except to the extent such improvements or repairs have been completed. No assignment shall be approved if the assignor or the assignee are indebted to the County for ad valorem taxes or other obligations.

X. SUNSET PROVISION

These Guidelines and Criteria are effective on January 1 of the year following the date of their adoption and will remain in force for two years, at which time all reinvestment zones and tax abatement contracts created pursuant to its provisions will be reviewed by the County to determine whether the goals have been achieved. Based on that review, the guidelines and Criteria will be modified, renewed or eliminated. These Guidelines and Criteria may be amended by Commissioners Court at any time during their effective period.

EXHIBIT "B"

Town of Westlake Ordinance

RESOLUTION 21-12
TOWN OF WESTLAKE **EXHIBIT B**
ORDINANCE NO. 589

AN ORDINANCE OF THE TOWN OF WESTLAKE, TEXAS, DESIGNATING COMMERCIAL/INDUSTRIAL TAX ABATEMENT REINVESTMENT ZONE NO. THREE (3), IN THE TOWN OF WESTLAKE, TARRANT AND DENTON COUNTIES, TEXAS; PROVIDING AN EFFECTIVE DATE; AND PROVIDING A SEVERABILITY CLAUSE.

WHEREAS, the Board of Aldermen ("Board") of the Town of Westlake, Texas ("Town"), desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone ("Zone") for commercial/industrial tax abatement, as authorized by Chapter 312, Property Redevelopment and Tax Abatement Act, Texas Tax Code, Subchapter B, Sections 312.201 and 312.202, as amended (the "Code"); and

WHEREAS, the Town has elected to become eligible to participate in tax abatement; and

WHEREAS, a public hearing at a regularly scheduled meeting before the Board was held at 7:00 p.m. on the 24th day of March, 2008, such date being at least seven (7) days after the date of publication of the notice of such public hearing in a newspaper having general circulation in the Town as required by the Code; and

WHEREAS, notice of the public hearing was delivered to the presiding officer of the governing body of each taxing unit located within the proposed reinvestment zone at least seven (7) days before the date of the public hearing; and

WHEREAS, the Town at such hearing invited all interested persons, or their representatives, to appear and speak for or against the creation of the proposed reinvestment zone, the boundaries of the proposed reinvestment zone, whether all or part of the territory described in this ordinance should be included in such proposed reinvestment zone, and the concept of tax abatement; and

WHEREAS, all interested persons spoke and the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of the creation of the proposed reinvestment zone and the proponents also submitted evidence as to the proposed improvements.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE TOWN OF WESTLAKE, TEXAS:

SECTION 1. That the facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct and are incorporated herein in their entirety.

SECTION 2. The Town, after conducting such hearings and having heard such evidence and testimony, has made the following findings and determinations based on the testimony and evidence presented to it:

- (a) That a public hearing on the designation of the reinvestment zone has been properly called, held and conducted and that notices of such hearings have been published as required by law and delivered to all taxing units located within the proposed reinvestment zone;
- (b) That the boundaries of the reinvestment zone should be the area as described in the metes and bounds description attached hereto and identified as **Exhibit "A"**, which are incorporated herein for all purposes and which area is within the taxing jurisdiction of the Town;
- (c) That the creation of the reinvestment zone for commercial/industrial tax abatement, with boundaries as described in **Exhibit "A"** attached hereto will result in benefits to the Town and to the land included in the Zone and to the Town after the expiration of any Tax Abatement Agreement entered into and the improvements sought within the Zone are feasible and practical;
- (d) That the reinvestment zone as defined in **Exhibit "A"** attached hereto meets the criteria for the creation of a reinvestment zone as set forth in the Code, as amended, in that it is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the Zone that would be a benefit to the property and that would contribute to the economic development of the Town; and
- (e) That the reinvestment zone as defined in **Exhibit "A"** attached hereto meets the criteria for the creation of a reinvestment zone as set forth in the Town of Westlake Tax Abatement Policy, which Policy establishes guidelines and criteria governing tax abatement agreements by the Town and provide for the availability of tax abatement for both new facilities and structures and for the expansion or modernization of existing facilities and structures.

SECTION 3. That pursuant to the Code, the Town hereby creates a reinvestment zone for commercial/industrial tax abatement encompassing only the area described by the metes and bounds in **Exhibit "A"** attached hereto and such reinvestment zone is hereby designated and shall hereafter be designated as Reinvestment Zone No. Three (3), Town of Westlake, Texas.

SECTION 4. That the Town shall deliver to the Texas Comptroller's Office prior to May 1, 2008, a general description of the reinvestment zone, including its size, the types of property located in it, its duration, and the guidelines and criteria established for the reinvestment zone under Section 312.002 of the Code, including subsequent amendments and modifications of the guidelines or criteria.

SECTION 5. That the Zone shall take effect on the 24th day of March, 2008.

SECTION 6. If any portion of this ordinance shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Board hereby determines that it would have adopted this ordinances without the invalid provision.

PASSED AND APPROVED ON THIS 24th DAY OF MARCH 2008.



Scott Bradley, Mayor

ATTEST:




Kim Sutter, TRMC, Town Secretary



Joe C. Hennig, Interim Town Manager

APPROVED AS TO FORM:



Stan Lowry, Town Attorney

LEGAL DESCRIPTION
PROPOSED REINVESTMENT ZONE

BEING a tract of land situated in the Jesse Gibson Survey, Abstract Number 592, the G. Hendricks Survey, Abstract Number 680, and the Jesse Sutton Abstract No. 1451 and the Chas Medlin Survey, Abstract Number 1958, Tarrant County, Texas, and being situated in the Jesse Sutton Abstract No. 1154 Denton County Texas and being a portion of that certain tract of land (Tract 2) as described by deed to AIL Investment, L.P., as recorded in Volume 13275, Page 542, County Records, Tarrant County, Texas, and a portion of those tracts of land (tracts 1 & 2) as described by deed to AIL Investment, L.P., as recorded in Volume 13883, Page 335, County Records, Tarrant County, Texas, and a portion of that certain tract of land described by deed to Lakeway Land, Ltd., as recorded in Volume 13978, Page 222, County records, Tarrant County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a point in the north line of proposed Roanoke-Dove Road where it intersects the west line of said AIL Investment tract (Volume 13883, Page 335 tract 2);

THENCE N 00°08' 56"W, 664.08 feet;

THENCE S89°59'38"W, 23.21 feet;

THENCE N 00°04'20"E, 200.04 feet;

THENCE S 89°47'29"W, 391.05 feet;

THENCE N 00°09'35"W, 461.81 feet;

THENCE N 00°02'25"W, 818.71 feet;

THENCE N 43°12'43"E, 127.27 feet to the beginning of a curve to the left;

THENCE 320.00 feet along the arc of said curve, through a central angle of 37°20'29", whose radius is 491.00 feet, the long chord of which bears N44° 49'54"E, 314.37 feet;

THENCE N 26°09'38"E, 100.00 feet to the beginning of a curve to the right;

THENCE 124.87 feet along the arc of said curve, through a central angle of 12°54'51", whose radius is 554.00 feet, the long chord of which bears N32°37'03"E, 124.60 feet;

THENCE N 39°04'28"E, 195.82 feet;

THENCE N 49°47'43"W, 121.24 feet to the beginning of a curve to the right;

THENCE 551.83 feet along the arc of said curve, through a central angle of 27°15'27", whose radius is 1159.96 feet, the long chord of which bears N32°50'11"W, 546.64 feet;

THENCE N 00°41'56"W, 1439.38 feet;

THENCE S 75°35'35"E, 821.08 feet to the beginning of a curve to the right;

THENCE 371.00 feet along the arc of said curve, through a central angle of 48°18'39", whose radius is 440.00 feet, the long chord of which bears S51°26'16"E, 360.11 feet;

THENCE S 27°16'56"E, 214.64 feet to the beginning of a curve to the left;

THENCE 880.40 feet along the arc of said curve, through a central angle of 90°04'39", whose radius is 560.00 feet, the long chord of which bears S72°19'15"E, 792.49 feet;

THENCE N 62°38'25"E, 197.55 feet to the beginning of a curve to the left;

THENCE 1075.06 feet along the arc of said curve, through a central angle of 54°23'23", whose radius is 1132.50 feet, the long chord of which bears S59°20'00"E, 1035.15 feet;

THENCE S 86°31'42"E, 199.20 feet to the beginning of a curve to the left;

THENCE 554.97 feet along the arc of said curve, through a central angle of 15°16'08", whose radius is 2082.50 feet, the long chord of which bears N85°50'14"E, 553.33 feet;

THENCE N 78°12'10"E, 800.32 feet;

THENCE S 09°34'05"E, 892.93 feet;

THENCE S 16°42'32"W, 1518.12 feet;

THENCE S 00°53'35"E, 573.79 feet;

THENCE S 11°28'06"E, 564.14 feet;

THENCE S 70°37'22"W, 349.16 feet to the beginning of a curve to the right;

THENCE 253.38 feet along the arc of said curve, through a central angle of 19°21'24", whose radius is 750.00 feet, the long chord of which bears S80°18'04"W, 252.18 feet;

THENCE S 89°58'46"W, 1261.17 feet;

THENCE 89°00'39"W, 1253.71 feet;

THENCE S 87°42'32"W, 718.15 feet;

THENCE S 88°40'26"W, 272.28 feet to the POINT OF BEGINNING and containing 387.95 acres of land, more or less.

THIS LEGAL DESCRIPTION IS FOR CONTRACT PURPOSES ONLY AND SHOULD NOT BE USED FOR THE CONVEYANCE OF REAL PROPERTY.

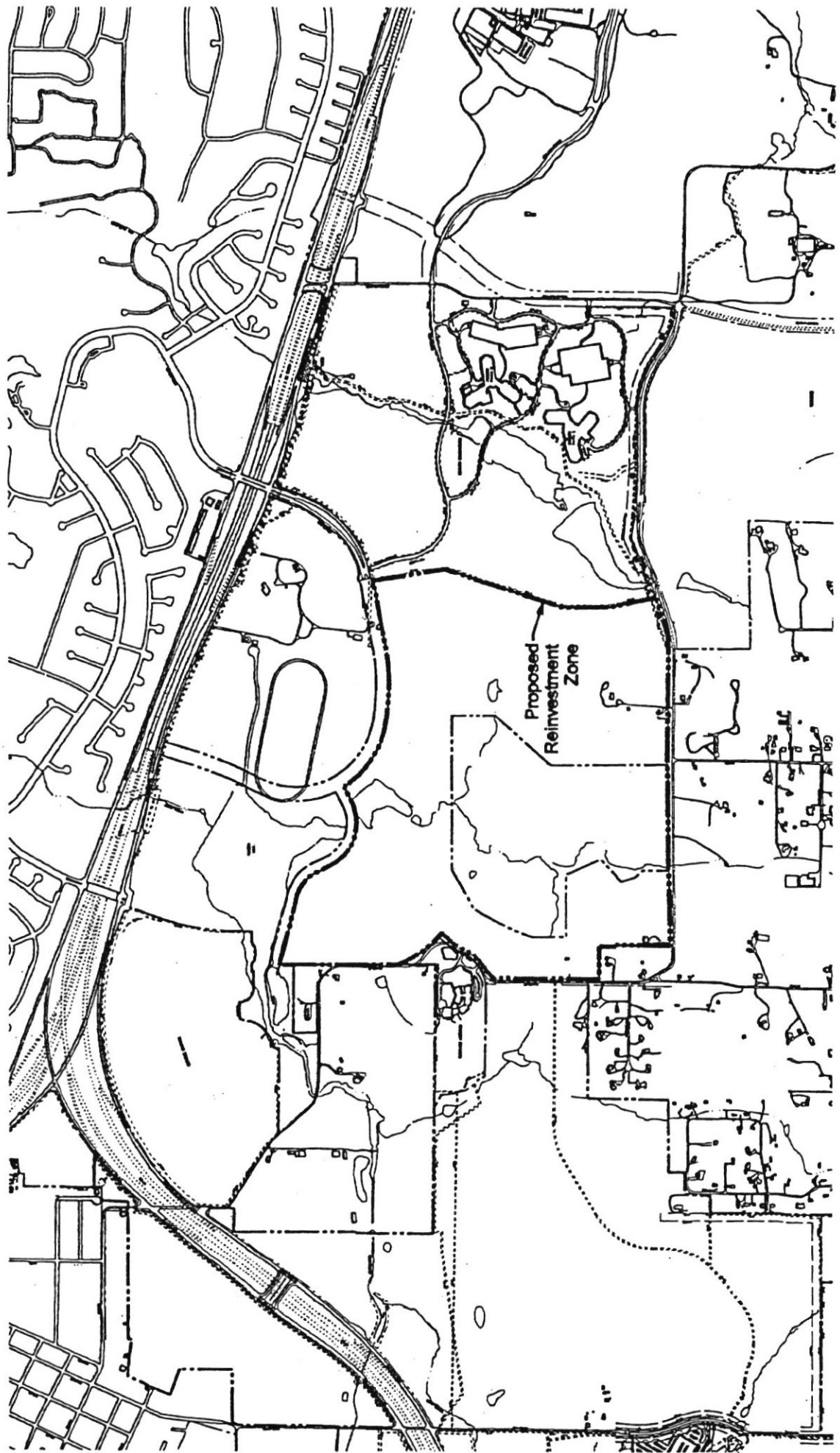


EXHIBIT "E"

Land

LEGAL DESCRIPTION
PROPOSED REINVESTMENT ZONE

BEING a tract of land situated in the Jesse Gibson Survey, Abstract Number 592, the G. Hendricks Survey, Abstract Number 680, and the Jesse Sutton Abstract No. 1451 and the Chas Medlin Survey, Abstract Number 1958, Tarrant County, Texas, and being situated in the Jesse Sutton Abstract No. 1154 Denton County Texas and being a portion of that certain tract of land (Tract 2) as described by deed to AIL Investment, L.P., as recorded in Volume 13275, Page 542, County Records, Tarrant County, Texas, and a portion of those tracts of land (tracts 1 & 2) as described by deed to AIL Investment, L.P., as recorded in Volume 13883, Page 335, County Records, Tarrant County, Texas, and a portion of that certain tract of land described by deed to Lakeway Land, Ltd., as recorded in Volume 13978, Page 222, County records, Tarrant County, Texas, and being more particularly described by metes and bounds as follows:

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THENCE N 43°12'43"E, 127.27 feet to the beginning of a curve to the left;

THENCE 320.00 feet along the arc of said curve, through a central angle of 37°20'29", whose radius is 491.00 feet, the long chord of which bears N44° 49'54"E, 314.37 feet;

THENCE N 26°09'38"E, 100.00 feet to the beginning of a curve to the right;

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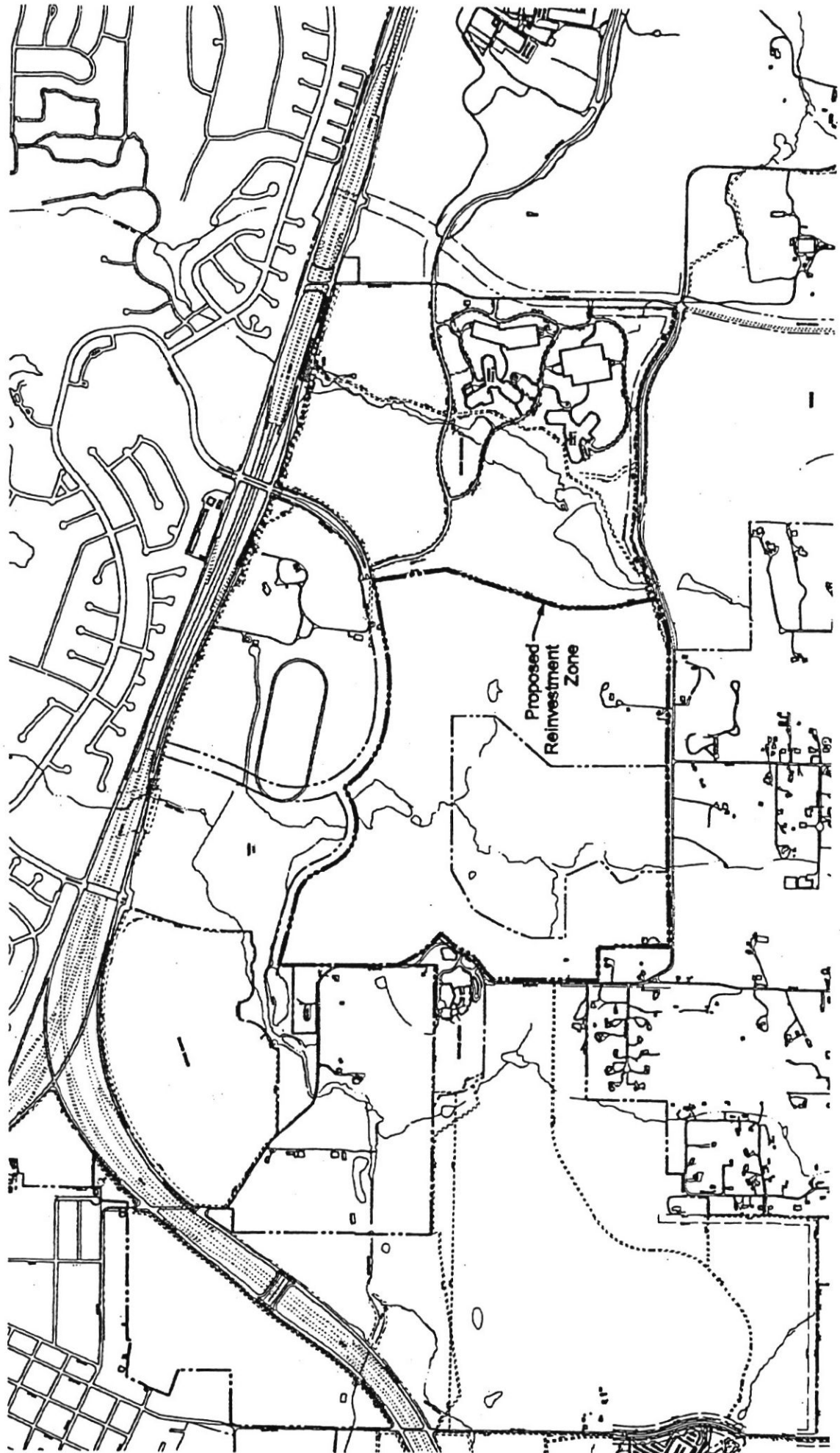


EXHIBIT "C"

Town of Westlake Economic Development Agreement

**RESOLUTION 21-12
EXHIBIT A**

ECONOMIC DEVELOPMENT AGREEMENT

STATE OF TEXAS

§
§
§

COUNTIES OF DENTON AND TARRANT

This Economic Development Agreement ("Agreement") is made and entered into as of March 29, 2021 (the "Effective Date"), by and between the Town of Westlake, Texas ("Town"), a municipal corporation of Denton and Tarrant Counties, Texas, and Deloitte LLP, a Delaware limited liability partnership ("Deloitte"), each acting by and through their respective authorized officers and representatives.

WITNESSETH:

WHEREAS, prior to the date hereof, Deloitte (or one of its Affiliates, as herein defined) has constructed certain facilities, including, but not by way of limitation, a learning and innovation center within the Town (referred to herein as DU1); and

WHEREAS, Deloitte or one of its Affiliates is considering acquiring additional land in the Town and constructing new facilities, and reconstructing and/or expanding existing facilities within the Town (referred to herein as DU2); and

WHEREAS, the Town adopted an Economic Development Policy ("Economic Development Policy") that includes a Tax Abatement Policy ("Tax Abatement Policy") by the passage of Resolution No. 16-30 on the 22nd day of August 2016, which is attached hereto as Exhibit "A" and incorporated herein for all purposes; and

WHEREAS, the Town is a duly created and validly existing Type A General Law Municipality, created under the laws of State of Texas, including particularly, but not by way of limitation, Chapter 51, Texas Local Government Code ("LGC"); and

WHEREAS, on the 24th day of March, 2008, the Town, passed Ordinance No. 589, which is attached hereto as Exhibit "B" and incorporated herein for all purposes, establishing Reinvestment Zone No. 3, Town of Westlake, Texas ("Zone No. 3"), for commercial-industrial tax abatement as authorized by Chapter 312 of the Texas Tax Code ("Tax Code"); and

WHEREAS, on the 24th day of March, 2008, the Town passed Resolution No. 08-18, which is attached hereto as Exhibit "C" and incorporated herein for all purposes, establishing Neighborhood Empowerment Zone, Town of Westlake, Texas (the "Neighborhood Empowerment Zone") , as authorized by Chapter 378 of the LGC; and²

WHEREAS, the Economic Development Policy and the Tax Abatement Policy constitute appropriate guidelines and criteria governing economic development agreements to be entered into by the Town as contemplated by Chapter 378 and Chapter 380 of the LGC and Chapter 312 of the Tax Code, providing for the availability of economic incentives for new facilities and structures; and

WHEREAS, Deloitte (or one of its Affiliates), as the owner of land located within the Town, intends to develop and construct one (1) or more buildings on the Land (as defined herein), and the development and construction on such Land is expected significantly to enhance the economic base of the Town; and

WHEREAS, the Council (as hereinafter defined) may consider conferring the same benefits contained within this Agreement to future buildings constructed on such Land by entering into a new economic development agreement with respect to such buildings, whether during or after the term of this Agreement; and

WHEREAS, the Constitution and laws of the State of Texas, including, but not by way of limitation, Chapter 378 and Chapter 380 of the LGC, Chapter 312 of the Tax Code and the Texas Constitution, authorize the Town to enter into economic development agreements and tax abatement agreements with companies such as Deloitte; and

WHEREAS, the Council finds that the improvements proposed for the Land are feasible and practical and would be of benefit to the Town; and

WHEREAS, the Council finds that the terms of this Agreement, and the proposed Qualified Facilities (herein defined) meet the applicable guidelines and criteria heretofore adopted by the Council and contained in the Economic Development Policy and Tax Abatement Policy; and

WHEREAS, in order to maintain and enhance the commercial and industrial economic base of the Town and Tarrant County, the Council finds that it is in the best interest of the citizens of the Town to enter into this Agreement in accordance with the Economic Development Policy, the Tax Abatement Policy, the Tax Code and the LGC; and

WHEREAS, a copy of this Agreement in its proposed form has been furnished by the Town, in the manner prescribed by the Tax Code, to the presiding officers of the governing bodies of each of the taxing units (other than the independent school districts) in which the Land is located;

NOW, THEREFORE, the Town and Deloitte, for good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, which consideration includes the attraction of major investment in Zone No. 3 and the Neighborhood Empowerment Zone that contributes to the economic development of the Town, the enhancement of the tax base in the Town and Tarrant County and the economic development and tax abatement incentives set forth herein below, as authorized by Chapter 378 and Chapter 380 of the LGC and Chapter 312 of the Tax Code, as amended, do hereby contract, covenant and agree as follows:

Section 1. Definitions.

Wherever used in this Agreement, the following capitalized terms shall have the meanings ascribed to them:

"Affiliate" shall mean any entity that owns or controls, is owned or controlled by, or is under common ownership or control with, Deloitte, or any entity the ownership of which is substantially the same as Deloitte.

"Council" shall mean the Town Council of the Town of Westlake.

"COVID-19" means SARS-CoV-2 or COVID-19, and any evolutions thereof or related or associated epidemics, pandemic or disease outbreaks.

"Direct Payment Permit" shall mean a permit granted by the State and authorized under 34 TAC, Chapter 3, Subchapter O, Rule §3.288 allowing qualified consumers to give a direct payment blanket exemption certificate in lieu of the taxes imposed by the Tax Code, Chapter 151, for taxable items which they purchase for their own use from their suppliers and which items will not be resold in any manner. The holder of a direct payment permit issued under Chapter 151 becomes liable for the use tax under this chapter by reason of the storage, use, or consumption of a taxable item purchased under a direct payment exemption.

"DU1 " for the purpose of this Agreement, shall mean all facilities, owned by Deloitte or its Affiliates, constructed on Land on or before January 1, 2021, including, but not by way of limitation, the learning and innovation center.

"DU2 Qualified Facility" shall mean all Qualified Facilities, as defined, constructed on Land after January 1, 2021.

"Final Certificate of Occupancy" shall mean the final certificate of occupancy issued for a Qualified Facility.

"Force Majeure" shall mean any contingency or cause beyond the reasonable control of Deloitte and its Affiliates, including, without limitation, acts of God or the public enemy, epidemic, pandemic or disease outbreak (including COVID-19 and including any law, regulation, directive or pronouncement that relates to, or arises out of, an epidemic, pandemic or disease outbreak), war, riot, civil-commotion, insurrection, governmental or de facto governmental action (unless caused by acts or omissions of Deloitte or its Affiliates), fire, explosions, floods, or strikes.

"Hotel Occupancy Tax Receipts" shall mean the Town's receipts from the collection of Hotel Occupancy Taxes by, or on behalf of, Deloitte or its Affiliates, with respect to any of the DU2 Qualified Facilities. .

"Hotel Occupancy Taxes" shall mean those hotel occupancy taxes authorized by Chapter 351 of the Tax Code (entitled, "Municipal Hotel Occupancy Taxes"), or any successor statute.

"Incentives Period" shall mean the period commencing upon the first day of the year following issuance of a Certificate of Occupancy ("CO") for a DU2 Qualified Facility designated by Deloitte (as described below), and ending on the tenth anniversary thereof. Deloitte may, in its sole discretion, designate any DU2 Qualified Facility to commence the Incentives Period by submitting the CO for such DU2 Qualified Facility to the Town, together with a formal request to commence the Incentives Period; however, in no event shall the Incentives Period start later than January 1, 2029.

"Land" shall mean the parcel(s) of land which is more particularly described in Exhibit "D", attached hereto and incorporated herein for all purposes.

"Minimum Threshold Eligibility Requirements" shall mean (i) the construction and maintenance of a minimum 50,000 gross square feet of total structures on the Land on or prior to January 1, 2029; and (ii) the expenditure of no less than \$70,000,000 on Project Costs.

"Project Costs" shall mean all costs and expenses incurred by Deloitte or its Affiliates with respect to the acquisition, construction, reconstruction, improvement and expansion, as the case may be, of the DU2 Qualified Facilities, whether paid or incurred prior to or after the date of this Agreement, including the cost of the acquisition of all land, rights-of-way, property rights, easements, and interests; the cost of all machinery and equipment, furniture, fixtures and other personal property; the cost of engineering and legal services; the cost of contractors; the cost of plans, specifications, surveys, and estimates of cost and of revenue; other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, reconstructing, improving, and expanding the DU2 Qualified Facilities; and administrative expenses.

"Qualified Facilities" shall mean the buildings improvements, related infrastructure and/or modifications and other structural components to be constructed on the Land by or on behalf of Deloitte or its Affiliates; a single building which constitutes a part of the Qualified Facilities may be referred to as a "Qualified Facility."

"Sales Tax Receipts" shall mean (1) the Town's receipts from the State from the collection of the Town's Sales and Use Taxes attributable to Project Costs related to the purchase of taxable items by Deloitte or its Affiliates or its contractors.

"State" shall mean the State of Texas and all taxing authorities thereof, including, without limitation, the Comptroller of Public Accounts of the State of Texas.

"Town's Sales and Use Taxes" shall mean the local sales and use tax imposed by the Town other than the half percent (.5%) 4B economic development sales tax authorized by art. 5190.6, Vernon's Texas Civil Statutes, Section 4B. and the half percent (.5%) additional municipal sales and use tax (commonly known as the "sales tax for property tax relief") authorized by Section 321.507 of the Tax Code imposed by the Town.

Section 2. General Provisions.

- A. The DU2 Qualified Facilities are not, and shall not be, an improvement project financed by tax increment bonds.
- B. The Land is not owned or leased by any member of the Council, any member of the Planning and Zoning Commission of the Town or any member of the governing body of taxing units with jurisdiction over the Land.
- C. This Agreement is intended to comply with the requirements of the LGC and the Tax Code and is authorized by the Texas Property Redevelopment and Tax Abatement Act of the Tax Code, Chapter 312 of the Tax Code, by Chapter 378 and Chapter 380 of the LGC, by the Economic Development Policy, the Tax Abatement Policy and by the resolution of the Council authorizing execution of this Agreement. The Town represents that it has due authority to enter into this Agreement and to take actions under the relevant laws cited herein.
- D. Notwithstanding anything in this Agreement to the contrary, any obligation of Deloitte or condition to the receipt of benefits under this Agreement may be fulfilled or satisfied by an Affiliate of Deloitte.

Notwithstanding anything to the contrary, the Council may consider entering into one or more additional economic development agreements (whether during the Term or thereafter) to grant the same benefits contained herein to Deloitte or its Affiliates with respect to additional Qualified Facilities completed after the start of the Incentives Period.

Section 3. Term.

Unless earlier terminated as provided for herein, this Agreement shall remain in full force and effect from the Effective Date until the expiration of the Incentives Period (the "Term"). The tax abatements, grants and other economic development incentives granted hereby to Deloitte for the Land and the DU2 Qualified Facilities shall continue for the duration of the Term and, once all applicable conditions specified herein have been fulfilled, shall not be lost through Force Majeure events or other circumstances beyond the reasonable control of Deloitte or its Affiliates.

Section 4. Records and Inspections.

- A. Not later than February 15 of each year during the Term, Deloitte shall certify to the Town the aggregate number of gross square feet of space contained in the DU2 Qualified Facilities as of January 1 of such year; provided that Deloitte shall not be required to provide the first certification required hereby until February 15, 2022.
- B. At all times throughout the Term, the authorized representatives of the Town shall have reasonable access to the DU2 Qualified Facilities, during normal business hours and upon at least five (5) business days prior written notice to Deloitte, for the purpose of inspecting same to ensure that the DU2 Qualified Facilities are maintained in accordance with the specifications and conditions of this Agreement; provided, however, that

Deloitte or its representatives shall have the right to accompany the authorized representatives of the Town on any such inspection and that such inspection shall be conducted in a manner which complies with Deloitte's security procedures and which does not disrupt or interfere with the employees and business operations of Deloitte and its Affiliates.

- C. Deloitte shall also provide the Town, in a timely manner, reasonably satisfactory evidence of all Sales and Use Taxes and/or Hotel Occupancy Taxes collected and/or paid by Deloitte or its Affiliates, reconciled to applicable State tax reports in an effort to distinguish those taxes related to DU2 from DU1 (if applicable), for which Deloitte seeks a grant pursuant to Sections 14, 15 and 16 below.

Section 5. Remedies: Termination.

- A. In order to be eligible for one or more of the abatements and grants pursuant to Sections 10, 11, 14, 15, and 16 hereof, Deloitte must meet Minimum Threshold Eligibility Requirements during the Incentives Period. If Deloitte fails to maintain any of the Minimum Threshold Eligibility Requirements prior to the end of the Incentives Period, the Town's sole remedy for such failure shall be to terminate this Agreement in accordance with this Section. For the avoidance of doubt, the Town shall not be entitled to recoup payments made to Deloitte prior to any such failure, nor shall failure to maintain any of the Minimum Threshold Eligibility Requirements affect the Town's obligation to make payments to Deloitte for periods prior thereto (to the extent still outstanding).
- B. Notwithstanding anything herein to the contrary, it is understood and agreed that any (i) construction and maintenance on the Land; and (ii) the expenditures on Project Costs prior to the Effective Date of this Agreement, shall qualify for inclusion in the calculations Minimum Threshold Eligibility Requirements.
- C. If (i) Deloitte fails to maintain the Minimum Threshold Eligibility Requirements at any time during the Incentives Period; or (ii) either party fails to comply with any of the other material terms or conditions of this Agreement (other than the Minimum Threshold Eligibility Requirements, which are addressed in clause (i)), and any such failure specified in either clause (i) or (ii), above, remains uncured for ninety (90) days following receipt of written notice from the other party (delivered in accordance with Section 18 hereof) of the event and nature of such failure, then such party may terminate this Agreement pursuant to Section 5F; provided, however, that if such failure is not reasonably susceptible of cure within such ninety (90) day period and the failing party has commenced and is continuing to pursue the cure of such failure, then after first advising the other party of such cure efforts, the failing party shall automatically receive an additional ninety (90) day period within which to cure such failure. The other party may authorize additional time to cure any such failure but is not obligated to grant such additional time. Notwithstanding anything expressed or implied herein to the contrary, no failure shall exist if the failure of Deloitte to fully perform its obligations hereunder is the result of a Force Majeure event.
- D. Upon the occurrence and during the continuation of any uncured failure:

- i. by Deloitte, the Town shall have the right to suspend the tax abatements and grants specified in Sections 10, 11, 14, 15, and 16 hereof, pursuant to a notice (the "Suspension Notice") delivered in accordance with Section 19 hereof, and thereafter to receive from Deloitte, as liquidated damages, a sum equal to (i) the amount of all ad valorem taxes which were assessed against the Qualified Facilities and which would have been paid to the Town by Deloitte or its Affiliates but for this Agreement, for each year in which the failure occurred and was continuing, without the benefit of abatement (after taking into account any applicable exemptions), and (ii) interest thereon charged at the rate of four and one-half percent (4.50%) per year and calculated for the period commencing on the date such taxes would have been delinquent and continuing through the date of payment of such liquidated damages. The calculation of liquidated damages shall not include any penalties or late charges. Such liquidated damages shall be due and payable to the Town within ninety (90) days of the receipt by Deloitte of the Suspension Notice. If the Town delivers a Suspension Notice pursuant to this Section, then Deloitte shall thereafter have no right to receive the tax abatements and grants specified in Sections 10, 11, 14, 15, and 16 hereof unless and until Deloitte has cured the failure or failures described in such Suspension Notice.
 - ii. by the Town, Deloitte shall have the right to suspend performance of its obligations under this Agreement, seek from a court of competent jurisdiction payment of amounts due to Deloitte hereunder and/or special action or other similar relief (whether characterized as mandamus, injunction or otherwise), requiring the Town to undertake and to fully and timely perform its obligations under this Agreement.
- E. The remedies of the parties provided herein are exclusive; all other remedies including, without limitation, the remedy of specific performance or the right to seek any damages other than the damages specified above, being hereby waived.
- F. This Agreement shall terminate upon any one of the following:
 - i. Immediately upon written notice from Deloitte to the Town, if the Town fails to pay any grant within the applicable time period provided under this Agreement;
 - ii. Immediately upon written notice from Deloitte to the Town, upon any breach by the Town of its obligations under Section 21 hereof with respect to Confidential Tax Information;
 - iii. Upon written notice from the Town to Deloitte, if Deloitte fails to maintain any of the Minimum Threshold Eligibility Requirements during the [Incentives Period] as described in Section 5C(i), subject to the notification requirements and cure periods described herein.

- iv. Upon written notice by either party, if the other party fails to comply with any of the material terms or conditions of this Agreement as described in Section 5C(ii), subject to the notification requirements and cure periods described herein.

Any abatements or incentives owed by the Town, and any amounts payable by the Town, pursuant to this Agreement will survive the termination hereof.

Section 6. Intentionally Omitted.

Section 7. Sale, Assignment or Lease of Property.

Deloitte shall have the right, without the Town's consent, to assign to its Affiliates or to a successor-in-interest of Deloitte, all or any portion of Deloitte's rights and obligations under this Agreement, provided that each assignee assumes the applicable terms and conditions of this Agreement. All other assignments of all or any portion of Deloitte's rights and obligations under this Agreement shall require the prior approval of the Council. Deloitte shall notify the Town pursuant to this Agreement of any proposed assignment requiring the Council's approval at least fifteen (15) days prior to the proposed effective date of such assignment. The approval of the Council of such assignment shall not be unreasonably withheld, conditioned or delayed. For the avoidance of doubt, the foregoing provisions relate solely to Deloitte's rights to assign this Agreement; however, nothing in this Agreement shall prevent or limit Deloitte's right to sell or lease any portion of the Land or the Qualified Facilities at any time to any third party.

Section 8. Permitting Process and Fees.

- A. The Town agrees that any permit or application submitted in connection with the Qualified Facilities that requires action by the Town shall be entitled to priority and shall be reviewed and approved as expeditiously as possible, including, but not limited to, applications for:
 - i. zoning;
 - ii. site plan and plat approval;
 - iii. building permits;
 - iv. certificates of occupancy (CO); and
 - v. water, sewer and/or drainage improvements or connections.
- B. DU2 Permit fees will be reduced by 50% as determined by the most recently adopted Permit Fee Schedule Approved by Town Council as of the date of permit submittal.

Section 9. Mutual Assistance.

The Town hereby agrees to cooperate with Deloitte and its Affiliates in filing, whether solely or in conjunction with other parties, appropriate applications with county, state or federal agencies for grants, loans or other economic, non-economic, and infrastructure cost assistance, to benefit DU2, if requested by Deloitte.

Section 10. Tax Abatement.

- A. The Town hereby grants a ten (10) year tax abatement, commencing at the start of the Incentives Period, of all real and personal property ad valorem taxes for DU2 which may hereafter be assessed by the Town and which may be abated under Ch. 312 of the Tax Code (or any successor statute) during the Incentives Period, structured as follows:

Year 1	100%
Year 2	90%
Year 3	80%
Year 4	70%
Year 5	60%
Year 6	50%
Year 7	40%
Year 8	30%
Year 9	20%
Year 10	10%

All real and personal property ad valorem tax abatements for DU2 shall terminate upon expiration of the Incentives Period. To the extent that Deloitte receives additional COs for DU2 Qualified Facilities, whether prior to or after the start of the Incentives Period, the Town hereby grants a tax abatement of all real and personal property ad valorem taxes which may hereafter be assessed by the Town with respect to such additional DU2 Qualified Facilities, and which may be abated under Ch. 312 of the Tax Code (or any successor statute) during the Incentives Period, in accordance with the then-remaining schedule set forth above. For example:

	Building A	Building B	Building C
Year 0	CO	Under Construction	--
Year 1	100%	Under Construction	--
Year 2	90%	CO	Under Construction
Year 3	80%	80%	Under Construction
Year 4	70%	70%	CO
Year 5	60%	60%	60%
Year 6	50%	50%	50%
Year 7	40%	40%	40%
Year 8	30%	30%	30%
Year 9	20%	20%	20%
Year 10	10%	10%	10%

Section 11. Grants

The Town recognizes that the abatement of ad valorem taxes, as provided in Section 10 above constitutes a material inducement to Deloitte and its Affiliates to construct the Qualified Facilities. If any court of competent jurisdiction or governmental authority determines that the tax abatement and grant provisions contained in Section 10 hereof are unenforceable or unlawful or are rendered unenforceable or unavailable by the passage of any federal, state or local law, Town shall make, and hereby makes economic development grants to Deloitte, such grants to equal the amount of the ad valorem taxes that otherwise would have been abated and rebated in accordance with Section 10 hereof and such grants shall remain in effect for the same period tax abatements would have been in effect pursuant to Section 10 above.

Section 12. Right of Protest.

- A. Deloitte and its Affiliates shall have the right to protest, contest or litigate (i) any appraisals or assessment of the value of the DU2 Qualified Facilities and the Land associated therewith by any appraisal district which appraises real or personal property on all or any part of DU2; and (ii) any tax imposed on the DU2 Qualified Facilities and the Land associated therewith by any taxing authority. If Deloitte or its Affiliates are successful in obtaining a reduction in taxes based upon such protest, contest or litigation after a tax abatement for that year has been granted, Deloitte shall notify the Town. The tax abatement (or, if applicable, the grants) provided for herein shall be applied to the amount of taxes finally determined to be due as a result of any such protest, contest or litigation.

- B. Except as expressly provided, this Agreement shall not be construed to in any way modify Deloitte's or any of its Affiliates' right to protest, contest or litigate any and all impact fees, ad valorem taxes or any other taxes, fees or charges which may be levied or assessed by the Town or any other entity on the DU2 Qualified Facilities or Deloitte LLP's or any of its Affiliates' operations at the DU2 Qualified Facilities. Notwithstanding the foregoing, in the absence of either a casualty to the DU2 Qualified Facilities or a reduction in average property value in the Town (as measured against the average property value in the Town as of the date of this Agreement) of 25% or greater, in the event of any protest of ad valorem taxes by Deloitte LLP or its Affiliates after the completion of DU2 resulting in an appraised value for the DU2 Qualified Facilities (including the Land related thereto) of less than \$17,500,000, then Deloitte shall not be eligible to receive the tax abatement pursuant to Section 10 for so long as such appraised value is less than \$17,500,000.

Section 13. Annual Application for Tax Exemption.

It shall be the responsibility of Deloitte, pursuant to Section 11.43 of the Tax Code, if any, to file an annual exemption application form with the chief appraiser for each appraisal district in which the DU2 Qualified Facilities has situs.

Section 14. Chapter 380 Grant Based Upon Sales/Use Taxes.

- A. Pursuant to the authority granted by Chapter 380 of the LGC, Deloitte shall receive from the Town a grant in the amount equal to sixty-five percent (65%) of the Sales Tax Receipts

pertaining to the Town's Sales and Use Taxes that were paid by Deloitte, its Affiliates, or their respective contractors for the related Project Costs of the Qualified Facilities, as defined in this Agreement.

- B. The tax grants made hereunder shall be paid solely from lawfully available funds that have been appropriated by the Town. The Town will ensure that the amount of funds appropriated is sufficient to ensure the payment of grants in the amount identified in this Agreement. Under no circumstances shall the Town's obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. Deloitte shall use reasonable efforts to manage construction related to the DU2 Qualified Facilities to increase, to the extent practicable and reasonable for Deloitte, the amount of sales tax collected by the Town by having a point of sale in the Town in accordance with all applicable law.
- C. All grants referenced herein shall be paid quarterly to Deloitte within sixty (60) days following the end of the calendar quarter in which the relevant Sales Tax Receipts were received by the Town. The amount to be granted shall be determined based on the relevant Sales Tax Receipts or related evidence thereof received by the Town from Deloitte, its Affiliates or their respective contractors (which may be examined by the Town) pursuant to Section 4.C.

Section 15. Chapter 380 Grant Based Upon Sales/Use Taxes and Direct Payment Permit.

- A. Pursuant to Texas law, Deloitte shall have the right to utilize its Direct Payment Permit for Project Costs, which would establish First Use within the Town.
- B. If Deloitte utilizes its Direct Payment Permit, Deloitte shall receive from the Town a grant in the amount equal to sixty-five percent (65%) of the Sales Tax Receipts pertaining to the Town's Sales and Use Taxes that were paid by Deloitte, its Affiliates.
- C. The tax grants made hereunder shall be paid solely from lawfully available funds that have been appropriated by the Town. The Town will ensure that the amount of funds appropriated is sufficient to ensure the payment of grants in the amount identified above. Under no circumstances shall the Town's obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision.
- D. If Deloitte utilizes its Direct Pay Permit, Deloitte shall use reasonable efforts to manage construction related to the DU2 Qualified Facilities to increase, to the extent practicable and reasonable for Deloitte, the amount of sales tax collected by the Town in accordance with all applicable law.
- E. All grants referenced herein shall be paid quarterly to Deloitte within sixty (60) days following the end of the calendar quarter in which the relevant Sales Tax Receipts were received by the Town. The amount to be granted shall be determined based on the relevant Sales Tax Receipts or related evidence thereof received by the Town from or on behalf of Deloitte or its Affiliates (which may be examined by the Town) pursuant to Section 4.C.

Section 16.

Chapter 380 Grant Based Upon Hotel Occupancy Taxes.

- A. Pursuant to the authority granted by Chapter 380 of the LGC, during the Incentives Period, Deloitte shall receive from the Town a grant in an amount equal to thirty-five percent (35%) of the Town's Hotel Occupancy Taxes collected by Deloitte or its Affiliates for the DU2 Qualified Facilities, but said grant shall not exceed \$100,000 in any calendar year.
- B. The tax grants made hereunder shall be paid solely from lawfully available funds that have been appropriated by the Town. The Town will ensure that the amount of funds appropriated is sufficient to ensure the payment of grants in the amount identified in this Agreement. Under no circumstances shall the Town obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision.
- C. All grants referenced herein shall be paid to Deloitte within sixty (60) days following the end of each calendar quarter in which the relevant Hotel Occupancy Tax Receipts were received by the Town. The amount to be granted shall be determined based on the relevant Hotel Occupancy Tax Receipts or related evidence thereof received by the Town from Deloitte, or its Affiliates (which may be examined by the Town) pursuant to Section 4.C.

Section 17.

Agriculture Exemption.

The parties hereby acknowledge and agree that the Land is classified as agricultural, and shall continue to be classified as such unless and until reclassified by Tarrant Appraisal District.

Section 18

Notice.

Any notice, demand, or other communication required to be given or to be served upon any party hereunder, shall be void and of no effect unless given in accordance with the provisions of this Section. All notices shall be in writing and shall be delivered personally or sent by overnight courier service, by certified or registered mail, postage pre-paid, or by facsimile transmission and shall be deemed received, in the case of personal delivery, when delivered, in the case of overnight courier service, on the next business day after delivery to such service, in the case of mailing, on the third day after mailing (or, if such day is a day on which deliveries of mail are not made, on the next succeeding day on which deliveries of mail are made) and, in the case of facsimile transmission, upon transmittal. All notices, demands and other communications shall be given to the parties hereto at the following addresses:

Deloitte LLP:

Janet Lewell
Senior Finance Officer
Deloitte LLP
333 SE 2nd Avenue, Suite 3600
Miami, FL 33131

With copy to:
Deloitte
Office of General Counsel

1221 Avenue of the Americas
New York, New York 10020

Town:

Amanda DeGan
Town Manager
Town of Westlake
1500 Solana Boulevard
Building 7, Suite 7200
Westlake, Texas 76262

With copy to:
L. Stanton Lowry
Boyle & Lowry L.L.P.
4201 Wingren, Ste. 108
Irving, Texas 75062

Each party may change the address to which notice may be sent to that party by giving notice of such change to the other parties in accordance with the provisions of this Agreement.

Section 19. Town Authorization.

This Agreement was authorized by a resolution of the Council that was approved by the affirmative vote of a majority of the Council at its regularly scheduled Council meeting on the 29th day of March, 2021, authorizing the Town Manager to execute this Agreement on behalf of the Town. The Town represents and warrants to Deloitte that the Town may lawfully perform its obligations under this Agreement.

Section 20. Deloitte Authorization.

The individual executing this Agreement on behalf of Deloitte represents to the Town that all appropriate and necessary action has been taken to authorize such individual to do so for and on behalf of the party for which his or her signature appears, that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement, and that such authorization is valid and effective on the date hereof.

Section 21. Confidentiality.

Except as disclosure is required by law, the Town agrees to keep all non-public information and documentation relating to the Land, the Qualified Facilities, Deloitte or its Affiliates that it obtains in connection with this Agreement (the "Confidential Tax Information") confidential. The Town will only provide access to the Confidential Tax Information to its employees on a "need-to-know" basis; The Town will use the Confidential Tax Information solely for the purposes of determining the respective amount of each grant and for no other purpose, and the Town will not, without Deloitte's prior written authorization: (a) disclose to any other person, use or exploit the Confidential Tax Information (other than as expressly permitted above) or (b) discuss Deloitte or its affairs with any person other than Deloitte LLP's representatives. The Town's obligations under

this Section shall survive the termination of this Agreement. Notwithstanding the above, the Town and Deloitte expressly understand and agree that should any third party request the Confidential Tax Information pursuant to the Texas Public Information Act, the Town shall (i) immediately notify Deloitte to permit the Deloitte to seek a protective order or to take another appropriate action and (ii) seek a written determination from the Texas Attorney General as to whether any or all of the Confidential Tax Information must be released as a public record. If Deloitte is unable to obtain a protective order or to otherwise legally restrict the disclosure thereof, and the Texas Attorney General advises the Town that it is compelled as a matter of law to disclose the Confidential Tax Information to a third party, the Town may disclose to such third party only the part of such Confidential Tax Information as is required by law to be disclosed. In such case, prior to such disclosure, the Town will consult with Deloitte and use its best efforts to obtain confidential treatment therefor.

Section 22. Severability.

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

Section 23. Estoppel Certificate.

Either party hereto may request an estoppel certificate from another party hereto so long as the certificate is requested in connection with a bona fide business purpose, and each party agrees to promptly execute and deliver any reasonable estoppel certificate requested pursuant to this Section. The certificate, which will upon request be addressed to Deloitte, or a lessee, purchaser or assignee of Deloitte, shall include, but not necessarily be limited to, statements (qualified to the best knowledge of the party providing the estoppel) that this Agreement is in full force and effect without default (or if a default exists, the nature of such default and any curative action which should be undertaken to cure same), the remaining term of this Agreement, and such other matters reasonably requested by the party to receive the certificate. Any such certificate on behalf of the Town shall be executed by the Mayor of the Town.

Section 24. Dispute Resolution.

In the event of a dispute under this Agreement between the parties to this Agreement that could result in litigation, as a condition precedent to filing any lawsuit, the parties agree to attempt to mediate any such dispute with the Tarrant County Alternative Dispute Resolution Program. Unless all parties are satisfied with the result of the mediation, the mediation will not constitute a final and binding resolution of the dispute. All communications within the scope of the mediation shall remain confidential as described in Texas Civil Remedies and Practice Code, Section 154.073, unless all parties agree, in writing, to waive such confidentiality.

Section 25. Applicable Law.

This Agreement shall be construed under the laws and court decisions of the State of Texas. Venue for any action under this Agreement shall be the State District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas.

Section 26. Recordation of Agreement.

A copy of this Agreement in recordable form may be recorded by either party in the Real Property Records of Tarrant County, Texas.

Section 27. Entire Agreement.

This Agreement constitutes the entire agreement between the parties regarding the subject matter contained herein, supersedes any prior understanding or written or oral tax abatement agreements or representations between the parties regarding the matters contained herein, and can be modified only by a written instrument subscribed to by both parties. This Agreement may be executed in multiple counterparts, each of which shall be considered an original for all purposes.

Section 28. Successors and Assigns.

Subject to the provisions of Section 7 hereof, this Agreement shall be binding on, and shall inure to the benefit of, the legal representatives, successors and assigns of the Town and Deloitte.

Section 29. Further Assurances.

The Town and Deloitte shall timely take all actions reasonably necessary and/or appropriate to carry out the terms and provisions of this Agreement, and to aid and assist each other in carrying out the terms and provisions of this Agreement to allow for the development of DU2 Qualified Facilities.

(SIGNATURE PAGES FOLLOW)

TOWN OF WESTLAKE

DELOITTE LLP

By: Amanda DeGan

Name: Amanda DeGan
Title: Town Manager

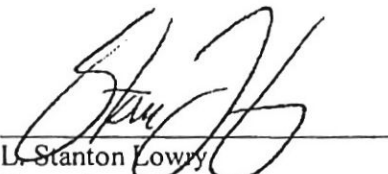
Date: April 5, 2021

By: Peter A. Shimer

Name: Pete Shimer
Title: Partner

Date: 3/30/21

APPROVED AS TO FORM AND LEGALITY:

By: 
L. Stanton Lowry
Town Attorney

[Signature Page to 2021 Economic Development Agreement]

RESOLUTION 21-12

TOWN OF WESTLAKE

"Attachment 1"

RESOLUTION NO. 16-30

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WESTLAKE, TEXAS, ADOPTING AN ECONOMIC DEVELOPMENT INCENTIVE POLICY.

WHEREAS, the Town of Westlake, Texas, relies upon the generation of Sales and Use Taxes for basic city operations; and

WHEREAS, the Town of Westlake aggressively pursues sales tax producing enterprises that meet the Town's high development standards; and

WHEREAS, Chapter 312 of the Texas Tax Code requires that guidelines and criteria be adopted by the Town Council before entering into any Economic Development Agreement that provides reimbursement of taxes; and

WHEREAS, Chapter 380 of the Texas Local Government Code allows the Town Council to create policies for economic development and any related grants or incentives.

WHEREAS, the Town Council finds that the passage of this Resolution is in the best interest of the citizens of Westlake.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF WESTLAKE, TEXAS:

SECTION 1: That, all matters stated in the Recitals hereinabove are found to be true and correct and are incorporated herein by reference as if copied in their entirety.

SECTION 2: That the Town of Westlake Town Council does hereby approves the proposed policy, attached as *Exhibit "A"*, Town of Westlake Economic Development Incentive Policy and directs the Town Manager to immediately submit an Economic Development Agreement to the Town Council consistent with the terms of this policy.

SECTION 3: If any portion of this Resolution shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Council hereby determines that it would have adopted this Resolution without the invalid provision.

SECTION 4: That this resolution shall become effective from and after its date of passage.

PASSED AND APPROVED ON THIS 22nd DAY OF AUGUST, 2016.

ATTEST:

Laura L. Wheat
Laura L. Wheat, Mayor

Kelly Edwards
Kelly Edwards, Town Secretary

Thomas E. Brymer
Thomas E. Brymer, Town Manager

APPROVED AS TO FORM:

Cathy Cunningham
for L. Stanton Lowry, Town Attorney



Exhibit A

Town of Westlake Economic Development Incentive Policy

Section I. General Purpose and Objectives

The Town of Westlake, Texas, ("Town") is committed to the promotion and retention of high quality development in all parts of the Town as part of an overall effort to improve the quality of life for its residents. Since these objectives can be served, in part, by the expansion of its commercial business, retail, and mixed use base, the Town will, on a case-by-case basis, give consideration to providing tax abatements, economic development grants, loans, and other incentives (collectively referred to as "Incentives") as may be allowed by law as stimulation for selected economic development within the community. It is the policy of the Town that consideration will be provided in accordance with the criteria set forth in this document. Nothing within this policy shall imply or suggest that the Town is under any obligation to provide Incentives to any applicant. All applicants ("Applicants") for any Incentives shall be considered on a case-by-case basis.

Section II. Applicability

This Economic Development Incentive Policy (the "Policy") establishes guidelines and criteria for Incentives as allowed for by the provisions of Chapter 312 of the Texas Tax Code, and other economic grants, loans, or incentives as authorized by Chapter 380 of the Texas Local Government Code, the Development Corporation Act, Article 5190.6, Tex. Rev. Civ. Stat., Article III, Section 52-a of the Texas Constitution, and other applicable laws. Any Incentive approved by the Town's Town Council ("Town Council") pursuant to the Policy must be memorialized in an agreement to be executed and approved by the Town and applicant (the "Incentive Agreement").

Section III. Tax Abatement Criteria

A. Any application for tax abatement shall be reviewed and approved or disapproved by the Town Council and, if applicable, consider the recommendations of the Westlake Development Corporation and/or the Westlake 4A Corporation. In general, the application will be considered based upon the following:

- The 'value added' to the community by the Applicant's proposed project;
- The likelihood of the development of the proposed project without abatements;
- The comparison of the use of abatements versus the use of other potential incentives.

B. Specific considerations for approving tax abatement applications will be based upon the degree to which the proposed project:

- Furthers the goals and objectives of the Town as expressed in the Town's Comprehensive Plan, Planned Development District Ordinances, and infrastructure plans;
- Impacts the Town's costs and ability to provide municipal services;
- Impacts the local environment, housing market, and available infrastructure;
- Offers potential for long term payback in tax and/or other revenues for the Town's investment;
- Potentially stimulates other desirable economic development within the Town.

C. Term of the Abatement – A tax abatement may be granted for a maximum of ten (10) years. The term of the abatement may be granted for a lesser number of years depending upon the anticipated 'value added' to the Town.

Section IV. Value of the Project

The amount of the Incentive will be determined by the Town Council based upon the merits of the economic development project (the "Project"), including, but not limited to, the factors referenced in paragraph III. B. (above) and the following specific economic considerations:

- total capital investment;
- added employment;
- generation of other tax revenues.

Incentives may be granted only for the additional value of eligible property improvements described in the Project and listed in the executed tax abatement agreement. Target thresholds are established as expected qualifying levels for abatement consideration as indicated in paragraphs A and B as follows:

A. For New Businesses or Development - The Project must be reasonably expected to produce an added value of five million dollars (\$5,000,000) in real and personal property improvements within the Town of Westlake; or to create a minimum of 200 full-time jobs, or to generate annual sales tax revenues to the Town of at least \$100,000.

B. For Expansion or Modernization of Existing Businesses or Development – The Project must be reasonably expected to produce an added value of two million dollars (\$2,000,000) in real and personal property improvements within the Town, or to create a minimum of 100 full time jobs, or to generate additional annual sales tax revenues to the Town of at least \$50,000.

Section V. Inspection, Verification and Incentive Modification

The terms of an Incentive Agreement shall include the Town's right to:

(a) require the submission of an annual certification of compliance for the property receiving an Incentive; (b) conduct an on-site inspection of the project in each year during the life of the Incentive to verify compliance with the terms of the Agreement and the Policy; and (c) reduce or

eliminate the Incentive if the applicant has failed to comply with the requirements of the Incentive Agreement.

Section VI. Evaluation

Upon completion of the Project, the Town shall no less than annually evaluate each Project receiving an abatement to insure compliance with the terms of the agreement. Any incidents of non-compliance will be reported to all affected taxing units.

Section VII. Severability and Limitation

In the event that any section, clause, sentence, paragraph or any part of this Policy shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, such invalidity shall not affect, impair, or invalidate the remainder of the guidelines and criteria in this Policy.

Section VIII. Expiration and Modification

This Policy is effective upon the date of its adoption and will remain in force for two years, at which time Incentive Agreements created pursuant to its provisions will be reviewed by the Town Council to determine whether the objectives of the Policy are being achieved. Based upon that review, this Policy may be modified, renewed or eliminated. However, any Incentive Contracts created pursuant to this Policy will remain in effect according to their respective terms without regard to any change to this Policy unless mutually agreed by the parties.

Section IX. Economic Development Grants, Loans, and Other Incentives

A. Any application for economic development grants, loans, and other incentives shall be reviewed and approved or disapproved by the Town Council. In the review process, the Town Council will, if applicable, consider the recommendations of the Westlake Development Corporation and/or the Westlake Type 4A Corporation. Any such economic development grants, loans, and other incentives may come from any one or combination of the following:

- Grants or loans as authorized by Chapter 380 of the Texas Local Government Code;
- The general Sales and Use taxes of the Town;
- Sales and Use taxes collected pursuant to section Type 4A of Article 5190.6, Tex. Rev. Civ. Stat.; and/or
- Any other lawful source of revenue of the Town including, but not limited to, bond or other debt financing which further the purpose of economic development.

B. To be eligible to apply and qualify for consideration of any grants, loans, and other incentives under this Section, the applicant must submit documentation, and enter into an Incentive Agreement, which indicates the specific details of the Project and compliance with the Policy.

TOWN OF WESTLAKE
ORDINANCE NO. 589

RESOLUTION 21-12
EXHIBIT B

AN ORDINANCE OF THE TOWN OF WESTLAKE, TEXAS, DESIGNATING COMMERCIAL/INDUSTRIAL TAX ABATEMENT REINVESTMENT ZONE NO. THREE (3), IN THE TOWN OF WESTLAKE, TARRANT AND DENTON COUNTIES, TEXAS; PROVIDING AN EFFECTIVE DATE; AND PROVIDING A SEVERABILITY CLAUSE.

WHEREAS, the Board of Aldermen ("Board") of the Town of Westlake, Texas ("Town"), desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone ("Zone") for commercial/industrial tax abatement, as authorized by Chapter 312, Property Redevelopment and Tax Abatement Act, Texas Tax Code, Subchapter B, Sections 312.201 and 312.202, as amended (the "Code"); and

WHEREAS, the Town has elected to become eligible to participate in tax abatement; and

WHEREAS, a public hearing at a regularly scheduled meeting before the Board was held at 7:00 p.m. on the 24th day of March, 2008, such date being at least seven (7) days after the date of publication of the notice of such public hearing in a newspaper having general circulation in the Town as required by the Code; and

WHEREAS, notice of the public hearing was delivered to the presiding officer of the governing body of each taxing unit located within the proposed reinvestment zone at least seven (7) days before the date of the public hearing; and

WHEREAS, the Town at such hearing invited all interested persons, or their representatives, to appear and speak for or against the creation of the proposed reinvestment zone, the boundaries of the proposed reinvestment zone, whether all or part of the territory described in this ordinance should be included in such proposed reinvestment zone, and the concept of tax abatement; and

WHEREAS, all interested persons spoke and the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of the creation of the proposed reinvestment zone and the proponents also submitted evidence as to the proposed improvements.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE TOWN OF WESTLAKE, TEXAS:

SECTION 1. That the facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct and are incorporated herein in their entirety.

SECTION 2. The Town, after conducting such hearings and having heard such evidence and testimony, has made the following findings and determinations based on the testimony and evidence presented to it:

- (a) That a public hearing on the designation of the reinvestment zone has been properly called, held and conducted and that notices of such hearings have been published as required by law and delivered to all taxing units located within the proposed reinvestment zone;
- (b) That the boundaries of the reinvestment zone should be the area as described in the metes and bounds description attached hereto and identified as **Exhibit "A"**, which are incorporated herein for all purposes and which area is within the taxing jurisdiction of the Town;
- (c) That the creation of the reinvestment zone for commercial/industrial tax abatement, with boundaries as described in **Exhibit "A"** attached hereto will result in benefits to the Town and to the land included in the Zone and to the Town after the expiration of any Tax Abatement Agreement entered into and the improvements sought within the Zone are feasible and practical;
- (d) That the reinvestment zone as defined in **Exhibit "A"** attached hereto meets the criteria for the creation of a reinvestment zone as set forth in the Code, as amended, in that it is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the Zone that would be a benefit to the property and that would contribute to the economic development of the Town; and
- (e) That the reinvestment zone as defined in **Exhibit "A"** attached hereto meets the criteria for the creation of a reinvestment zone as set forth in the Town of Westlake Tax Abatement Policy, which Policy establishes guidelines and criteria governing tax abatement agreements by the Town and provide for the availability of tax abatement for both new facilities and structures and for the expansion or modernization of existing facilities and structures.

SECTION 3. That pursuant to the Code, the Town hereby creates a reinvestment zone for commercial/industrial tax abatement encompassing only the area described by the metes and bounds in **Exhibit "A"** attached hereto and such reinvestment zone is hereby designated and shall hereafter be designated as Reinvestment Zone No. Three (3), Town of Westlake, Texas.

SECTION 4. That the Town shall deliver to the Texas Comptroller's Office prior to May 1, 2008, a general description of the reinvestment zone, including its size, the types of property located in it, its duration, and the guidelines and criteria established for the reinvestment zone under Section 312.002 of the Code, including subsequent amendments and modifications of the guidelines or criteria.

SECTION 5. That the Zone shall take effect on the 24th day of March, 2008.

SECTION 6. If any portion of this ordinance shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Board hereby determines that it would have adopted this ordinances without the invalid provision.

PASSED AND APPROVED ON THIS 24th DAY OF MARCH 2008.



Scott Bradley, Mayor

ATTEST:




Kim Sutter, TRMC, Town Secretary



Joe C. Hennig, Interim Town Manager

APPROVED AS TO FORM:



Stan Lowry, Town Attorney

LEGAL DESCRIPTION
PROPOSED REINVESTMENT ZONE

BEING a tract of land situated in the Jesse Gibson Survey, Abstract Number 592, the G. Hendricks Survey, Abstract Number 680, and the Jesse Sutton Abstract No. 1451 and the Chas Medlin Survey, Abstract Number 1958, Tarrant County, Texas, and being situated in the Jesse Sutton Abstract No. 1154 Denton County Texas and being a portion of that certain tract of land (Tract 2) as described by deed to AIL Investment, L.P., as recorded in Volume 13275, Page 542, County Records, Tarrant County, Texas, and a portion of those tracts of land (tracts 1 & 2) as described by deed to AIL Investment, L.P., as recorded in Volume 13883, Page 335, County Records, Tarrant County, Texas, and a portion of that certain tract of land described by deed to Lakeway Land, Ltd., as recorded in Volume 13978, Page 222, County records, Tarrant County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a point in the north line of proposed Roanoke-Dove Road where it intersects the west line of said AIL Investment tract (Volume 13883, Page 335 tract 2);

THENCE N 00°08' 56"W, 664.08 feet;

THENCE S89°59'38"W, 23.21 feet;

THENCE N 00°04'20"E, 200.04 feet;

THENCE S 89°47'29"W, 391.05 feet;

THENCE N 00°09'35"W, 461.81 feet;

THENCE N 00°02'25"W, 818.71 feet;

THENCE N 43°12'43"E, 127.27 feet to the beginning of a curve to the left;

THENCE 320.00 feet along the arc of said curve, through a central angle of 37°20'29", whose radius is 491.00 feet, the long chord of which bears N44° 49'54"E, 314.37 feet;

THENCE N 26°09'38"E, 100.00 feet to the beginning of a curve to the right;

THENCE 124.87 feet along the arc of said curve, through a central angle of 12°54'51", whose radius is 554.00 feet, the long chord of which bears N32°37'03"E, 124.60 feet;

THENCE N 39°04'28"E, 195.82 feet;

THENCE N 49°47'43"W, 121.24 feet to the beginning of a curve to the right;

THENCE 551.83 feet along the arc of said curve, through a central angle of 27°15'27", whose radius is 1159.96 feet, the long chord of which bears N32°50'11"W, 546.64 feet;

THENCE N 00°41'56"W, 1439.38 feet;

THENCE S 75°35'35"E, 821.08 feet to the beginning of a curve to the right;

THENCE 371.00 feet along the arc of said curve, through a central angle of 48°18'39", whose radius is 440.00 feet, the long chord of which bears S51°26'16"E, 360.11 feet;

THENCE S 27°16'56"E, 214.64 feet to the beginning of a curve to the left;

THENCE 880.40 feet along the arc of said curve, through a central angle of 90°04'39", whose radius is 560.00 feet, the long chord of which bears S72°19'15"E, 792.49 feet;

THENCE N 62°38'25"E, 197.55 feet to the beginning of a curve to the left;

THENCE 1075.06 feet along the arc of said curve, through a central angle of 54°23'23", whose radius is 1132.50 feet, the long chord of which bears S59°20'00"E, 1035.15 feet;

THENCE S 86°31'42"E, 199.20 feet to the beginning of a curve to the left;

THENCE 554.97 feet along the arc of said curve, through a central angle of 15°16'08", whose radius is 2082.50 feet, the long chord of which bears N85°50'14"E, 553.33 feet;

THENCE N 78°12'10"E, 800.32 feet;

THENCE S 09°34'05"E, 892.93 feet;

THENCE S 16°42'32"W, 1518.12 feet;

THENCE S 00°53'35"E, 573.79 feet;

THENCE S 11°28'06"E, 564.14 feet;

THENCE S 70°37'22"W, 349.16 feet to the beginning of a curve to the right;

THENCE 253.38 feet along the arc of said curve, through a central angle of 19°21'24", whose radius is 750.00 feet, the long chord of which bears S80°18'04"W, 252.18 feet;

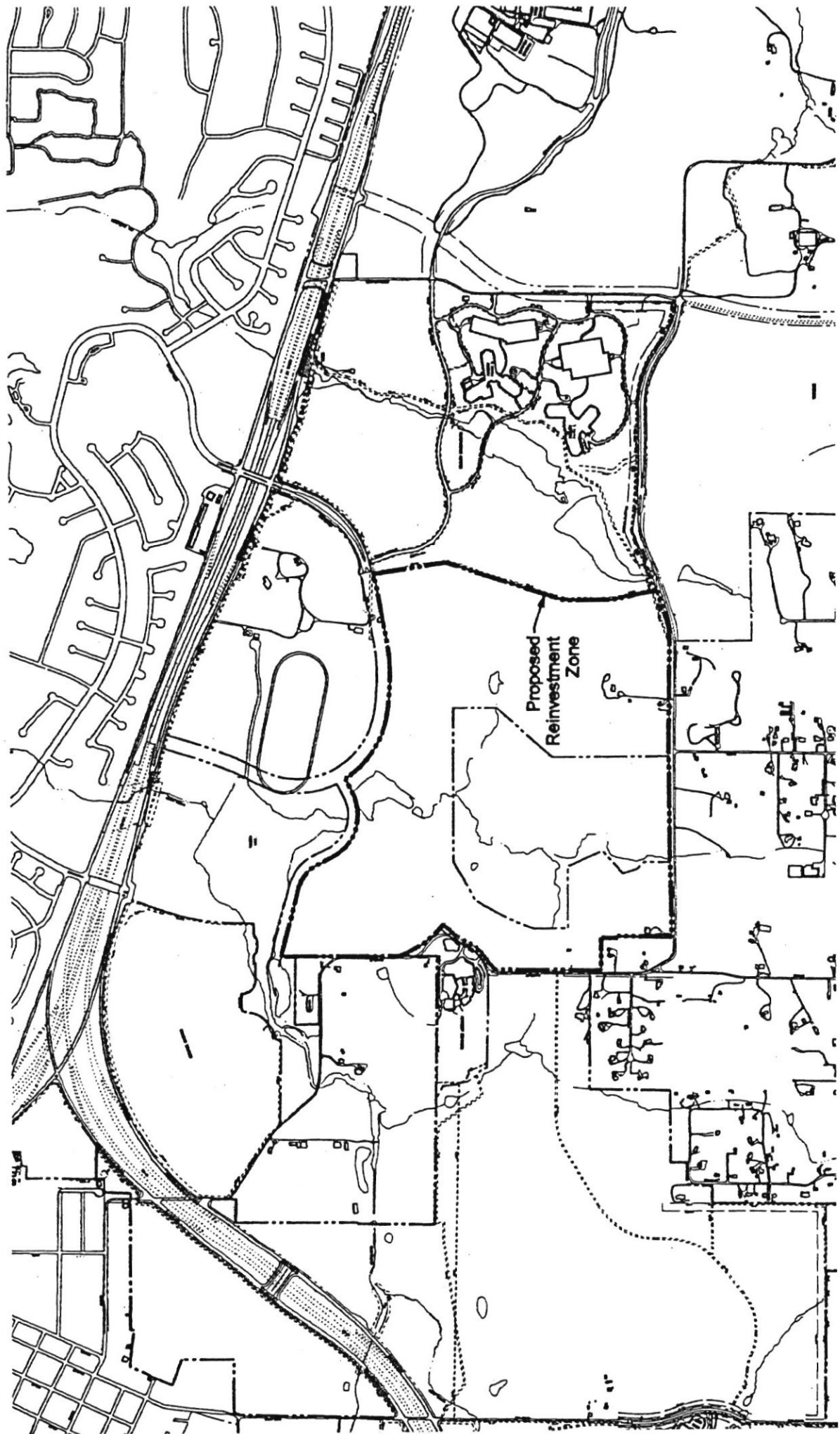
THENCE S 89°58'46"W, 1261.17 feet;

THENCE 89°00'39"W, 1253.71 feet;

THENCE S 87°42'32"W, 718.15 feet;

THENCE S 88°40'26"W, 272.28 feet to the POINT OF BEGINNING and containing 387.95 acres of land, more or less.

THIS LEGAL DESCRIPTION IS FOR CONTRACT PURPOSES ONLY AND SHOULD NOT BE USED FOR THE CONVEYANCE OF REAL PROPERTY.



Proposed
Reinvestment
Zone

**RESOLUTION 21-12
EXHIBIT C**

TOWN OF WESTLAKE

NO. 08-18

DESIGNATING A NEIGHBORHOOD EMPOWERMENT ZONE IN THE TOWN OF WESTLAKE, TARRANT AND DENTON COUNTIES, TEXAS; PROVIDING AN EFFECTIVE DATE; AND PROVIDING A SEVERABILITY CLAUSE.

WHEREAS, the Board of Aldermen ("Board") of the Town of Westlake, Texas, ("Town"), desires to promote and increase economic development in the Town, and the property described herein, pursuant to Chapter 378 of the Texas Local Government Code;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE TOWN OF WESTLAKE, TEXAS:

SECTION 1: That the facts and recitations contained in the preamble of this resolution are hereby found and declared to be true and correct and are incorporated herein in their entirety.

SECTION 2: That the Board of the Town hereby finds and determines that:

- (a) That the creation of a Neighborhood Empowerment Zone ("Zone") would promote an increase in economic development in the Zone;
- (b) The property to be contained within the Zone is described in attached Exhibit "A" and incorporated herein in its entirety;
- (c) That the creation of the Zone benefits and is for the public purpose of increasing public health, safety and welfare of the persons in the Town, and the creation of the Zone satisfies the requirements of Section 312.202 of the Texas Tax Code.

SECTION 3: That pursuant to Chapter 378 of the Texas Local Government Code, the Town hereby creates the Zone in the earlier described Exhibit "A", attached hereto and incorporated herein.

SECTION 4: That the Zone shall take effect on the 24th day of March, 2008.

SECTION 5: If any portion of this Resolution shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof and the Board hereby determines that it would have adopted this Resolution without the invalid provision.

PASSED AND APPROVED ON THIS 24TH DAY OF MARCH 2008.

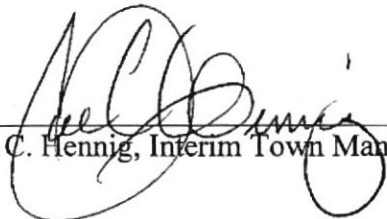


Scott Bradley, Mayor

ATTEST:

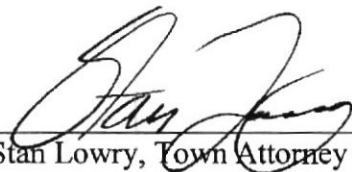


Kim Sutter, TRMC, Town Secretary



Joe C. Hennig, Interim Town Manager

APPROVED AS TO FORM:



Stan Lowry, Town Attorney

LEGAL DESCRIPTION
PROPOSED REINVESTMENT ZONE

BEING a tract of land situated in the Jesse Gibson Survey, Abstract Number 592, the G. Hendricks Survey, Abstract Number 680, and the Jesse Sutton Abstract No. 1451 and the Chas Medlin Survey, Abstract Number 1958, Tarrant County, Texas, and being situated in the Jesse Sutton Abstract No. 1154 Denton County Texas and being a portion of that certain tract of land (Tract 2) as described by deed to AIL Investment, L.P., as recorded in Volume 13275, Page 542, County Records, Tarrant County, Texas, and a portion of those tracts of land (tracts 1 & 2) as described by deed to AIL Investment, L.P., as recorded in Volume 13883, Page 335, County Records, Tarrant County, Texas, and a portion of that certain tract of land described by deed to Lakeway Land, Ltd., as recorded in Volume 13978, Page 222, County records, Tarrant County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a point in the north line of proposed Roanoke-Dove Road where it intersects the west line of said AIL Investment tract (Volume 13883, Page 335 tract 2);

THENCE N 00°08' 56"W, 664.08 feet;

THENCE S89°59'38"W, 23.21 feet;

THENCE N 00°04'20"E, 200.04 feet;

THENCE S 89°47'29"W, 391.05 feet;

THENCE N 00°09'35"W, 461.81 feet;

THENCE N 00°02'25"W, 818.71 feet;

THENCE N 43°12'43"E, 127.27 feet to the beginning of a curve to the left;

THENCE 320.00 feet along the arc of said curve, through a central angle of 37°20'29", whose radius is 491.00 feet, the long chord of which bears N44° 49'54"E, 314.37 feet;

THENCE N 26°09'38"E, 100.00 feet to the beginning of a curve to the right;

THENCE 124.87 feet along the arc of said curve, through a central angle of 12°54'51", whose radius is 554.00 feet, the long chord of which bears N32°37'03"E, 124.60 feet;

THENCE N 39°04'28"E, 195.82 feet;

THENCE N 49°47'43"W, 121.24 feet to the beginning of a curve to the right;

THENCE 551.83 feet along the arc of said curve, through a central angle of 27°15'27", whose radius is 1159.96 feet, the long chord of which bears N32°50'11"W, 546.64 feet;

THENCE N 00°41'56"W, 1439.38 feet;

THENCE S 75°35'35"E, 821.08 feet to the beginning of a curve to the right;

THENCE 371.00 feet along the arc of said curve, through a central angle of 48°18'39", whose radius is 440.00 feet, the long chord of which bears S51°26'16"E, 360.11 feet;

THENCE S 27°16'56"E, 214.64 feet to the beginning of a curve to the left;

THENCE 880.40 feet along the arc of said curve, through a central angle of 90°04'39", whose radius is 560.00 feet, the long chord of which bears S72°19'15"E, 792.49 feet;

THENCE N 62°38'25"E, 197.55 feet to the beginning of a curve to the left;

THENCE 1075.06 feet along the arc of said curve, through a central angle of 54°23'23", whose radius is 1132.50 feet, the long chord of which bears S59°20'00"E, 1035.15 feet;

THENCE S 86°31'42"E, 199.20 feet to the beginning of a curve to the left;

THENCE 554.97 feet along the arc of said curve, through a central angle of 15°16'08", whose radius is 2082.50 feet, the long chord of which bears N85°50'14"E, 553.33 feet;

THENCE N 78°12'10"E, 800.32 feet;

THENCE S 09°34'05"E, 892.93 feet;

THENCE S 16°42'32"W, 1518.12 feet;

THENCE S 00°53'35"E, 573.79 feet;

THENCE S 11°28'06"E, 564.14 feet;

THENCE S 70°37'22"W, 349.16 feet to the beginning of a curve to the right;

THENCE 253.38 feet along the arc of said curve, through a central angle of 19°21'24", whose radius is 750.00 feet, the long chord of which bears S80°18'04"W, 252.18 feet;

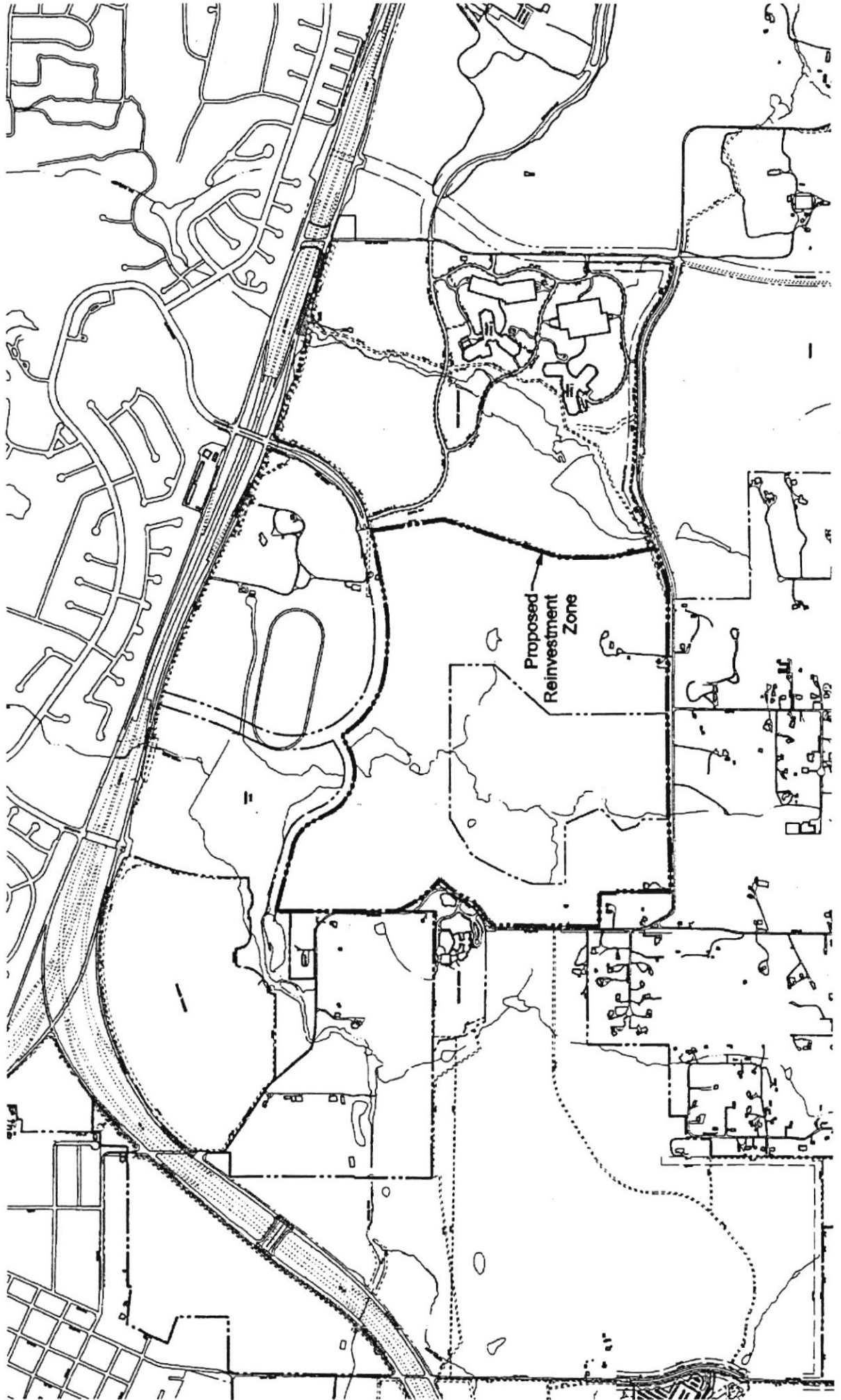
THENCE S 89°58'46"W, 1261.17 feet;

THENCE 89°00'39"W, 1253.71 feet;

THENCE S 87°42'32"W, 718.15 feet;

THENCE S 88°40'26"W, 272.28 feet to the POINT OF BEGINNING and containing 387.95 acres of land, more or less.

THIS LEGAL DESCRIPTION IS FOR CONTRACT PURPOSES ONLY AND SHOULD NOT BE USED FOR THE CONVEYANCE OF REAL PROPERTY.



RESOLUTION 21-12

EXHIBIT D

DUI PARCEL

BEING a tract of land situated in the Jesse Gibson Survey, Abstract Number 592 and the G. Hendricks Survey, Abstract Number 680, Tarrant County, Texas, and being a portion of that certain tract (Tract 2) of land described by deed to AIL Investment, L.P., as recorded in Volume 13275, Page 542, County Records, Tarrant County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8 inch iron rod with plastic cap stamped "Carter & Burgess" set being an ell corner in the southerly property line of said AIL Tract 2, said point also being the northeast property corner of that certain tract of land described by deed to AIL Investment, L.P., as recorded in Document Number D208228230, County Records, Tarrant County, Texas, being the northeast corner of a proposed 30.403 acre tract to be known as Tract 5, and being an ell corner in the boundary line of the proposed 106.947 acre DCLI property described herein;

THENCE S 89°49'56"W, 787.23 feet (previously recorded as N 89°50'20"W) along the common property line of the southerly property line of said AIL Tract 2 and the boundary line of said DCLI property described herein and the north property line of said AIL (D208228230) tract and the north line of said proposed Tract 5, to a 5/8 inch iron rod with plastic cap stamped "Carter & Burgess" set at the southeast corner of a proposed 18.323 acre tract to be known as Tract 2, also being the southeast corner of a proposed 10 foot wide Electric and Telecom easement to be known as tract 2A;

THENCE N 00°45'29"W, 357.87 feet along the westerly line of said proposed DCLI property described herein and the east line of said Tract 2A and then along the east line of a proposed 10 foot wide gas easement to be known as Tract 2B and then along the east line of a proposed 30 foot wide access easement to be known as Tract 2C and then along a proposed 10 foot wide Water easement to be known as Tract 2D and along the easterly line of said Tract 2 (18.323 acres) to a 5/8 inch iron rod with plastic cap stamped "Carter & Burgess" set;

THENCE N 20°32'10"E, 243.20 feet continuing along the common line of the westerly line of said proposed DCLI property described herein and along the easterly line of said proposed Tract 2 to a 5/8 inch iron rod with plastic cap stamped "Carter & Burgess" set;

THENCE N 24°21'01"E, 227.62 feet continuing along said common line to a 5/8 inch iron rod with plastic cap stamped "Carter & Burgess" set;

THENCE N 26°47'41"E, 340.17 feet continuing along said common line to a 5/8 inch iron rod with plastic cap stamped "Carter & Burgess" set;

THENCE N 58°07'29"E, 519.96 feet continuing along said common line to a 5/8 inch iron rod with plastic cap stamped "Carter & Burgess" set in the south line of a proposed 67.120 acre tract to be known as Tract 1, and also being the most northerly northwest corner of said proposed DCLI property described herein;

THENCE N 89°27'17"E, 1824.60 feet the northerly line of said proposed DCLI property described herein and along the south line of said Tract 1 and then along the south line of a proposed 28.370 acre tract to be known as Tract 3 to a 5/8 inch iron rod with plastic cap stamped "Carter & Burgess" set at the southeast corner of said proposed Tract 3, being in the westerly line of a proposed 3.100 acre tract to be known as Tract 6 and being the northeast corner of said proposed DCLI property described herein;

THENCE S 00°32'43"E, 545.49 feet along the easterly line of said proposed DCLI property described herein and along the westerly line of said proposed Tract 6 and along the westerly line of a proposed 8.128 acre tract to be known as a Private Drive Easement and then along the westerly line of a proposed 133.685 acre tract to be known as Tract 4 to a 5/8 inch iron rod with plastic cap stamped "Carter & Burgess" set;

THENCE S 40°02'39"W, 871.03 feet along the easterly line of said proposed DCLI property described herein and along the westerly line of said proposed tract 4 to a 5/8 inch iron rod with plastic cap stamped "Carter & Burgess" set;

THENCE S 01°05'24"E, 1442.77 feet continuing along the easterly line of said proposed DCLI property described herein and along the westerly line of said proposed tract 4 to a 5/8 inch iron rod with plastic capped stamped "Carter & Burgess" set in the north right-of-way line of Dove Road as described in a deed to the Town of Westlake and recorded in Volume 16798, Page 279, County Records, Tarrant County Texas and being the southwest corner of said Tract 4 and the southeast corner of said DCLI property described herein;

THENCE S 88°54'36"W, 1153.05 feet along the north right-of-way line of said Dove Road and along the south line of said DCLI property described herein to a 5/8 inch iron rod with plastic cap stamped "Carter & Burgess" set.

THENCE S 87°36'29"W, 138.19 feet continuing along the north line of said Dove Road and the south line of said DCLI property described herein to a 5/8 inch iron rod with plastic cap stamped "Carter & Burgess" set, being in the east property line of that certain tract of land (Tract 1) described by deed to AIL Investment, L.P., as recorded in Volume 13883, Page 335, County Records, Tarrant County, Texas and being the southeast corner of said Tract 5 and the southwest corner of said DCLI property described herein;

THENCE N 00°31'56"E, 1296.32 feet (previously recorded as N 00°44'55"E) along the east property line of said AIL Tract 1 and then along the east property line of the aforementioned AIL (D208228230) tract and along the east line of said Tract 5 and along the westerly line of said DCLI property described herein to the POINT OF BEGINNING and containing 4,658,596 square feet or 106.947 acres of land more or less.

RESOLUTION 21-12

EXHIBIT D

DU2 PARCEL

BEING A TRACT OF LAND SITUATED IN THE C. MEDLIN SURVEY, ABSTRACT NUMBER 1084, THE G.B HENDRICKS SURVEY, ABSTRACT NUMBER 680 AND THE M. HUNT SURVEY, ABSTRACT NUMBER 756, TARRANT COUNTY, TEXAS, AND BEING A PORTION OF THAT TRACT OF LAND DESCRIBED BY DEED TO HW 2421 LAND, LP., RECORDED IN INSTRUMENT NUMBER D209181337 (HEREINAFTER REFERRED TO AS TRACT 1), AND BEING ALL OF THAT TRACT OF LAND DESCRIBED BY DEED TO HW 2421 LAND LP., (HEREINAFTER REFERRED TO AS TRACT 2) RECORDED IN INSTRUMENT NUMBER D221071977, BOTH OF COUNTY RECORDS, TARRANT COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "PELTON" SET AT THE NORTHEAST CORNER OF LOT 1, DELOITTE UNIVERSITY CONFERENCE CENTER, AN ADDITION TO THE TOWN OF WESTLAKE, RECORDED IN INSTRUMENT NUMBER D210020327, BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT;

THENCE OVER AND ACROSS SAID TRACT 1 THE FOLLOWING COURSES AND DISTANCES;

WITH SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 597.67 FEET, THROUGH A CENTRAL ANGLE OF 45°51'04", HAVING A RADIUS OF 746.85 FEET, THE LONG CHORD WHICH BEARS N 85°53'01"E, 581.85 FEET, TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "PELTON" SET;

S 89°05'05"E, 659.37 FEET, TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "PELTON" SET;

N 00°54'55"E, 794.86 FEET, TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "PELTON" SET, AT THE BEGINNING OF A CURVE TO THE RIGHT;

WITH SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 78.95 FEET, THROUGH A CENTRAL ANGLE OF 09°46'08", HAVING A RADIUS OF 463.06 FEET, THE LONG CHORD WHICH BEARS N 05°47'59"E, 78.86 FEET, TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "PELTON" SET;

THENCE N 78°04'04"E, 319.26 FEET, TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "PELTON" SET AT THE NORTHWEST CORNER OF THAT TRACT OF LAND DESCRIBED BY DEED TO FMR TEXAS LIMITED PARTNERSHIP, RECORDED IN VOLUME 13457, PAGE 403, SAID COUNTY RECORDS;

THENCE WITH THE WEST LINE OF SAID FMR TRACT THE FOLLOWING BEARINGS AND DISTANCES:

S 09°40'01"E, 892.93 FEET, TO A 5/8 INCH IRON ROD WITH PLASTIC CAP FOUND;

S 16°36'36"W, 1518.12 FEET, TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "PELTON" SET;

S 00°59'31"E, 573.79 FEET, TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "PELTON" SET;

S 11°34'02"E, 564.06 FEET, TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "PELTON" SET IN THE NORTH RIGHT-OF-WAY LINE OF DOVE ROAD (A VARIABLE WIDTH RIGHT-OF-WAY), RECORDED IN VOLUME 15922, PAGE 267, COUNTY RECORDS, TARRANT COUNTY, TEXAS;

THENCE WITH SAID NORTH RIGHT-OF-WAY LINE THE FOLLOWING COURSES AND DISTANCES:

S 70°30'11"W, 349.01 FEET, WITH SAID NORTH RIGHT-OF-WAY LINE, TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" FOUND, FOUND AT THE BEGINNING OF A CURVE TO THE RIGHT;

WITH SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 253.14 FEET, THROUGH A CENTRAL ANGLE OF 17°15'59", HAVING A RADIUS OF 840.00 FEET, THE LONG CHORD WHICH BEARS S 80°10'54"W, 252.18 FEET TO A 5/8 INCH IRON ROD, WITH PLASTIC CAP STAMPED "CARTER & BURGESS" FOUND;

S 89°51'36"W, 361.48 FEET, TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "PELTON" SET AT THE SOUTHEAST CORNER OF AFOREMENTIONED TRACT 2;

S 89°54'40"W, 486.87 FEET, TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "PELTON" SET AT THE SOUTHWEST CORNER OF SAID TRACT 2;

S 89°51'36"W, 412.49 FEET, TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "PELTON" SET;

S 88°53'59"W, 100.66 FEET, TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "PELTON" SET AT THE SOUTHEAST CORNER OF THE AFOREMENTIONED LOT 1, DELOITTE UNIVERSITY CONFERENCE CENTER TRACT;

THENCE N 01°06'01"W, 1442.83 FEET, WITH THE EAST LINE OF SAID LOT 1, TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" FOUND;

THENCE N 40°02'02"E, 871.02 FEET, CONTINUING WITH THE EAST LINE OF SAID LOT 1, TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" FOUND;

THENCE N 00°33'20"W, 545.49 FEET TO THE POINT OF BEGINNING AND CONTAINING 5,120,148 SQUARE FEET OR 117.542 ACRES OF LAND MORE OR LESS.

EXHIBIT "D"

Application



Tarrant County Application for Tax Abatement/Reinvestment Zone

I. APPLICANT INFORMATION

Applicant/Property Owner: DCLI LLC

Company/Project Name: Deloitte LLP and its subsidiaries and affiliates ("Deloitte")

Mailing Address: 4022 Sells Drive, Hermitage, TN 37076

Telephone: (615) 882-7600 **Fax:** (615) 882-6600

Applicant's Representative for contact regarding abatement request:

Name and Title: Charles L. Ruby

Mailing Address: 30 Rockefeller Plaza, 41st Floor, New York, New York 10221

Telephone: (973) 602-6247 **Fax:** **E-mail:** charlesruby@deloitte.com

II. PROPERTY AND PROJECT DESCRIPTION

Address and legal description of property to be considered for Tax Abatement/Reinvestment Zone: Please see attached description of parcels

Project Description:

As part of the next phase in the evolution at the Deloitte University ("DU") campus, Deloitte intends to construct new state of the art, privately owned conference, learning and lodging facilities. These facilities will serve as a learning and leadership development facility for Deloitte's employees and clients.

The existing buildings reside on improved 107 acres, including a 700,000 sq ft facility and 10,000 sq ft entertainment venue. Deloitte acquired the adjacent unimproved 117.6 acres resulting in the 225-acre campus. Presently, Deloitte is considering construction plans to be completed over two or more phases utilizing the entire 225 acres, thereby maximizing the remaining entitled 1.5 million square feet (approximate). The total building area for Phase 1 of the expansion is unknown at this time and will be developed through master planning and visioning efforts.

The building components will include, but not be limited to, guestrooms comparable to a 4-star quality hotel, an entertainment venue, and state-of-the-art conference, innovation and learning facilities. The common areas will include onsite dining options, coffee/wine bars, a fitness center(s), and outdoor learning and amenities.

Through its design, Deloitte hopes to achieve USGBC Platinum LEED and Well Certifications. In addition, the DU expansion provides the opportunity to develop a more intentional and strategic approach to reducing carbon emission

from owned buildings while supporting our World Climate Commitment of reducing and achieving net-zero carbon emissions by 2030. Current guidance is to design for net neutral/positive development. The existing DU facilities were constructed as certified LEED Gold.

Description of activities, products, or services produced and/or provided at project location: “[Response]”

Current Assessed Value: Real Property: \$ 2,905,353 (Land) **Personal Property:** \$0

Estimated start date of construction/site improvements: 2023

Projected date of occupancy/commencement of operations at project site: 2026

Please indicate dates for phases if applicable: Phase I (2023), Additional Phases (TBD)

Location of existing company facilities: Please see attached description of parcels

Requested level of Tax Abatement: 75% of eligible property for 10 years.

Explain why tax abatement is necessary for the success of this project. Include business pro-formas or other information to substantiate your request. Prior to the Covid-19 pandemic, the DU facility was operating at capacity and we recently reached pre-pandemic levels again. For these reasons, Deloitte is considering a proposed expansion where construction costs are estimated to be in excess of \$100M. It is possible that this estimate could go higher due to increased building material costs and shortages, along with cost increases in labor services, and significant expenses related to Deloitte’s sustainability objectives. Thus, this proposed abatement would offset some of these extraordinary costs. This expansion would allow for the creation of approximately 25 net new full-time with the retention of the existing workforce at DU.

III. PROJECTED VALUE OF IMPROVEMENTS

Estimated Value of Real Property Improvements In excess of \$100M (construction costs)

Estimated Value of Personal Property Improvements \$ Included in above estimated value of real property

Will any infrastructure improvements (roads, drainage, etc.) be requested of Tarrant County for this project? Yes No X (nothing identified to date)

If yes, describe requested infrastructure improvements: N/A

Detail any direct benefits to Tarrant County as a result of this project (i.e., inventory tax, etc.): This proposed expansion will enhance both the training and leadership development of Deloitte’s personnel and increase Deloitte’s market position within Tarrant County. The potential increase of Deloitte’s real estate footprint in Tarrant County would include the construction of additional state-of-the-art training and professional development facilities. The project would also provide significant economic benefits to Tarrant County with the creation of approximately 25 net new full-time jobs with an estimated annual salary of \$90,000. Additionally, Deloitte would be retaining the existing DU positions, while the project will also provide significant ripple effects to the local economy with increased construction jobs, increased retail revenue from contractors and visitors, and increased local professional jobs

supporting the expansion project. This expansion will increase our total number of visitors per year which has typically been around 65,000 with an FY23 projection of 79,000 visitors, which also includes over 100 tours and 300 programs. Over its 10-year life, DU has hosted Former US Presidents, former 1st Ladies, Olympians, global corporate leaders and board members along with numerous other world dignitaries to the campus. We have hosted visitors and guests from the Fortune 500:

- 80% from the Fortune top 10
- 74% from the Fortune top 50
- 63% from the Fortune 100
- 76% from the Fortune 500

Importantly, approximately 75% of clients visiting DU are from outside Texas which provides both Deloitte and Tarrant County the ability to showcase the County as a key player in the DFW and Texas market for corporate relocations, while taking advantage of the regional economic benefits.

IV. EMPLOYMENT IMPACT AT PROJECT LOCATION

A. NEW EMPLOYMENT

Projected number of new jobs created as a result of the proposed improvements:

Full-time 25 Part-Time TBD

Provide types of jobs created and average salary levels: Combination of IT support, financial analysts, hospitality experts, and support staff

Start date and annual payroll of new permanent positions (if positions to be phased in, provide figures for each phase year): 2025

Percentage of new jobs to be filled by Tarrant County residents: 25%

Number of employees transferring from other company locations: TBD

B. CONSTRUCTION RELATED EMPLOYMENTS

Projected number of construction related jobs: 800

Estimated total construction payroll: \$75M

Commitment as to percentage of construction dollars to be spent with Tarrant County contractors or subcontractors: 15-25%

Commitment as to percentage & total dollars of construction contracts to be awarded to DBE: 10-15%

C. CURRENT COMPANY/PROJECT LOCATION EMPLOYMENT

Current Number of Employees: Full-time 455 Part-time 31

Average annual payroll: \$27,046,513

Detail on workforce diversity – percentage breakdown of current employees by gender and ethnicity:

- % of breakdown of current employees by gender & ethnicity
 - Gender
 - Male = 44%
 - Female = 56%
 - Ethnicity
 - Caucasian = 55%
 - Asian = 8%
 - African American = 10%
 - Hispanic = 21%
 - Other = 6%

D. COMPANY SPONSORED HEALTH CARE BENEFITS ARE AVAILABLE

Full-time Employees Part-time Employees Employee Dependents Not Available

Average monthly employee cost for health care benefits: Individual: \$186.96 Family: \$506.21

Other employee benefits provided or offered: Yes

V. LOCAL BUSINESS & DISADVANTAGED BUSINESS ENTERPRISES (DBE) IMPACT

Estimated amount of annual supply and services expenses: \$ “[Response]”

Detail any supply/services expenses that are sole source: “[Response]”

Percentage of total supplier/services expenses committed to Tarrant County businesses: To be analyzed as the project progresses, and scope of work is determined. This past year Deloitte spent \$1.96M with Tarrant County businesses which is lower than prior years due to the impact of Covid-19. In the past Deloitte has provided Tarrant County spend as part of its prior abatement annual compliance and the average spend in Tarrant County in years prior to Covid-19 has been much higher.. We would anticipate approaching this pre-Covid spend within Tarrant County similar to that of the existing DU facility, but it is still unknown at this time as Deloitte is beginning its design and planning phase for the proposed expansion.

Percentage of total supplier and services expenses committed to DBE: Deloitte is committed to and encourages the use of diverse suppliers and vendors. This area will continue to be analyzed as the project progresses, and scope of work is determined.

VI. ENVIRONMENTAL IMPACT OF PROJECT

Indicate if development, construction, equipment, distribution methods, and/or operational processes may impact the environment in the following areas, attach detail if necessary:

The project could impact the floodplain/wetlands, but any potential impacts would be addressed with FEMA, USACE, and Town of Westlake by a professional civil engineering firm. Based upon preliminary Due Diligence, evidence suggests that there are no USACE jurisdictional concerns as well as no overall negative environmental impacts as a result of the project.

Air Quality Water Quality Solid Waste Disposal Storm/Water Runoff
 Floodplain/Wetlands Noise levels Other (specify) "[Response]"

Provide detail on existing and new fleet vehicles, specifying types of vehicles, quantities and fuel used (gasoline, diesel, LP gas, CNG, etc.):

Vehicle Type	Fuel	Number of Vehicles
Sedan	Gas	12
Executive Van	Gas	8
Luxury Van	Gas	15
Minibus	Diesel	15
SUV	Gas	1

In addition, Deloitte is actively seeking alternative fuels for our transportation needs, for example electric or natural gas, as part of our firm's 2030 Net Zero commitment. We believe there would be minimal fleet additions with expansions due to our ability to create better efficiencies with our trips.

VII. ADDITIONAL INFORMATION (TO BE ATTACHED)

- Letter addressing Economic Qualifications and additional criteria for abatement, Section III (h) and (i) of Tarrant County Tax Abatement Policy – See Exhibit A
- Descriptive list and value of real and personal property improvements – See Exhibit B
- Plat/Map of Project Location – See Exhibit C
- Project Time Schedule – See Exhibit D
- Owner's policy regarding use of disadvantaged Business Enterprises – See Exhibit E
- Owner's policy addressing regional air quality/non-attainment status (use of alternative fuels, employee trip reduction, etc.) and plan for participation in regional Ozone Action Program – See Exhibit F
- Tax Certificate showing property taxes paid for most recent year – See Exhibit G

VIII. CERTIFICATION

Upon receipt of a completed application, Tarrant County may require such financial and other information as may be deemed appropriate for evaluating the financial capacity and other factors of the applicant.*

I certify the information contained in this application (including all attachments) to be true and correct to the best of my knowledge. I further certify that I have read the "Tarrant County Tax Abatement Policy" and agree to comply with the guidelines and criteria stated therein.

Heidi Soltis-Berner
Signature

Managing Director
Title

Heidi Soltis-Berner
Printed Name

20-May-2022 | 12:48:51 PM CDT
Date

Return completed application and attachments to:
Economic Development Coordinator
Tarrant County Administrator's Office
100 E. Weatherford Street, Suite 404
Fort Worth, Texas 76196-0609

You may also forward an electronic copy of the completed report to:
lmcmillan@tarrantcounty.com

Please note that if you do submit this form electronically, you must also submit an original hard copy of the report to the above stated physical address for proper filing and review.

For assistance call: (817) 884-2643

* As per Section IV (f) of the Tarrant County Tax Abatement Policy Guidelines and Criteria, this application must be filed prior to commencement of construction or installation of improvements in order to be eligible for County tax abatement.

EXHIBIT A

April 15, 2022

Tarrant County Commissioners
Tarrant County Administrator's Office
100 E. Weatherford Street, Suite 404
Fort Worth, Texas 76196-0609

Dear Commissioners:

Thank you for considering the tax abatement application by Deloitte LLP ("Deloitte") for potential improvements to the firm's campus in Westlake, Texas.

We expect that the proposed buildings and other related improvements are estimated to be in excess of \$100M in construction costs which would include both real and personal property. These proposed facilities will allow Deloitte to expand its presence beyond the nearly 500 current employees.

As part of the impetus to further invest in our Westlake campus, Deloitte considers the potential tax abatement as critical to helping offset the costs to develop and operate the facility. The firm's existing facility is expected to be operating at capacity in the post Covid-19 environment, and new investments are required for Deloitte to consider expanding within the County.

Consistent with Tarrant County's tax abatement policy, Deloitte will strive to achieve the benchmarks for both Disadvantaged Business Enterprises (DBE) and Tarrant County Businesses. Deloitte is committed to and encourages the use of diverse suppliers and vendors. These values are important to Deloitte and the firm will continue to analyze opportunities for DBE/WBE businesses as the project progresses and scope of work is determined.

Deloitte also would expect to hire Tarrant County residents for some of the new full-time jobs to be created. For purposes of this abatement, we understand the importance of qualifying employees whose primary addresses are within Tarrant County, whether through relocation or existing residency.

Deloitte believes it is a valuable resident of Tarrant County, and a supportive member of the community in general. The Deloitte Code of Ethics & Professional Conduct includes the following statement:

"We have a responsibility to be a good neighbor and a contributing corporate citizen in the communities in which our people work. We are committed to conducting our business activities that honor ethical values and respect people, communities, and the natural environment."

Thank you for your consideration of our application. We hope you will provide us with an opportunity to expand our presence in Tarrant County.

Sincerely,



EXHIBIT B

Descriptive list and value of real and personal property improvements

Deloitte is considering a proposed expansion where construction costs are estimated to be in excess of \$100M. These new facilities will be very similar to the existing facility, which resides on 107 improved acres, including a 700,000 sq ft facility and 10,000 sq ft entertainment venue. The building components for the proposed expansion will include, but not be limited to, guestrooms comparable to a 4-star quality hotel, an entertainment venue, and state-of-the-art conference, innovation and learning facilities. The common areas will include onsite dining options, coffee/wine bars, a fitness center(s), and outdoor learning and amenities.

At present, Deloitte does not have a more detailed breakout of real v personal property, but the firm will be working on our construction plans over the course of the coming months as discussions continue with both engineers and general contractors.

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*Boundaries are approximate and only for illustrative purposes only

EXHIBIT D

Project Timeline:

Based on Deloitte's preliminary diligence and consultation with various leadership groups, the following is a proposed timeline for the planning, construction and beginning of operations:

- Schematic Design to begin Q3 2022 through Q1 2023
- Sitework to begin Q1 2023 through Q3 2023
- Vertical construction to begin Q3 2023 through Q3 of 2025
- Construction completion is anticipated by the end Q4 2025, at which point the building will be ready for occupancy.

EXHIBIT E

Summary of our External Impact goals

As we build on our track record of making an impact that matters, we will continue to collaborate with our people, clients, and community organizations to support the collective commitment of inclusive prosperity.

We are setting bigger and broader goals for our existing workforce, education, and policy initiatives. And we are expanding our efforts to diversify our supplier network and support banks and businesses that are led or owned by underrepresented communities.

We commit to the following goals for the Deloitte US workforce:

- Increase the amount of addressable spend on diverse suppliers to \$1B by 2025
- Increase our spend with Black-owned and Black-led businesses to at least \$200M by 2025
- Collaborate with clients and industry leaders to drive workforce initiatives
- Drive institutional and systemic change through policy initiatives
- Reach 10 million individuals through education and workforce initiatives through *WorldClass* by 2030

EXHIBIT F

WorldClimate is our Global Climate and Sustainability Strategy.

We are committed to achieving net-zero emissions by 2030 by setting ambitious carbon reduction targets, ensuring we have consistent, sustainable internal policies and encouraging our people to take action.

The climate emergency isn't a challenge that anyone can solve alone. We must work with our clients, alliance partners, suppliers and other stakeholders to achieve the change that's needed.

By 2030, or earlier, we will:

- source 100 percent renewable electricity for our buildings
- convert our car fleet to 100 percent plug-in hybrid and electric vehicles
- reduce business travel emissions by 50 percent per FTE
- ensure that more than 67 percent of suppliers (by emissions) have set their own 1.5oC aligned carbon reduction targets
- offset all residual operational and value chain emissions through high-quality schemes