



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER

PAGE 1 OF

87

DATE: 02/13/2018

SUBJECT: **APPROVAL OF A TAX ABATEMENT AGREEMENT WITH AIRBORNE TACTICAL ADVANTAGE COMPANY, LLC, CITY OF HASLET**

COMMISSIONERS COURT ACTION REQUESTED:

It is requested that the Commissioners Court approve the Resolution and Tax Abatement Agreement providing for Tarrant County and Tarrant County Hospital District participation with the City of Haslet in the abatement of ad valorem taxes on the eligible real and personal property improvements made by Airborn Tactical Advantage Company, LLC, a Textron Company, for the construction of a new aircraft maintenance and operations hanger at Alliance Airport, for a period of ten (10) years at a maximum abatement percentage of fifty percent (50%) as set forth in the Agreement, and authorize the County Judge, or his designee, to execute the Agreement.

BACKGROUND:

Airborne Tactical Advantage Company, LLC, (ATAC), a Textron Company, provides adversarial force air combat training and other support services for the Navy, Air Force and Department of Defense. ATAC is seeking a location for a new aircraft maintenance hub and operational headquarters to service its current and future contract locations. ATAC plans construction of a new 75,000 sq. ft. maintenance hanger at Alliance Airport. ATAC will invest over \$7 million in the new hanger facility and locate an estimated \$200 million in business personal property, mainly in the form of aircraft, to the facility. ATAC is expected to bring eighty-nine (89) new full-time jobs by 2019, and a total of over two hundred and eighty-one (281) jobs in the next ten (10) years, with an average salary of approximately \$100,000.00 annually.

The City of Haslet has approved a ten (10) year tax abatement providing up to fifty percent (50%) abatement of real and personal property taxes. The attached Agreement provides for County and Hospital District participation in tax abatement at a maximum of fifty percent (50%) of new real and personal property value for a period of ten (10) years, beginning with a base abatement of forty percent (40%) and providing up to ten percent (10%) additional abatement for employment and performance-based criteria.

The approval of City and County tax incenves will assist in making Alliance Airport the competitive choice of the three (3) locations being considered for ATAC's new facility.

SUBMITTED BY: Administrator's Office

PREPARED BY: Lisa McMillan

APPROVED BY:



COMMISSIONERS COURT COMMUNICATION

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FISCAL IMPACT:

Total new real and personal property value added from this project is estimated at over \$117 million (\$7 million for real property and \$110 million for business personal property). Based on current tax rates, should ATAC earn the maximum tax abatement of fifty percent (50%) for all ten (10) years, the project could receive a total ten (10) year tax abatement of just over \$1.4 million from the County and just over \$1.3 million from the Hospital District.

Over that same period, the County and Tarrant County Hospital District will receive an equal amount or more in tax revenues from the unabated portion of the new improvements, as well as the current base value of the land. New tax revenues solely from the unabated portion of new improvements are expected to be approximately \$142,740.00 annually for the County and \$131,291.00 annually for the Tarrant County Hospital District.



RESOLUTION

PARTICIPATION IN TAX ABATEMENT FOR AIRBORNE TACTICAL ADVANTAGE COMPANY, LLC, A TEXTRON COMPANY, HASLET, TX

WHEREAS, Airborne Tactical Advantage Company, LLC, a Textron Company, a Colorado limited liability corporation, acting by and through its authorized officers (hereafter referred to as "Company"), plans to construct a new maintenance and operations hanger on real property under its ownership, more particularly described in the Tax Abatement Agreement attached hereto and incorporated herein by reference ("Real Property"); and

WHEREAS, the Real Property is located within Tarrant County (the "County"), a political subdivision of the State of Texas, which Real Property is located within the City of Haslet; and

WHEREAS, the Real Property and all improvements and tangible personal property thereon, whether now existing or hereinafter to be constructed or installed, are subject to ad valorem taxation by the City of Haslet and the County; and

WHEREAS, the City Council of the City of Haslet has adopted Ordinance No. 001-2018 establishing Tax Abatement Reinvestment Zone No. 2, City of Haslet, and has approved and executed a Tax Abatement Agreement as it relates to improvements made on the Real Property; and

WHEREAS, the Tax Abatement Agreement (the "Agreement") between Tarrant County and Company, provides for the construction and installation of certain improvements at an estimated cost of \$117,000,000 to be completed by December 31, 2019; and

WHEREAS, the Agreement with the Company is conditioned upon specific real and personal property improvements, continued operation of the facility and the addition of new jobs; and

WHEREAS, the Commissioners Court has been requested by the Company to take the steps required pursuant to the Code to permit tax abatement with respect to that portion of the Real Property 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 or the state; and according to the here 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 certain Tarrant County taxes be and is hereby approved; that the County and its Commissioners Court hereby agree to enter into the Agreements 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 13th day of February, 2018, through Court Order No. _____.

B. Glen Whitley, County Judge

Roy C. Brooks
Commissioner, Precinct 1

Andy H. Nguyen
Commissioner, Precinct 2

Gary Fickes
Commissioner, Precinct 3

J.D. Johnson
Commissioner, Precinct 4

THE STATE OF TEXAS §

Tax Abatement Agreement

COUNTY OF TARRANT §

THIS Agreement is executed by and between **AIRBORNE TACTICAL ADVANTAGE COMPANY, LLC**, a Textron Company, a Colorado limited liability corporation, acting by and through its authorized officer (hereafter referred to as "**COMPANY**"), 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 tax abatement; and

WHEREAS, the Commissioners Court has adopted a Policy Statement for Tax Abatement, herein contained as **Exhibit "F"**, which constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the COUNTY; and

WHEREAS, the Premises (as hereafter defined) is, and the Eligible Property (as hereafter defined) will be, located in Reinvestment Zone No. 2 in the City of Haslet, Texas, established by Ordinance No. 001-2018 (the "Ordinance") adopted on January 2, 2018, and further described in **Exhibit "A"**, being a commercial reinvestment zone for the purpose of tax abatement as authorized by Chapter 312 of the Texas Tax Code, as amended (the "Zone"); and

WHEREAS, on February 5, 2018, the City Council of the City of Haslet approved and authorized the execution and delivery of a Tax Abatement Agreement as to the Eligible Property thereon, attached hereto as **Exhibit "B"**; and

WHEREAS, COMPANY submitted an application for tax abatement to the County concerning the contemplated Improvements to the Premises (the "Application for Tax Abatement"), attached hereto and incorporated herein as **Exhibit "C"**; and

WHEREAS, COMPANY is or will be the owner of real property located within the Zone, more specifically described in **Exhibit "A"**, on which it plans to construct a new maintenance and operations hanger at the Alliance Airport; and

WHEREAS, the Commissioners Court finds that the contemplated use of the Premises, the Eligible Property and the terms of this Agreement are consistent with encouraging development within the Zone;

NOW THEREFORE, the COUNTY and COMPANY, for and in consideration of the mutual premises and promises contained herein, do hereby agree, covenant and contract as set forth below:

I.
Definitions

- A. "Added Market Value" is defined as the market value of Eligible Property on the Premises above the Base Year Value.
- B. "Base Year Value" is defined as the tax year 2018 taxable value of real and personal property located on the Premises in City of Haslet Reinvestment Zone No. 2 on January 1, 2018, as finally determined by the Tarrant Appraisal District.
- C. "Construction Costs" are defined as site development and building costs, including, without limitation, actual site preparation and development and construction costs, signage costs, contractor fees, the costs of labor, supplies and materials, materials testing, engineering fees, architectural fees and other design, consulting, construction management and professional costs, and contractor, development and permitting fees expended directly in connection with the construction of the Real Property Improvements and landscape improvements.
- D. "DBE Companies" are defined as companies who are a Disadvantage Business Enterprise (DBE), 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 D.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 D.i. above, and in which minority or women partners have proportionate interest in the control, operation, and management of the partnership affairs.
 - 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 D.i. above.
- E. "Effective Date" is defined as the date as of which both the COUNTY and COMPANY have executed this Agreement.
- F. "Eligible Property" is defined as Real Property Improvements and Personal Property Improvements constructed, delivered to, installed or placed on the Premises in

conjunction with the construction and operation of the new facility, more specifically described in Exhibit "E".

- G. "Job" is defined as a permanent, full-time employment position with COMPANY on the Premises that results in employment of at least forty-hours per week per position. Part-time positions shall not be included in this definition. Outsourced or contracted positions shall not be included in this definition.
- H. "Personal Property Improvements" are defined as tangible personal property (except inventory or supplies) delivered to, installed or located on the Premises.
- I. "Premises" are defined as the real property (land and improvements) as described in Exhibit "D", within City of Haslet Reinvestment Zone No. 2, owned by COMPANY.
- J. "Real Property Improvements" are defined as improvements to the Premises, and shall include structures or fixtures erected or affixed to the Premises.
- K. "Supply and Service Expenditures" are defined as those local discretionary expenditures made by COMPANY directly for the operation and maintenance of Premises and any improvements thereon, excluding utility service costs.
- L. "Tarrant County Companies" are defined as any corporation, partnership, limited liability company or sole proprietorship maintaining an addressed office location within Tarrant County from which such entity conducts all or a substantial part of its business operations within Tarrant County.
- M. "Zone" as used herein is defined as the real property located in City of Haslet Reinvestment Zone No. 2 and described by City of Haslet Ordinance No. 001-2018, substantially in the form included within Exhibit "A".

II.

General Provisions

- A. The Premises are not in an improvement project financed by tax increment bonds.
- B. Neither the Premises nor any of the Improvements covered by this Agreement are owned or leased by any member of the Commissioners Court, or any member of the governing body of any taxing units joining in or adopting this Agreement.

III.

Improvement Conditions and Requirements

- A. COMPANY shall cause the improvement of the Premises with completion of Eligible Property improvements in accordance with this Agreement.
- B. COMPANY shall provide for the completion of combined Real Property Improvements and Personal Property Improvements, as set forth in Exhibit "E", no later than December 31, 2019, which Improvements upon completion shall have a cumulative value appraised by the Tarrant County Appraisal District of not less than One Hundred Seventeen Million Dollars (\$117,000,000). COUNTY and COMPANY acknowledge and agree that COMPANY's Personal Property Improvements may depreciate over time

and may be replenished by COMPANY as needed; this may have the effect of reducing the value of COMPANY's taxable Personal Property Improvements over time. COMPANY shall maintain a minimum taxable value of the Eligible Property of at least One Hundred Million Dollars (\$100,000,000) in each year throughout the term of this Agreement.

- C. COMPANY shall provide for the completion of the Real Property Improvements consisting of an approximate 75,000 square foot new airport hanger and related infrastructure improvements as further described in Exhibit "E", no later than December 31, 2019, having minimum Construction Costs upon completion of not less than Seven Million Dollars (\$7,000,000).
- D. COMPANY shall expend or cause to be expended at least fifteen percent (15%) of all Construction Costs of Eligible Real Property Improvements with DBE Companies.
- E. COMPANY shall expend or cause to be expended at least twenty-five percent (25%) of all Construction Costs of Eligible Real Property Improvements with Tarrant County companies.
- F. COMPANY shall expend or cause to be expended at least twenty-five percent (25%) in annual Supply and Service Expenditures with Tarrant County Companies.
- G. COMPANY shall expend or cause to be expended at least fifteen percent (15%) in annual Supply and Service Expenditures with DBE companies.
- H. COMPANY will provide for and maintain employment of a least sixty (60) Jobs on the Premises not later than December 31, 2019, with a minimum annual payroll of at least Five Million Dollars (\$5,000,000).
- I. COMPANY shall operate and maintain on the Premises the Eligible Property as an aircraft maintenance hanger and operations support and training facility for the duration of this Agreement.
- J. All proposed Eligible Property shall conform to the applicable building codes, zoning ordinances and all other ordinances and regulations of the City of Haslet and/or Tarrant County.
- K. The Premises and all Improvements must conform to all applicable state and federal laws and regulations to air pollution and air quality.

IV.

Abatement Allowed

- A. As set forth in this section, tax abatement allowed herein shall be for Tarrant County and Tarrant County Hospital District ad valorem real property and personal property taxes, relative to Added Market Value of the Eligible Property located on the Premises, subject to the following terms and conditions.
- B. If the Improvement Conditions and Requirements set forth in Section III herein and specified below as to each level of abatement are met, COUNTY agrees for each tax year during the Abatement Term to exempt from taxation up to fifty percent (50%) of

the Added Market Value of the Eligible Property in accordance with the various requirements established by terms of this Agreement and to be calculated as set forth below.

1. Base Abatement - If COMPANY (i.) improves the Premises and adds the required Eligible Property to the Premises as set forth in Section III A., B., and C., (ii.) adds employment as set forth in Section III. H., (iii.) employs Tarrant County residents for a minimum twenty-five percent (25%) of all Jobs, (iv.) makes expenditures for Construction Costs and annual Supply and Service Expenditures as set forth in Section III. D., E., F. and G., then COUNTY shall exempt from taxation forty percent (40%) of the Added Market Value of the Eligible Property.

Dollars spent with DBE Companies may also count as dollars spent with Tarrant County Companies, and vice versa, for the purposes of this Section if the DBE Company is also a Tarrant County Company as defined herein.

Failure to meet the minimum requirements set forth in Section III. B and C. is a condition of Default and shall result in the termination of this Agreement in accordance with Section VII. Failure to meet the requirements for Jobs, Tarrant County resident employment, the use of DBE and Tarrant County Companies for Construction and Supply and Service Expenditures, and maintenance of taxable Eligible Improvement value, as set forth in Section III, shall be cause for a reduction in the percentage abatement for any year in which the requirements are not met, as set forth in Section IV.B.2.

2. Reduction to Abatement

- a. Employment and Spending Deficiencies

In any year that employment and spending levels do not meet the minimum requirements set forth in Section IV.B.1., the COUNTY shall reduce the Base Abatement percentage for that year (or for each year of the Abatement Term, as specified), as set forth below. Each reduction is separate and individual and may be cumulative in any year.

- i. If the actual number of Jobs falls below the minimum Jobs requirement of sixty (60) Jobs, the Base Abatement percentage will be reduced by one percent (1%) for each one (1) Job deficiency, for that year.

(Example: Total Jobs of 58, would provide a 2% reduction in abatement for that year.)

- ii. If less than twenty-five percent (25%) of all Jobs are filled by Tarrant County residents, COMPANY will receive a ten percent (10%) reduction from the Base Abatement for that year.
 - iii. If spending with DBE Companies is less than fifteen percent (15%) of total Construction Costs, COMPANY will receive a reduction of one percent (1%) from the Base Abatement for each one percent (1%)

spending deficiency, up to a maximum reduction of five percent (5%), for the life of the abatement.

- iv. If spending with Tarrant County Companies is less than twenty-five percent (25%) of total Construction Costs, COMPANY will receive a reduction of one percent (1%) from the Base Abatement for each one percent (1%) spending deficiency, up to a maximum reduction of five percent (5%), for the life of the abatement.
- v. If spending with Tarrant County or DBE Companies for annual Supply and Services Expenditures is less than the minimum requirements set forth in Section III. F. and G., COMPANY will receive a one percent (1%) reduction in the Base Abatement percentage for each one percent (1%) deficiency from the minimum requirement, for that year.

b. Taxable Value Deficiency

In any year that the total taxable value of the Eligible Property falls below One Hundred Million Dollars (\$100,000,000), as set forth in Section III. B., COMPANY will receive a reduction of ten percent (10%) from the Base Abatement for each Ten Million Dollars (\$10,000,000) in valuation deficiency. A total taxable value of the Eligible Property below Seventy Million Dollars (\$70,000,000) shall reduce the overall tax abatement percentage to zero percent (0%) for that year.

(Example: \$90,000,000 in total taxable value would provide 10% reduction in abatement for that year.)

3. Additional Percentage Abatement

In any year that COMPANY is eligible to receive all or a portion of the Base Abatement under Sections IV.B.1. and 2., COMPANY may receive up to an additional ten percent (10%) ad valorem tax abatement in any year (or for each year of the Abatement Term, as specified below) that COMPANY meets one or more of the additional performance requirements as set forth below.

- a. For total Jobs above sixty (60), COMPANY will receive an additional one percent (1%) abatement for each two (2) Jobs added, up to a maximum of ten percent (10%) additional abatement for that year.

(Example: Total Jobs of 72 Jobs would provide for an additional 6% abatement for that year.)

- b. For employment of Tarrant County residents for more than sixty percent (60%) of all Jobs, COMPANY will receive an additional three percent (3%) abatement for that year.
- c. For spending with DBE Companies for thirty percent (30%) or greater of the total Construction Costs of the Eligible Real Property Improvements,

COMPANY will receive an additional three percent (3%) abatement for each year of the Abatement Term.

- c. For spending with Tarrant County Companies for forty percent (40%) or greater of the total Construction Costs of the Eligible Real Property Improvements, COMPANY will receive an additional three percent (3%) abatement for each year of the Abatement Term.
- C. This Agreement is effective beginning the Effective Date and shall expire simultaneously upon expiration of the Abatement Term, as defined below, unless terminated earlier in accordance with the terms and conditions of the Agreement. The term for which COMPANY may receive an abatement shall commence on January 1 of the year following the year in which the certificate of occupancy is issued by the City of Haslet for the Eligible Property improvements and shall expire on December 31 of the tenth (10th) year following the commencement date.

V.
Reports, Audits and Inspections

- A. Annual Certification and Reports - Pursuant to state law, COMPANY shall certify annually to taxing units that COMPANY is in compliance with the terms of the tax abatement agreement, and shall provide taxing units with reports and records reasonably necessary to support each year of the agreement, as follows:
1. Certification - COMPANY shall complete and certify a Tax Abatement Evaluation Report to be provided by COUNTY for each year of the tax abatement agreement, to be due annually not later than April 30. This certification shall include information supporting job creation and retention requirements, reports on Eligible Property values, costs, and spending on construction and supply and services, a narrative description of the project's progress, and other submittals required by the tax abatement agreement.
 2. Eligible Property Reports - At a minimum, COMPANY shall make available upon request the following information annually on all Eligible Property for which COMPANY will seek tax abatement:
 - a. Property description;
 - b. Asset number/description;
 - c. Payment date for property located on Premises; and
 - d. Cost.
 3. Eligible Property Reports for Projects in Progress - COMPANY shall provide County, upon request, information on projects in progress for which fixed asset numbers have not been assigned. The report shall provide information in sufficient detail to identify the Eligible Property to be installed on the Premises. At a minimum, this information shall include:
 - a. Description of materials, machinery and equipment;
 - b. Vendor name, invoice date, invoice number and invoice amount; and
 - c. Payment date for property to be located on Premises.

4. Reports on Equipment Replaced or Removed - Additionally, COMPANY agrees to provide COUNTY, upon request, information on Eligible Property for which COMPANY has received tax abatement and which has been replaced or removed from the Premises. At a minimum, this information shall include:
 - a. Property description;
 - b. Asset number/description; and
 - c. Approximate date of disposal.
 5. Report Upon Project Completion - Within one-hundred eighty (180) days of completion of the Eligible Property, COMPANY shall provide COUNTY with a final Eligible Property Report that shall describe all Eligible Property Improvements for which the COMPANY is granted tax abatement. The report may contemplate a reconciliation of the general ledger to the personal property rendition to satisfy this requirement.
 6. Additional Reports - Additionally, throughout the term of this agreement, COMPANY shall furnish COUNTY any additional records and information reasonably requested to support the reports required by this agreement.
- B. Right to Audit Books and Records - COUNTY shall have the right to audit the books and records related to the Eligible Property and supporting the Eligible Property reports. COUNTY shall notify COMPANY in advance in writing of their intent to audit in order to allow COMPANY adequate time to make such books and records available.
- C. Inspection - At all times throughout the term of this Agreement, COUNTY and the Tarrant Appraisal District (TAD) shall have reasonable access to the Premises for the purpose of inspecting the Premises to ensure that the Eligible Property is constructed, installed, maintained and operated in accordance with the terms of this Agreement. All inspections shall be conducted in a manner as to not unreasonably interfere with the installation of the Eligible Property or the operation of the Premises. The inspections shall be conducted within a reasonable time period after notice by COUNTY or TAD to COMPANY, provided, however, that all inspections shall be made with one (1) or more representative(s) of COMPANY present and in accordance with the safety standards of COMPANY.

VI. Use of Premises

The Premises at all times shall be used in a manner that is consistent with the City of Haslet zoning ordinances and consistent with the general purpose of encouraging development within the Zone. Both parties acknowledge that the use of the Premises for a maintenance and operations hanger in accordance with this Agreement is consistent with such purposes.

VII. Breach and Recapture

- A. Breach - A breach of this Agreement may result in termination or modification of this Agreement and recapture by COUNTY of taxes which otherwise would have been paid since the execution of this Agreement to COUNTY without the benefit of the Abatement, as set forth in Sections VII(B) and VII(C). Penalty and interest on

recaptured taxes will be charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas, and such taxes shall become due sixty (60) days following notice of breach and after the expiration of any cure period as provided in Section VII(B). The following conditions shall constitute a breach of this Agreement:

1. COMPANY terminates the use of the Premises as an aircraft maintenance hanger and operations support and training facility at any time during the term of the Agreement; or
 2. COMPANY fails to meet the Abatement Conditions and Requirements as specified in Section III, A., B., C., or I, herein; or
 3. COMPANY allows its ad valorem taxes on any property located within Tarrant County owed to COUNTY to become delinquent.
- B. Notice of Breach - In the event that COUNTY makes a reasonable determination that COMPANY has breached this Agreement, then COUNTY shall give COMPANY written notice of such default. COMPANY has sixty (60) days following receipt of said written notice to reasonably cure such breach, or this Agreement may be terminated by COUNTY, and recapture of abated taxes may occur. Notice of default shall be in writing and shall be delivered by personal delivery or certified mail to COMPANY at its address provided in Section IX of this Agreement. It shall be the duty of COUNTY to determine whether to require recapture and payment of abated taxes and to demand payment of such.
- C. Recapture - Should COMPANY commit a breach of this Agreement according to items A(1), (2) or (3) of this Section VII, and COMPANY does not cure as provided in VII.B. above during the cure period, COUNTY may terminate this Agreement and recapture taxes abated for all years during which the breach is committed.
- D. Tax Lien Not Impaired - It is expressly agreed and acknowledged between the parties to this Agreement that nothing in this Agreement shall be deemed or construed to affect the lien for taxes against the property established by Section 32.01 of the Tax Code of the State of Texas. Such lien shall secure the payment of all taxes, penalties and interest ultimately imposed on the property, including any taxes abated and subject to recapture under this Agreement. Any such lien may be fully enforced pursuant to the provisions of the Code. For purposes of this Subsection, "property" refers to the Premises and Eligible Property described herein.

VIII.

Assignment and Effect of Sale or Lease of Property

COMPANY may assign this Agreement and all or any portion of the benefits provided hereunder to an Affiliate, without the consent of COUNTY, provided that COMPANY provides COUNTY with written notice of such assignment, which notice shall include (a) the name and full contact information for the Affiliate, and (b) written agreement from an Affiliate assuming all terms and conditions of COMPANY under this Agreement. For purposes of this Agreement, an "Affiliate" means all entities, incorporated or otherwise, under direct or indirect common control with COMPANY, controlled by COMPANY, or controlling COMPANY. For purposes of this definition, "control" means ten percent (10%) or more ownership determined by either

value or vote. Except as provided herein, the abatement granted by this Agreement shall not be otherwise assignable to any new owner or new lessee of all or a portion of the Premises or Eligible Property unless such assignment is approved in writing by the COUNTY.

IX.
Notice

All notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail postage prepaid or by hand delivery:

COMPANY: Airborne Tactical Advantage Company, LLC,
a Textron Company
Attn: President
1001 Providence Blvd.
Newport News, VA 23602

COUNTY: Tarrant County
County Administrator's Office
100 E. Weatherford
Fort Worth, Texas 76196

X.
Commissioners Court Authorization

This Agreement was 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.

XI.
Severability

In the event any section, subsection, paragraph, sentence, phrase or word 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.

XII.
Estoppel Certificate

Any 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. The certificate, which if requested will be addressed to a subsequent purchaser or assignee of COMPANY, 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 same), the remaining term of this Agreement, the levels and remaining term of the abatement in effect and such other matters reasonably requested by the party(ies) to receive the certificates.

XIII.
Company's Standing

COMPANY, as a party to this Agreement, shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions or Commissioners Court actions authorizing same, and COMPANY shall be entitled to intervene in said litigation.

XIV.
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's District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas.

XV.
Indemnification

It is understood and agreed between the parties that the COMPANY, in performing its obligations hereunder, is acting independently, and COUNTY assumes no responsibility or liability to third parties in connection therewith, and COMPANY agrees to indemnify and hold harmless COUNTY from any such responsibility or liability. It is further understood and agreed among the parties that COUNTY, in performing its obligations hereunder, is acting independently, and the COMPANY assumes no responsibility or liability to third parties in connection therewith, and COUNTY agrees to the extent allowed by law to indemnify and hold harmless COMPANY from any such responsibility or liability.

XVI.
Force Majeure

It is expressly understood and agreed by the parties to this Agreement that the parties shall not be found in default of this Agreement if any party's failure to meet the requirements of this Agreement is delayed by reason of war, Act of God, fire or other casualty of a similar nature.

XVII.
Knowing Employment of Undocumented Workers

COMPANY acknowledges that the COUNTY is required to comply with Chapter 2264 of the Texas Government Code, enacted by House Bill 1196 (80th Texas Legislature), which relates to restrictions on the use of certain public subsidies. COMPANY hereby certifies that COMPANY, and any branches, divisions, or departments of COMPANY, does not and will not knowingly employ an undocumented worker, as that term is defined by Section 2264.001(4) of the Texas Government Code. In the event that COMPANY, or any branch, division, or department of COMPANY, is convicted of a violation under 8 U.S.C. Section 1324a(f) (relating to federal criminal penalties and injunctions for a pattern or practice of employing unauthorized aliens), subject to any appellate rights that may lawfully be available to and exercised by COMPANY, COMPANY shall repay, within one hundred twenty (120) calendar days following receipt of written demand from the COUNTY, the aggregate amount of the value of the abatement received by COMPANY hereunder, if any, plus Simple Interest at a rate of four percent (4%) per annum. COMPANY shall not be considered in violation of this section for any

actions of a subsidiary, Affiliate, franchisee of COMPANY or a person or entity with whom COMPANY contracts.

XVIII.
No Other Agreement

This Agreement embodies all of the agreements of the parties relating to its subject matter as specifically set out herein, supersedes all prior understandings and agreements regarding such subject matter, and may be amended, modified or supplemented only by an instrument or instruments in writing executed by the parties.

XIX.
Recordation of Agreement

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

XX.
Signatories

This Agreement is effective and binding on those parties that have duly signed below.

XXI.
Headings

The headings of this Agreement are for the convenience of reference only and shall not affect in any manner any of the terms and conditions hereof.

XXII.
Successors and Assigns

The parties to this Agreement each bind themselves and their successors, executors, administrators and assigns to the other party of this Agreement and to the successors, executors, administrators and assigns of such other party in respect to all covenants of this Agreement.

XXIII.
Termination

This Agreement shall terminate, in accordance with the terms of this Agreement, unless extended by written agreement of the parties or a written instrument signed by all parties evidencing a delay by force majeure; provided however, that the period of abatement may not extend beyond ten (10) years.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the last date written below.

**AIRBORNE TACTICAL ADVANTAGE
COMPANY, LLC, a Textron Company**

By: _____
Scott Stacy, President

Date: _____

TARRANT COUNTY, TEXAS

By: _____
B. Glen Whitley, County Judge

Date: _____

ATTEST:

APPROVED AS TO FORM*:

Deputy County Clerk

Asst. Criminal District Attorney

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

THE STATE OF _____ §
 §
COUNTY OF _____ §

Airborne Tactical Advantage Company,
LLC, a Textron Company
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of _____, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of **AIRBORNE TACTICAL ADVANTAGE COMPANY, LLC**, a Textron Company, and as the _____ thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2018.

Notary Public in and for
The State of _____

My Commission Expires

Notary's Printed Name

THE STATE OF TEXAS §
COUNTY OF TARRANT §

Tarrant County, Texas
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **B. GLEN WHITLEY**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for and as the act and deed of **TARRANT COUNTY, TEXAS**, as the **County Judge** thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2018.

Notary Public in and for
The State of Texas

My Commission Expires

Notary's Printed Name

EXHIBIT "A"
CITY OF HASLET
REINVESTMENT ZONE NO. 2

CITY OF HASLET

ORDINANCE NO. 001-2018

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HASLET, TEXAS, DESIGNATING A TAX ABATEMENT REINVESTMENT ZONE NUMBER 2; FINDING THAT THE AREA QUALIFIES TO BE DESIGNATED AS A TAX ABATEMENT REINVESTMENT ZONE AND THE IMPROVEMENTS SOUGHT ARE FEASIBLE AND PRACTICABLE AND OF BENEFIT TO THE LAND AND THE CITY; ESTABLISHING AN EFFECTIVE DATE AND DURATION FOR THE TAX ABATEMENT REINVESTMENT ZONE; PROVIDING A CUMULATIVE CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Haslet, Texas ("City") desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone for tax abatement, as authorized by the Property Redevelopment and Tax Abatement Act, V.T.C.A., Tax Code, Chapter 312, as amended; and

WHEREAS, on November 21, 2016, the City Council approved Resolution 023-2016 re-adopting the City of Haslet Tax Abatement Policy as guidelines and criteria for the creation of reinvestment zones and for the granting of tax abatements within the City of Haslet; and

WHEREAS, the City Council has conducted a public hearing on the designation of the area described herein as a reinvestment zone on the 2nd day of January, 2018, such date being at least seven (7) days after the date of publication of the notice of such public hearing as required by the Texas Tax Code; and

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

WHEREAS, the City, 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.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HASLET, TEXAS:

SECTION 1.

That the City Council of the City finds that the area described herein will, if designated as a tax abatement reinvestment zone, be reasonably likely to contribute to the retention or expansion of primary employment, or to attract major investment in the zone that will be of benefit to the

property and contribute to the economic development of the City. The City Council further finds that the improvements sought are feasible and practicable and would be of benefit to the land included in the zone and to the City after the expiration of a tax abatement agreement.

SECTION 2.

That pursuant to the provisions of Section 312.201 of the Texas Tax Code, the area consisting of a tract of land containing approximately 2.902 acres and being further described in Exhibit "A" attached hereto and made a part hereof for all purposes (the "Property") is hereby designated as a Reinvestment Zone, and for identification shall be known as "Reinvestment Zone No. 2".

SECTION 3.

That the designation of this zone expires five (5) years after the effective date of this designation and may be renewed for periods not to exceed five (5) years.

SECTION 4.

That this ordinance shall be cumulative of all provisions of ordinances and of the Code of Ordinances of the City of Haslet, Texas, as amended, except when the provisions of this Ordinance are in direct conflict with the provisions of such ordinances and such code, in which event the conflicting provisions of such ordinances and such code are hereby repealed.

SECTION 5.

That it is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable, and if any section, paragraph, sentence, clause, or phrase of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining sections, paragraphs, sentences, clauses, and phrases of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional section, paragraph, sentence, clause or phrase.

SECTION 6.

That this Ordinance shall be in full force and effect from and after its date of passage and it is so ordained.

PASSED AND APPROVED ON THIS 2ND DAY OF JANUARY, 2018.

Bob Golden
Bob Golden, Mayor

ATTEST:

Dianna Buchanan
Dianna Buchanan, City Secretary



EXHIBIT "A"
Boundaries of Reinvestment Zone No. 2

BEING property located within the City of Haslet; specifically, a tract composed of approximately 2.902 acres more particularly described as being a tract of land situated in the C. Harmon Survey, Abstract No. 737, and the H. Johnson Survey, Abstract No. 870, Tarrant County, Texas, said tract being a portion of a tract of land conveyed to ADL Development, L.P. (formerly known as ADL Development, Ltd; formerly known as Hillwood/2470, Ltd; formerly known as Alliance Airport, Ltd) according to the deed recorded in volume 9279, Page 377, Deed records, Tarrant County, Texas.

EXHIBIT "B"
CITY OF HASLET TAX ABATEMENT AGREEMENT

THE STATE OF TEXAS
COUNTY OF TARRANT

1000000000

TAX ABATEMENT AGREEMENT

This Tax Abatement Agreement ("Agreement") is entered into by and between the City of Haslet, Texas, a Type A General Law municipality located in Tarrant and Denton Counties, Texas, hereinafter referred to as "City" and Airborne Tactical Advantage Company, LLC, a Textron Company, a limited liability corporation created under the laws of the State of Colorado, hereinafter referred to as "Owner."

WITNESSETH:

WHEREAS, the City has adopted a Resolution stating that the City elects to be eligible to participate in tax abatement; and

WHEREAS, in accordance with the Property Redevelopment and Tax Abatement Act, codified in Chapter 312 of the Texas Tax Code (the "Act"), the City has adopted the City of Haslet Tax Abatement Policy (the "Policy Statement"); and

WHEREAS, the Policy Statement constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the City as contemplated by the Act; and

WHEREAS, the Premises as hereinafter defined, are owned by the Owner and are wholly located in the City in Reinvestment Zone No. 2 established by City Ordinance No. 001-2018 (the "Zone"); and

WHEREAS, designation of an area as an Reinvestment Zone allows the area to be eligible for tax abatements under the Act; and

WHEREAS, the City desires to enter into this Agreement to maintain and or enhance the commercial and/or economic and employment base of the City to the long term interest and benefit of the City in accordance with the Policy Statement and the Act; and

WHEREAS, the Owner desires to build and locate a new aircraft hangar at the Alliance Airport facility in the City, to conduct support aircraft depot maintenance, engine maintenance, parts/equipment storage, aircraft inspections, and flight operations for maintenance and training for the U.S. Department of Defense (the "Proposed Use"); and

WHEREAS, the Owner submitted an application for real property and business personal property abatement to the City concerning the proposed use of the Premises; and

WHEREAS, the proposed use of the Premises, as hereinafter defined, the contemplated improvements to the Premises in the amount set forth in this Agreement, and the other terms hereof are consistent with encouraging development of the Zone in accordance with the purposes and intent of the Policy Statement and applicable law; and

WHEREAS, written notice that the City intends to enter into this Agreement, along with a copy of this Agreement has been furnished in the manner and for the time prescribed by the Act to the presiding officers of the governing bodies of each of the taxing entities in the area in which the Premises is located.

NOW THEREFORE, the City and the Owner for good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, do hereby agree as follows:

**A.
DEFINITIONS**

1. The property that is the subject of this Agreement is an approximate 2,902 acre tract of land located at Alliance Airport in the City, and being further described in Exhibit "A" attached hereto and made a part hereof, and is hereinafter referred to as the "Premises".

2. The improvements to be constructed include an approximate 75,000 square foot new airport hangar, and related infrastructure improvements to be created on or affixed to the Premises or nearby within Haslet City limits; and tangible business personal property installed on the Premises, including but not limited to aircraft parts, furniture, fixtures, machinery and equipment, and aircraft, which shall collectively be referred to hereinafter as the "Improvements". The kind, number and location of the proposed Improvements are more specifically described in Exhibit "B" attached hereto and made part of this Agreement for all purposes.

3. The words "full-time employment positions" shall mean a job providing at least forty (40) hours per week of work and a minimum of 2,080 hours paid time averaged over a twelve (12) month period, for activity related directly to Owner's operations and proposed use of the Premises. This does not include outside or contract labor.

**B.
DUTIES OF OWNER**

1. As a condition precedent to tax abatement pursuant hereto, the Owner shall substantially complete or cause to be completed the Improvements on the Premises as described on attached Exhibit "B", which Improvements, upon completion, shall have a value appraised by the Tarrant County Appraisal District estimated to be valued at a minimum of one hundred seventeen million dollars (\$117,000,000).

2. As a condition precedent to tax abatement pursuant hereto, the Improvements shall be completed by December 31, 2019; Owner shall have such additional time to complete the Improvements as may be required if the Owner is diligently pursuing completion of the project in the event of "force majeure", or if in the sole opinion of the City, the Owner has made substantial progress toward completion of the Improvements. For this purpose, "force majeure" shall mean any contingency or cause beyond the reasonable control of Owner including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, governmental or de facto governmental action (unless caused by acts or omissions of the Owner), fire, explosion or flood, and strikes. The date of substantial completion of the Improvements shall be defined as the date a Certificate of Occupancy is issued for the Improvements by the City, or, if a Certificate of Occupancy is not required, the date the Owner certifies in writing that the Improvements are substantially complete with acceptance by the City.

3. The Owner agrees and covenants that it will diligently and faithfully in a good and workmanlike manner pursue (or cause to be pursued) the completion of the Improvements as a good and valuable consideration of this Agreement. The Owner further covenants and agrees that all construction of the Improvements will be in accordance with all applicable state and local laws and regulations or valid waiver thereof.

4. As a condition of tax abatement pursuant hereto, from the date of substantial completion of the Improvements until the expiration of this Agreement, the Owner covenants

and agrees that the Premises will be continuously operated, maintained and occupied for the proposed use.

5. As a condition of tax abatement pursuant hereto, Owner shall create and retain throughout the term of this Agreement at least sixty (60) new full-time employment positions at the Premises, with a minimum annual payroll of at least \$5,000,000.

6. The Owner further agrees that the City and its agents and employees, shall have reasonable right of access to the Premises to inspect the Improvements in order to insure that the construction of the Improvements are in accordance with this Agreement and all applicable state and local laws and regulations or valid waiver thereof; and subject to the Owner's reasonable security requirements, shall have the continuing right to inspect Premises to insure that the Premises are thereafter maintained, operated and occupied in accordance with this Agreement.

7. The Premises shall at all times be used in a manner that is consistent with the general purpose of encouraging development within the Zone. Both parties agree that the proposed use of the Premises as described herein, in accordance with this Agreement, is consistent with such purpose.

8. Prior to March 1st of each year this Agreement is in effect, Owner shall certify to the governing body of the City that the Owner is in compliance with each applicable term of this Agreement. The Owner agrees to provide the City any documentation the City may reasonably require to substantiate that the Owner is in compliance with this Agreement.

C. ABATEMENT ALLOWED

1. Subject to the terms and conditions of this Agreement, and subject to the rights of holders of any outstanding bonds of the City, a portion of ad valorem real property taxes and business personal property taxes on the Premises otherwise owed to the City for the value of the Improvements shall be abated as provided herein. Said abatement shall be as set forth below on the taxes assessed upon the value of the Improvements in the year of abatement, to the extent that the value exceeds the value of the Improvements in the year in which this Agreement is executed (or January 1, 2018), in accordance with the terms of this Agreement, all applicable state and local regulations, and the Act; provided that the Owner shall have the right to protest and/or contest any assessment of the Premises and said abatement shall be applied to the amount of taxes on the Improvements finally determined to be due as a result of any protest and/or contest. In accordance with these terms, the abatement granted shall be for a term of ten (10) years as follows, with "year one" beginning January 1, 2019 or January 1 of the year following the year in which a certificate of occupancy is issued by the City for the Improvements, or the Owner certifies in writing to the City that the Improvements are substantially complete and the Improvements have been accepted by the City:

<u>Year</u>	<u>Percent of Value of Improvements Exempted from Taxation</u>
1	50%
2	50%
3	50%
4	50%
5	50%
6	50%
7	50%
8	50%

9
10

50%
50%

2. City and Owner acknowledge and agree that the Owner's aircraft will depreciate over time and that such aircraft will be replenished by Owner as needed; this may have the effect of reducing the value of Owner's taxable business personal property over time. City and Owner stipulate and agree that Owner must maintain a minimum taxable value of the Improvements of at least one hundred million dollars (\$100,000,000) in each year throughout the term of this Agreement in order to be entitled to the full fifty percent (50%) tax abatement set forth above. In the event that the total taxable value of the Improvements falls below one hundred million dollars (\$100,000,000) in any year during the term of this Agreement, the amount of tax abatement set forth above for that year shall be reduced by the following amounts:

The percent of value of Improvements exempted from taxation shall be reduced by ten percent (10%) per each ten million dollars (\$10,000,000) in valuation below the one hundred million dollar (\$100,000,000) floor; however, a total valuation below seventy million dollars (\$70,000,000) shall receive no tax abatement.

Examples:

Ninety million dollars (\$90,000,000) in total taxable value = forty percent (40%) tax abatement

Eighty million dollars (\$80,000,000) in total taxable value = thirty percent (30%) tax abatement

Seventy million dollars (\$70,000,000) in total taxable value = twenty percent (20%) tax abatement

Under seventy million dollars (\$70,000,000) in total taxable value = zero percent (0%) tax abatement

3. It is understood and expressly agreed by Owner that the City does not warrant or guarantee that the grant of Tax Abatement as provided for in this Agreement will be upheld as valid, lawful, enforceable or constitutional in the event the statutory authority for same or the City's use thereof is challenged by court action. In the event such court action related to the Agreement and the providing of Tax Abatement hereunder is instituted, Owner shall be responsible for defending the parties hereto, this Agreement, and the use of Tax Abatement hereunder, at Owner's sole cost and expense, including attorney's fees. The City, however, agrees to cooperate with Owner in such defense. Should such litigation result in the loss of Tax Abatement as provided herein, Owner shall be solely responsible for the payment of all taxes due, including all taxes which otherwise would have been paid to the City without the benefit of abatement, without recourse to the City, and without any obligation by the City to reimburse same back to Owner and without any right of reduction of Owner's obligations hereunder.

**D.
BREACH AND RECAPTURE**

1. In the event that (1) the Improvements for which an abatement has been granted are not substantially completed in accordance with this Agreement; or (2) Owner fails to occupy the Improvements for the purposes required by this Agreement; or (3) Owner allows ad valorem taxes owed to the City to become delinquent and fails to timely and properly follow the legal procedures for protesting or contesting the assessment of any such ad valorem taxes; or (4)

Owner breaches any of the terms or conditions of this Agreement, then this Agreement shall be in default. In the event that the Owner defaults in its performance of (1), (2), (3) or (4) above, then the City shall give the Owner written notice of such default and if the Owner has not cured such default, or obtained a waiver thereof from the City, within thirty (30) days of said written notice, or if the default is not capable of being cured within said thirty (30) day period if Owner does not commence to cure such default within said thirty day period and thereafter diligently proceed with its efforts to cure the same, this Agreement may be terminated by the City. Notice shall be in writing as provided below. If the City terminates this Agreement for default, Owner shall pay to the City all taxes which otherwise would have been paid to the City without the benefit of abatement (with interest being charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Tax Code, but without the addition of penalty), within sixty days after the expiration of the above mentioned applicable cure period. After sixty days, if said taxes owed remain unpaid by the Owner, the penalties and interest will accrue as provided by law. The Agreement may be terminated by the mutual consent of the parties in the same manner that the Agreement was approved and executed. If the Improvements have not been completed at the time of termination, the City shall recapture any property tax revenue lost as a result of the Agreement.

2. It is expressly agreed and acknowledged between the parties that nothing in this Agreement shall be deemed or construed to affect the ability of the City to place a lien for taxes against the property as established by Section 32.01 of the Tax Code. Such lien shall secure the payment of all taxes, penalties and interest ultimately imposed on the property, including any taxes abated and subject to recapture under this Agreement. Any such lien may be fully enforced pursuant to the provisions of the Tax Code. For purposes of this subsection, "property" refers to the Premises and all Improvements described herein.

3. Following the expiration of the tax abatement period under this Agreement, the property subject to this Agreement shall become fully taxable subject to any lawful exemptions and special appraisal that may otherwise apply.

E. GENERAL PROVISIONS

1. **Notice.** Notices required to be given to any party to this Agreement shall be given personally or by registered or certified mail, return receipt requested, postage prepaid, addressed to the party at its address set forth below, and, if given by mail, shall be deemed delivered as of the date personally delivered or three (3) days after deposit in the United States mail:

For City by notice to:

City of Haslet
Attention: City Administrator
101 Main Street
Haslet, Texas 76052

For Owner by notice to

Airborne Tactical Advantage Company,
LLC, a Textron Company
Attention: President
1001 Providence Blvd.
Newport News, VA 23602

Either party may change the address to which notices are to be sent by giving the other party written notice in the manner provided in this paragraph.

2. **Indemnification.** The Owner in performing its obligations under this Agreement is acting independently, and the City assumes no responsibilities or liabilities to third parties in connection with the Premises or Improvements. THE OWNER AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY, ITS OFFICERS, AGENTS, EMPLOYEES,

AND VOLUNTEERS IN BOTH THEIR PUBLIC AND PRIVATE CAPACITIES, FROM AND AGAINST CLAIMS, SUITS, DEMANDS, LOSSES, DAMAGES, CAUSES OF ACTION, AND LIABILITY OF EVERY KIND, INCLUDING, BUT NOT LIMITED TO, EXPENSES OF LITIGATION OR SETTLEMENT, COURT COSTS, AND ATTORNEYS FEES WHICH MAY ARISE DUE TO ANY DEATH OR INJURY TO A PERSON OR THE LOSS OF, LOSS OF USE OF, OR DAMAGE TO PROPERTY, ARISING OUT OF OR OCCURRING AS A CONSEQUENCE OF THE PERFORMANCE OF THIS AGREEMENT, SAVE AND EXCEPT FOR THE ACTUAL NEGLIGENCE OF THE CITY, ITS OFFICERS, AGENTS OR EMPLOYEES. OWNER INDEMNIFICATION OBLIGATIONS INCLUDE THE PAYMENT OF REASONABLE ATTORNEY FEES AND EXPENSES INCURRED BY THE CITY AND TAXING UNITS IN CONNECTION WITH THESE CLAIMS, SUITS, OR CAUSES OF ACTION.

3. **No Ownership by City Officer.** It is the belief of both parties that the Premises do not include any property that is owned or leased by a member of the Haslet City Council or any other board or commission of the City having responsibility for approval of this Agreement. The parties recognize and understand that any property so owned is excluded by law from property tax abatement.

4. **Compliance with Law.** The Owner shall comply with all applicable rules, regulations, ordinances, state and federal laws in the operation of the Improvements at the Premises.

5. **Assignment.** The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. This Agreement cannot be assigned by the Owner unless written permission is first granted by the City, which permission shall be at the sole discretion of the City, provided however that upon written notice to the City, the Owner may assign its right under this Agreement to a wholly-owned subsidiary.

6. **Venue.** This Agreement shall be construed under the laws of the State of Texas, and venue for any action arising under state law under this Agreement shall be the State District Court of Tarrant County, Texas. If not property in state court, venue for any cause of action arising under federal law shall be the Northern District of Texas.

7. **Severability.** In the event any section, subsection, paragraph, subparagraph, sentence, phrase, or word herein is held invalid, illegal, or unenforceable, the balance of this Agreement shall stand, shall be enforceable, and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, subparagraph, sentence, phrase, or word. In the event there shall be substituted for such deleted provision a provision as similar in terms and in effect to such deleted provision as may be valid, legal and enforceable.

8. **Independent Parties.** Nothing herein shall be construed as creating a partnership or joint enterprise between the City and the Owner. Furthermore, the parties hereto acknowledge and agree that the doctrine of respondeat superior shall not apply between the City and the Owner, or between the City and any officer, director, member, agent, employee, contractor, subcontractor, licensee, or invitee of the Owner.

9. **Authority of City.** This Agreement was authorized by the Haslet City Council at its regular Council meeting on February 5, 2018, authorizing the Mayor to execute the Agreement on behalf of the City.

10. **Authority of Owner.** This Agreement was authorized by the Board of Directors of Owner authorizing the undersigned person to execute this Agreement on behalf of Owner.

11. **Recordation of Agreement.** A certified copy of this Agreement in recordable form shall be recorded in the deed records of Tarrant County, Texas, with certified copy returned to the City.

12. **Effective Date.** This Agreement shall be effective on the latest date that one of the parties signs below.

Witness our hands this 5th day of February, 2018.

ATTEST:

CITY OF HASLET, TEXAS:

Dianna Buchanan
Dianna Buchanan, City Secretary

Bob Golden
Bob Golden, Mayor

AIRBORNE TACTICAL ADVANTAGE
COMPANY, LLC, a Textron Company



By: _____
Scott Stacy
Title: President

STATE OF _____ §
§
COUNTY OF _____ §

BEFORE ME, the undersigned authority in and for _____ County, _____ on this day personally appeared Scott Stacy, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he is the President of Airborne Tactical Advantage Company, LLC, a Textron Company, and that he is authorized by said limited liability corporation to execute the foregoing instrument as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 2018.

Notary Public in and for the State of Texas

Type or Print Notary's Name

My Commission Expires:

After recording return to:

**City Administrator
City of Haslet
101 Main Street
Haslet, Texas 76052**

EXHIBIT "A" PAGE 1

DESCRIPTION OF PREMISES

**Description of
2.902 Acres of Land**

BEING that certain tract of land situated in the C. Harmon Survey, Abstract Number 737 and the H. Johnson Survey, Abstract Number 870, City of Haslet, Tarrant County, Texas and being a portion of the remainder of that tract of land described by deed to ADL Development, L.P., (former known as ADL Development, Ltd., formerly known as Hillwood/2470, Ltd., formerly known as Alliance Airport, Ltd.) recorded in Volume 9279, Page 377 of County Records, Tarrant County, Texas and being more particularly described by metes and bounds as follows;

BEGINNING at the easterly northeast corner Lot 1, Block 1, Alliance Air Trade Center, an addition to the City of Haslet recorded in Cabinet "A", Slide 9441 said County Records and being in the west line of Lot 1, Block 1, Westport Park Addition, an addition to the City of Haslet recorded in Cabinet "A", Slide 8543 said County Records;

THENCE S 79°34'04"W, 264.50 feet, with the north line of said Lot 1, Block 1, Alliance Air Trade Center;

THENCE N 10°25'56"W, continuing with said north line, at 423.03 feet the westerly northeast corner of said Lot 1, Block 1 Alliance Air Trade Center, in all 478.00 feet;

THENCE N 79°34'04"E, 264.50 feet;

THENCE S 10°25'56"E, at 54.97 the feet, the northerly northwest corner of said Lot 1, Block 1, Westport Park Addition, in all 478.00 feet, to the Point of Beginning and containing 126,431 square feet or 2.902 acres of land more or less.

"Integral parts of this document"

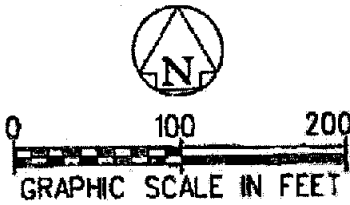
1. Description
2. Exhibit

TBRP'S Form Reg No. 10177100

EXHIBIT "A" PAGE 2

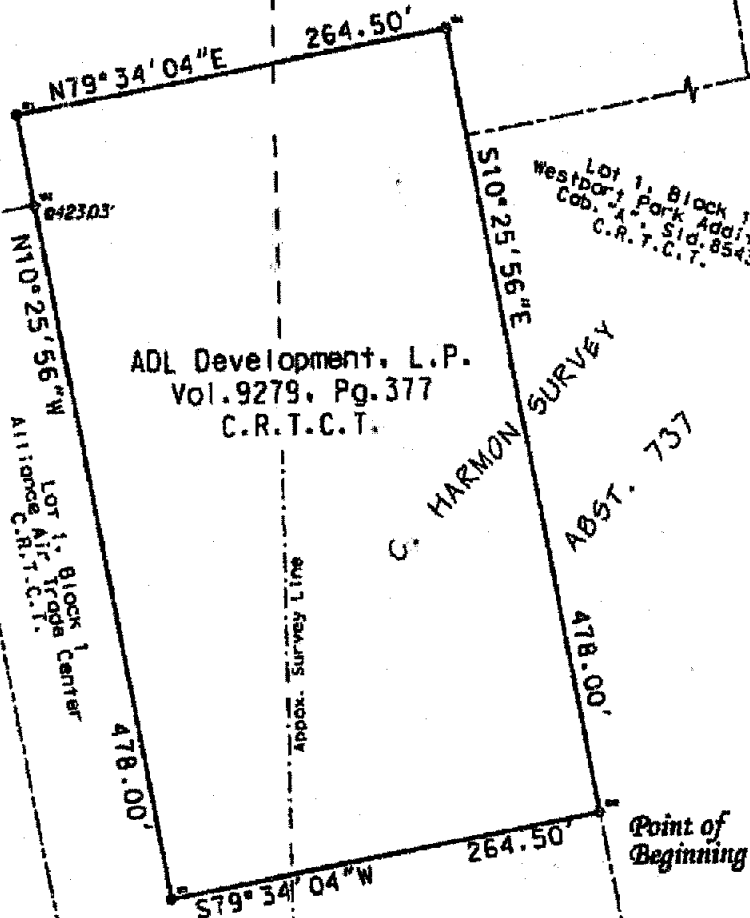
"Integral parts of this document"
1. Description
2. Exhibit

DESCRIPTION OF PREMISES



H. JOHNSON SURVEY
ABST. 870

ADL Development, L.P.
Vol. 9279, Pg. 377
C.R.T.C.T.



Lot 1, Block 1
Westport Park Addition
Cap. A, Sid. 8543
C.R.T.C.T.

ADL Development, L.P.
Vol. 9279, Pg. 377
C.R.T.C.T.

G. HARMON SURVEY
ABST. 737

Lot 1, Block 1
Alliance Air Trade Center
C.R.T.C.T.

Lot 1, Block 1
Alliance Air Trade Center
Cap. A, Sid. 9441
C.R.T.C.T.

An Exhibit Showing
2.902 Acres

Situated in the C. Harmon Survey, Abstract Number 737
and the H. Johnson Survey, Abstract Number 870,
Tarrant County, Texas

Copyright © 2017 Peloton Land Solutions, Inc.

PELTON
LAND SOLUTIONS
200 HILLWOOD PARKWAY, SUITE 200
FORT WORTH, TEXAS 76117 PH: 817-922-2100

JOB # HWA17008.10

DRAWN BY:

CHECKED BY: TAB

DATE: 11-7-2017

PAGE # 2 of 2
ACFN 7078

Tax Abatement Agreement ATAC

EXHIBIT "B"

DESCRIPTION OF IMPROVEMENTS

75,000 total square feet of concrete slant-style hanger space consisting of:

- **50,000 square feet for multi-bay aircraft maintenance, repair and overhaul (MRO);**
- **15,000 square feet for back shops (tire shop, sheet metal, battery shop, parachute shop and life support); and**
- **10,000 square feet for office, logistics and flight operations.**

Various aircraft with situs in Haslet, Tarrant County, Texas, with taxable valuation in excess of \$100,000,000.

EXHIBIT "C"

TARRANT COUNTY TAX ABATEMENT APPLICATION



Tarrant County Application for Tax Abatement/Reinvestment Zone

I. APPLICANT INFORMATION

Applicant/Property Owner: Textron Inc.

Company/Project Name: Airborne Tactical Advantage Company, LLC, a Textron Company

Mailing Address: 1001 Providence Blvd., Newport News, VA, 23602

Telephone: (757) 874-8100

Fax: (757) 874-8810

Applicant's Representative for contact regarding abatement request:

Name and Title: Scott Stacy, President

Mailing Address: 1001 Providence Blvd., Newport New, VA, 23602

Telephone: (757) 874-8100

Fax: (757) 874-8810

E-mail: sgoggin@atacusa.com

II. PROPERTY AND PROJECT DESCRIPTION

Address and legal description of property to be considered for Tax Abatement/Reinvestment Zone: north of 1104 Tradewind Dr., Haslet, TX, 76052, aircraft hangar

Project Description: New aircraft hangar to be lease/built just north of Ceva Logistics at Alliance Airport (AFW)

Description of activities, products, or services produced and/or provided at project location: Aircraft flight operations, training, and maintenance (US DoD NAICS: 611512)

Current Assessed Value: Real Property: \$ 1.3M Land Personal Property: \$ 0

Estimated start date of construction/site improvements: Feb 1, 2018

Projected date of occupancy/commencement of operations at project site: Nov 1, 2018

Please indicate dates for phases if applicable: NA

Location of existing company facilities: Newport News, VA

Requested level of Tax Abatement: 50% of eligible property for 15 years.

Explain why tax abatement is necessary for the success of this project. Include business pro-formas or other information to substantiate your request. Airborne Tactical Advantage Company, LLC, a Textron Company, plans to lease single or multiple facilities on Fort Worth Alliance Airport. At the facilities, it conduct support aircraft depot maintenance, engine maintenance, parts/equipment storage, aircraft inspections, and flight operations for maintenance and training for the US Department of Defense on organic F16 and F1 jet aircraft operated under public use. The company will invest \$14.7 million in the facility over ten years: \$12.7 million for capitalized leases and \$2.0 million for furniture, fixtures and equipment. The facility will create 281 jobs over ten years with initial average annual salaries of \$100,000. This abatement is necessary to reduce our cost and maintain a robust employment base.

III. PROJECTED VALUE OF IMPROVEMENTS

Estimated Value of Real Property Improvements \$ 12.7M

Estimated Value of Personal Property Improvements \$ 2M

Will any infrastructure improvements (roads, drainage, etc.) be requested of Tarrant County for this project?

Yes No

If yes, describe requested infrastructure improvements: roads and drainage on or near Tradewind Dr.

Detail any direct benefits to Tarrant County as a result of this project (i.e., inventory tax, etc.): Property and schools tax on the business will directly impact the revenue of Tarrant County. An additional 281 full-time employees with average wages of \$100,000.

IV. EMPLOYMENT IMPACT AT PROJECT LOCATION

A. NEW EMPLOYMENT

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

Full-time 281 Part-Time 12

Provide types of jobs created and average salary levels: logistics, managers, pilots, mechanics, overall average \$100,000

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

2017 14 \$1,400,000

2018 69 \$6,900,000

2019 6 \$600,000

2020 6 \$600,000

2021 11 \$1,100,000

2022 32 \$3,200,000

2023 6 \$600,000

2024 52 \$5,200,000

2025 12 \$1,200,000

2026 72 \$7,200,000

Percentage of new jobs too be filled be Tarrant County residents: 65%

Number of employees transferring from other company locations: 30

B. CONSTRUCTION RELATED EMPLOYMENTS

Projected number of construction related jobs: 90

Estimated total construction payroll: \$ 40,000 annually per employee

Commitment as to percentage of construction dollars to be spent with Tarrant County contractors or subcontractors: 100%

Commitment as to percentage & total dollars of construction contracts to be awarded to DBE: "TBD" %

C. CURRENT COMPANY/PROJECT LOCATION EMPLOYMENT

Current Number of Employees: 118 Full-time "96" Part-time "22"

Average annual payroll: \$ "100,000"

Detail on workforce diversity – percentage breakdown of current employees by gender and ethnicity: Male-92%, Female-8%, American Indian or Alaska Native-1%, Asian-1%, Black or African American-3%, Hispanic or Latino-2%, Native Hawaiian or Other Pacific Islander-1%, White-92%.

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: \$ 170 Family: \$ 220

Other employee benefits provided or offered: "Vacation, Sick Pay, HSA, Dental, Vision, Federal Holiday's, 401k"

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

Estimated amount of annual supply and services expenses: \$ 440,000

Detail any supply/services expenses that are sole source: NA

Percentage of total supplier/services expenses committed to Tarrant County businesses: 15%

Percentage of total supplier and services expenses committed to DBE: "TBD" %

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:

Air Quality Water Quality Solid Waste Disposal Storm/Water Runoff

Floodplain/Wetlands Noise levels Other (specify) Aircraft operations within the scope of Alliance

Field current environmental impact plan.

Provide detail on existing and new fleet vehicles, specifying types of vehicles, quantities and fuel used (gasoline, diesel, LP gas, CNG, etc.): 6 x diesel fleet vehicles, on average 8 x single engine jet aircraft using Jet A+ fuel.

VII. ADDITIONAL INFORMATION (TO BE ATTACHED)

- Letter addressing Economic Qualifications and additional criteria for abatement, Section III (b) and (i) of Tarrant County Tax Abatement Policy
- Descriptive list and value of real and personal property improvements
- Plat/Map of Project Location
- Project Time Schedule
- Owner's policy regarding use of disadvantaged Business Enterprises
- 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
- Tax Certificate showing property taxes paid for most recent year

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.

Jeri J. Cawelti
Signature
Jeri J. Cawelti
Printed Name

Sr. Manager Public Affairs
Title
10-27-17
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.*

Attachment I

Letter addressing economic qualifications and additional criteria for abatements.

Application: Tarrant County Application for
Tax Abatement/Reinvestment Zone

Project: ATAC



A Textron Company

October 24, 2017

Lisa McMillan
Economic Development Coordinator
Tarrant County Government
100 E. Weatherford, Suite 404
Fort Worth, Texas 76196

Ms. McMillan,

It has been a pleasure working with you and the other team members in assessing locations for Project Maverick. Please accept this letter and attached application as ATAC's official application for Tax Abatement and Reinvestment Zone consideration.

ATAC would like to assess options to base our future aircraft maintenance hub and operational headquarters at the Alliance-Fort Worth Air Port (AFW). ATAC is researching potential sites to support ongoing operations for a fleet of 63 Mirage F1 and 15 Lockheed Martin F-16 aircraft and follow on aircraft and operations. ATAC's search has identified AFW airport as one of three finalists with Phoenix-Mesa Gateway Airport, AZ (IWA) and March Air Reserve Base (RIV) in Riverside, CA. Both IWA and RIV have government incentives to grow business at their airfields. Tax and financial incentives are an important factor in ATAC's basing evaluation. All three locations meet the operational requirements for our business plan.

ATAC is poised to grow over 400% in the next 3-5 years. ATAC's recently acquired 63 Mirage F1 and 15 Lockheed Martin F-16 aircraft mandate expansion to a new airfield. This new airfield would support aircraft depot maintenance, engine maintenance, parts/equipment storage, aircraft inspections, and flight operations for maintenance and training. If the facility in Tarrant County is selected, this project would bring 281 new employees to the area with average salaries of \$100,000 per year. We plan to invest \$7.7M in a new 185,000 sq. ft. hangar and locate at least \$200,000,000 worth of business personal property at the facility,

Please consider this completed package as our formal request for economic development incentives. We are happy to provide any additional information needed. Please do not hesitate to contact me or JJ Cawelti at jjcawelti@bh.com or 806-220-8876.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Stacy", is written over a light-colored background.

Scott Stacy
President
Airborne Tactical Advantage Company

Attachment II

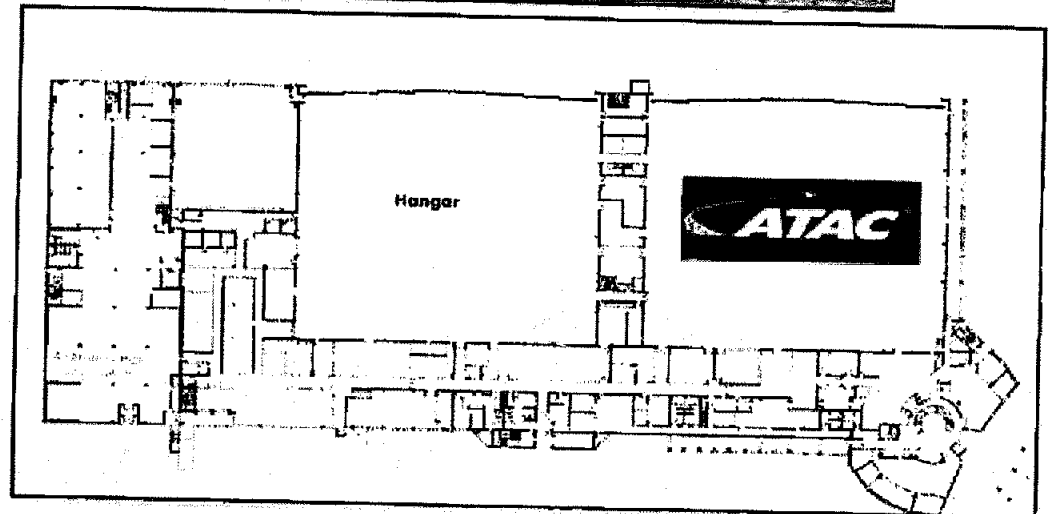
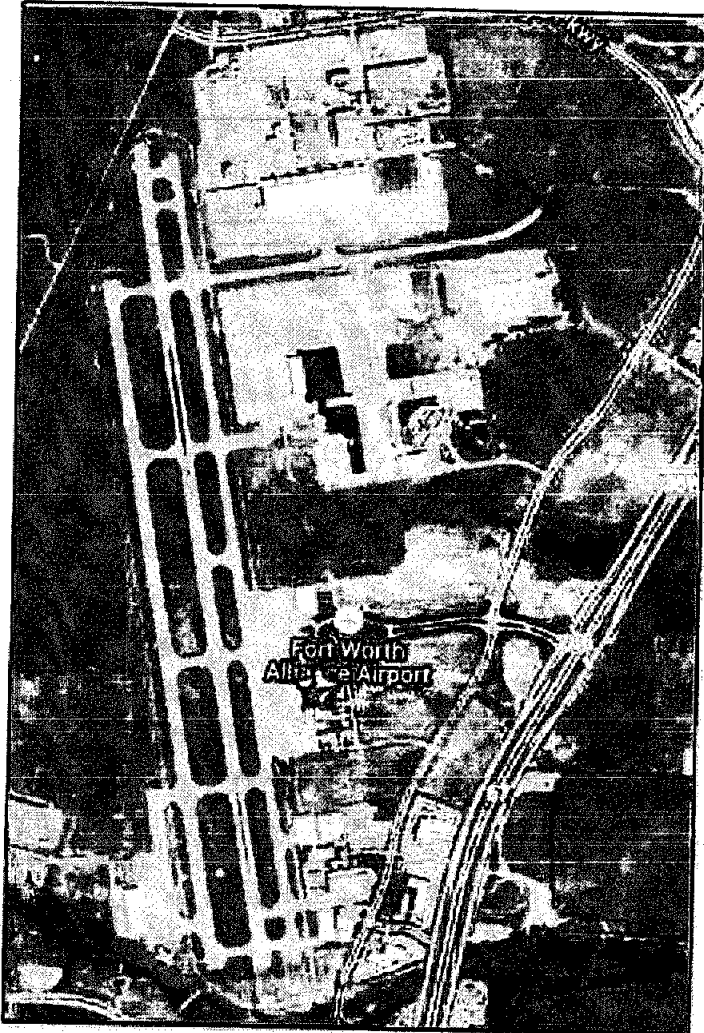
Plat/Map of Project Location

Application: Tarrant County Application for
Tax Abatement/Reinvestment Zone

Project: ATAC



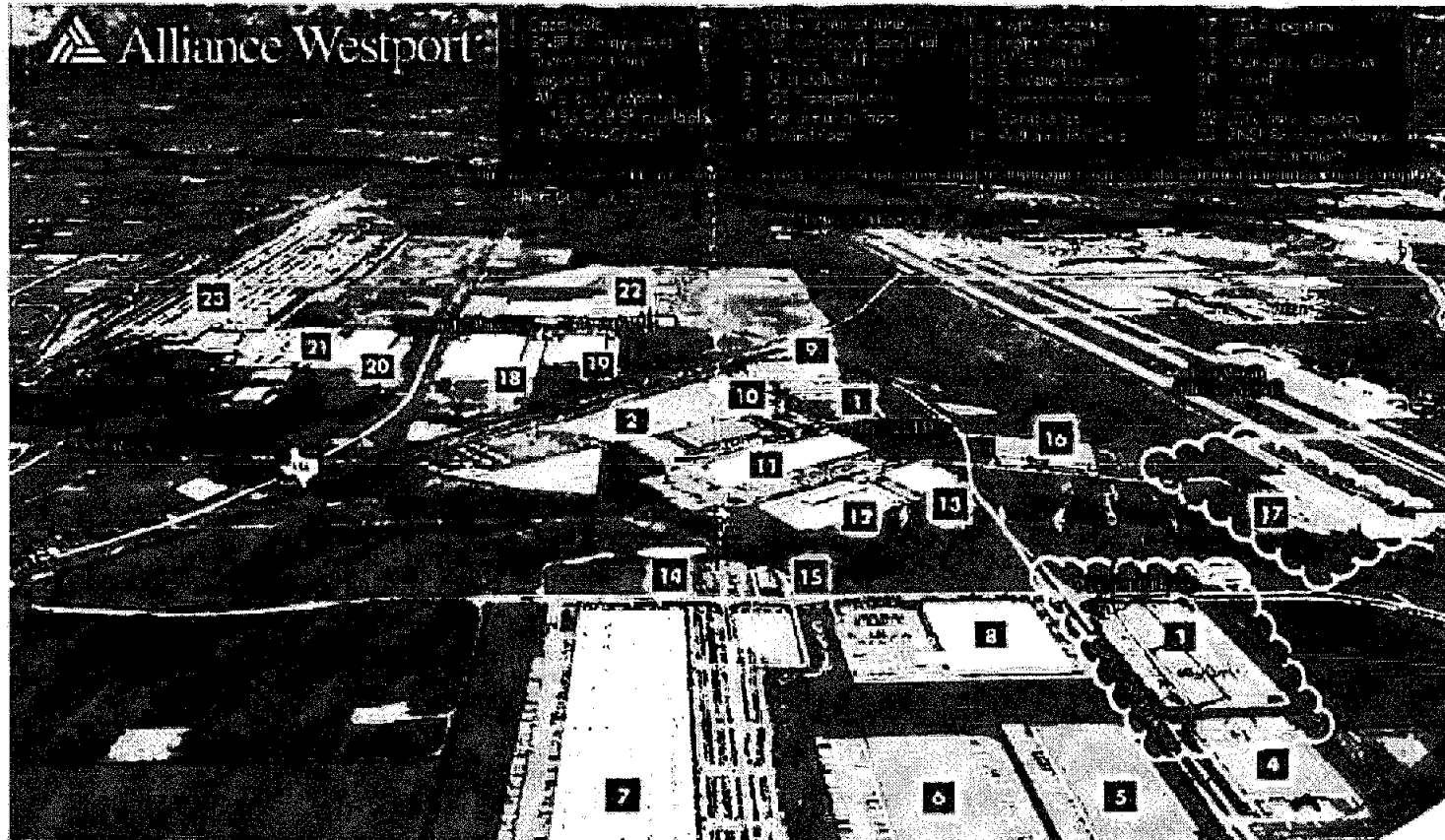
Temporary Operations (10 Mths)



Note: Limited office space available



COA 1 New Build and Warehouse



Hangar Build

Warehouse



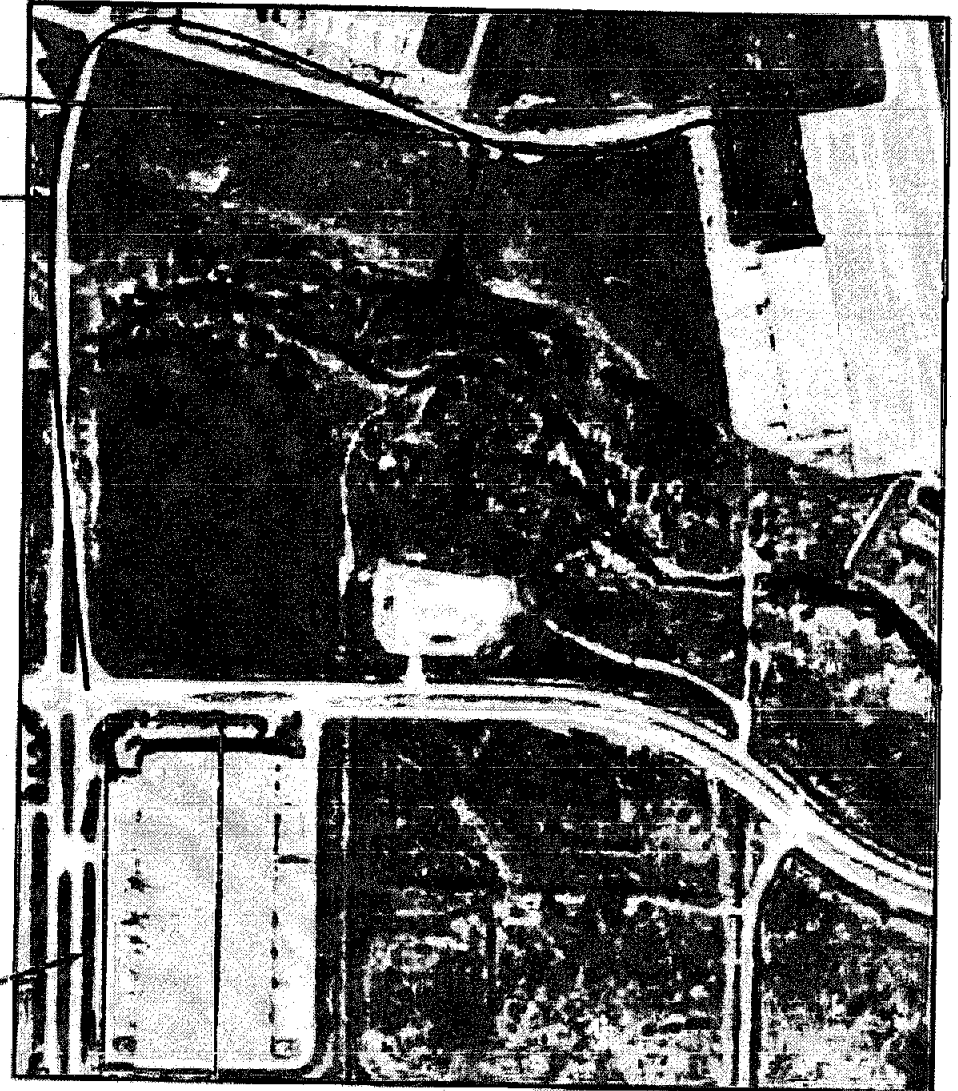
Westport 3 warehouse

Hangar

Connecting Route



Warehouse





Westport 3 warehouse (cont)

 Alliance Westport

183,908 S.F. Available

Alliance Westport 3
920 Westport Parkway
Houston, Texas, 76177, Tarrant County

ALLIANCE WESTPORT 3 AVAILABLE SPACE

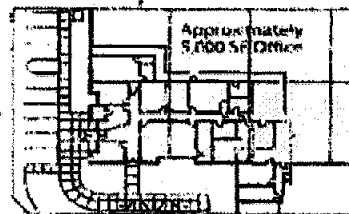
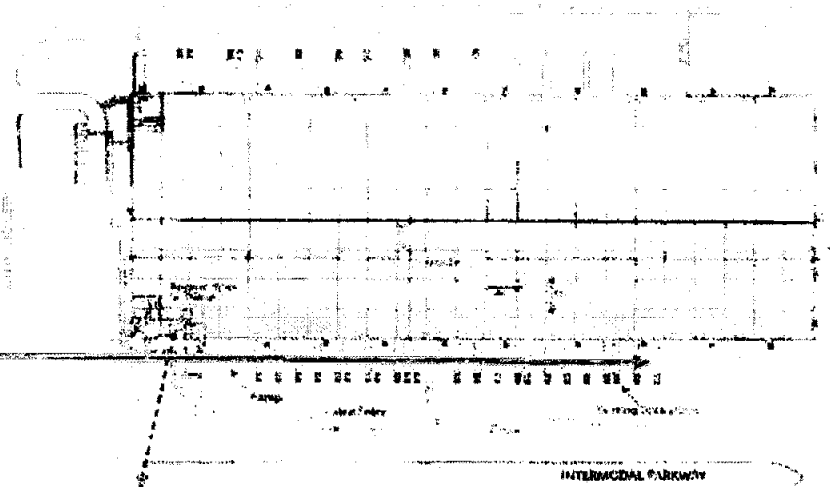
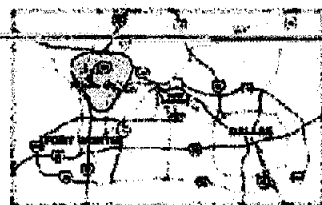
- 100,000 sq. ft. clear height
- Approximately 1,000,000 sq. ft. of storage space
- 200,000 sq. ft. of office space
- 200,000 sq. ft. of truck parking
- 200,000 sq. ft. of truck parking
- 200,000 sq. ft. of truck parking
- 200,000 sq. ft. of truck parking

BUILDINGS FEATURES

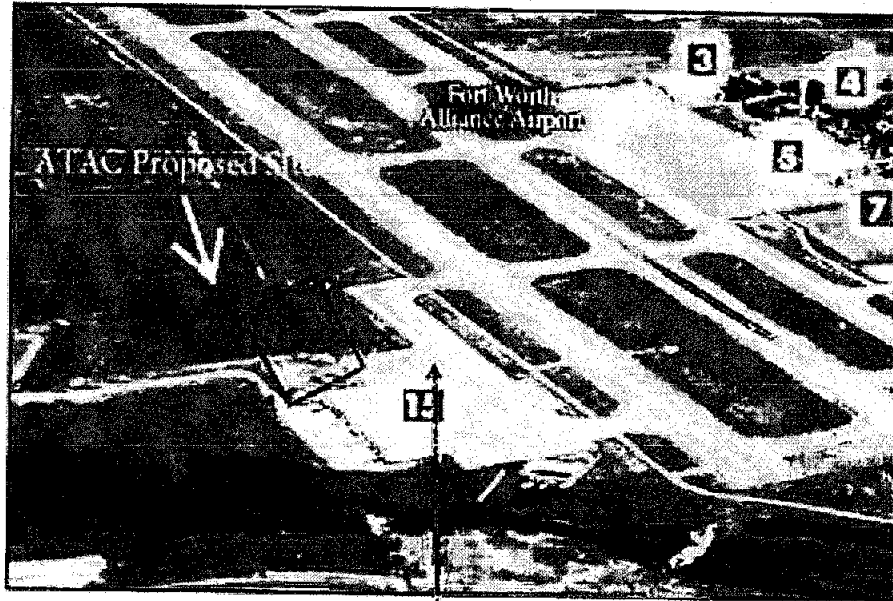
- 200,000 sq. ft. of office space
- 200,000 sq. ft. of office space
- 200,000 sq. ft. of office space
- 200,000 sq. ft. of office space
- 200,000 sq. ft. of office space
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- 200,000 sq. ft. of office space
- 200,000 sq. ft. of office space

Hangar Door

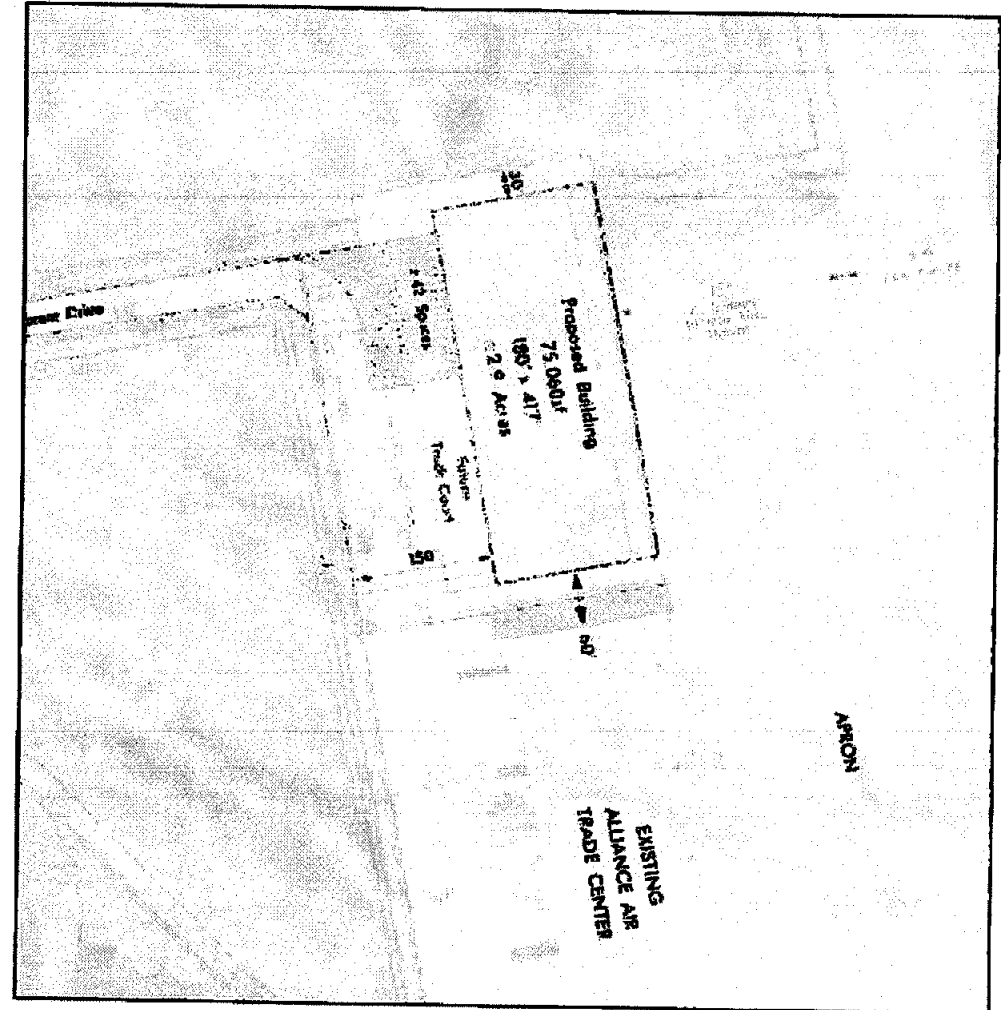
5,000 sq. ft.
Office Space



For more information:
817.224.6000
AllianceTexas.com



Utilize existing ramp (no cost)



Attachment III

*Descriptive list and value of real and personal property improvements &
Project Time Schedule*

Application: Tarrant County Application for
Tax Abatement/Reinvestment Zone

Project: ATAC

Data Sheet for Economic Impact

Name of facility, project or firm for which Texas Enterprise Fund grant is being prepared:

Airborne Tactical Advantage Company, LLC (A Textron Company)

Location in Texas **Alliance Field, Texas**

A brief description of the new facility or operations or expansion that will be included in the Texas Enterprise Fund application and in the economic impact report:

ATAC will lease a single or multiple facilities on the Alliance Airfield to conduct support aircraft depot maintenance, engine maintenance, parts/equipment storage, aircraft inspections, and flight operations for maintenance and training. ATAC will use these facilities to support US Government Department of Defense work on organic F-16 and F-1 jet aircraft operated under public use.

The project or firm's primary NAICS code **611512**

Number of jobs to be created and investments at the new or expanded facility each year:

Year	Number of New Workers to be Hired Each Year	Investments			Total Capital Investment
		Land	Buildings Lease	Machinery & Equipment	
2017	15	\$0	\$962,500	\$45,000	\$1,007,500
2018	64	\$0	\$1,317,500	\$565,000	\$1,882,500
2019	12	\$0	\$1,335,313	\$95,000	\$1,430,313
2020	20	\$0	\$1,353,570	\$55,000	\$1,408,570
2021	6	\$0	\$1,372,285	\$55,000	\$1,427,285
2022	42	\$0	\$1,391,467	\$650,000	\$2,041,467
2023	52	\$0	\$1,411,128	\$195,000	\$1,606,128
2024	38	\$0	\$1,431,282	\$95,000	\$1,526,282
2025	28	\$0	\$1,451,939	\$215,000	\$1,666,939
2026	14	\$0	\$1,473,112	\$95,000	\$1,568,112
Total	291	\$0	\$13,500,095	\$2,065,000	\$15,565,095

Average annual salaries for workers shown in the TEF application \$100,000

Average increase in payroll or average annual salaries after the first year 3%

New facility will be built by developer and leased by ATAC.

Facility Description Aircraft storage and maintenance hangar.
 Facility Size 185,000 sq ft
 Value of new facility / investment by lesor \$7,737,000

Project Facilities Schedule

Start Date: 1 Feb 2018
 Plat: 62 Days
 Design and Permit: 70 Days
 Building and Construction: 159 Days
 Occupancy: 1 Nov 2018

Data for calculating the increase in gross state product of the new facility or expansion – the facility or expansion that will be included in the Texas Enterprise Fund application:

	Operating Budget	or	Annual Revenues \$M
2017	\$0		\$44
2018	\$0		\$70
2019	\$0		\$97
2020	\$0		\$200
2021	\$0		\$218
2022	\$0		\$259
2023	\$0		\$260
2024	\$0		\$262
2025	\$0		\$267
2026	\$0		\$271

Further explanation on Texas Franchise tax is shown on the Texas Comptroller of Public Accounts website: <http://www.cpa.state.tx.us/taxinfo/franchise/index.html>

Estimated out-of-town visitors to the facility for calculating state hotel occupancy taxes:

Number annual out-of-town visitors to the facility 90

Estimated annual percent increase in the number of out-of-town visitors

3%

Average number of days that each visitors spends at the facility

3

Average daily taxable spending in the city, excluding
spending on motels

\$51

Average number of nights spent in a local motel

3

Average nightly lodging room rate for these visitors

\$131

Attachment IV

Owner's policy regarding use of disadvantaged Business Enterprises

Application: Tarrant County Application for
Tax Abatement/Reinvestment Zone

Project: ATAC



ATAC POLICY FOR USE OF DISADVANTAGED BUSINESS ENTERPRISES UTILIZATION STRATEGY

1.1 UTILIZATION STRATEGY

1.1.1 Introduction

Airborne Tactical Advantage Company (ATAC) is committed to making available areas of commercial opportunities to Disadvantaged Business Enterprises such as Small Business (SB), Small Disadvantaged Business (SDB), Women-Owned Small Business (WOSB), HUBZone Small Business (HZSB), Veteran-Owned Small Business (VOSB), and Service-Disabled Veteran-Owned Small Business (SDVOSB).

Our Company jumped from being a VOSB to a Large Business (under the current North American Industry Classification System {NAICS} code) in 2012. We are committed to Disadvantaged Business Enterprises having the same opportunity to advance their business interests, and have designed our Subcontracting Plan accordingly. We are retaining a number of our incumbent SB/SDB subcontractors; and ATAC will increase our outreach by incorporating products and services from the SB/SDB community to further increase the number of ATAC aligned SB/SDB subcontractors for future work.

1.1.2 Approach to Identify Disadvantaged Business Concerns

Our Utilization Strategy uses a two-part approach to identify, and use, qualified Disadvantaged Business concerns.

- Continue the expansion of our SDB, WOSB, HZSB, VOSB, and SDVOSB utilizations from the work
- Use the Dynamic Small Business Search database to search for qualified Small Businesses capable of performing work

We conduct an analysis of all work activities involved with performing our work, including analyzing what Large Business workloads can convert to Small Business. We assign an applicable NAICS code to each work activity, and execute a thorough search for each work activity, by NAICS code, via the Small Business Administration's (SBA's) "Dynamic Small Business Search" database (website). This Government provided tool enables us to identify SB/SDB sources by NAICS code, location (state), certification status, and quality assurance standards (ANSI/ASQC Z1.4, ISO-9000 Series, ISO 10012-1, and MIL-Q-9858; MIL-STD-45662A). We will work with the SBA, US DoD Office of Small Business Programs, and other organizations to identify emerging SB sources capable of fulfilling CAS contract requirements.

1.1.3 Improved Processes For Participation

ATAC has undertaken improvements to increase SB/SDB subcontracting participation in the scope of our enterprise activities. These initiatives include:

- CEO policy letter emphasizing the importance of small business participation
- Integrate SB goals into company objectives and Quarterly progress updates
- Communicating to all employees the importance of having a diverse supplier base
- Contract work breakdown analysis to better search for qualified Small Businesses



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- Quarterly updating of the list of qualified SBs eligible to fulfill subcontracting opportunities that arise during the performance of the contract
- Instituting a SB/SDB Outreach Board to promote SB/SDB subcontracting
- Proactive outreach and communications program to promote SB/SDB subcontracting

1.1.4 Specific Efforts

ATAC analyzes (work breakdown) all activities involved with performing our obligations and runs the results against the Small Business Administration's "Dynamic Small Business Search" database to find qualified firms eligible for subcontracts. Where work currently executed by Large Business can be, subcontracted to a qualified SB/SDB at a comparable price, we implement a Subcontract Conversion Transition Plan to ensure seamless transition of the work to the SB/SDB. We actively search for SB/SDB firms who can provide subcontracting support by using resources such as: the SBA, Minority Business Directories, Regional Directories of Minority Owned Businesses Firms, DoD Office of Small Business Programs, State agencies and Aerospace Trade Associations. In addition, ATAC also;

- Structures RFPs so SB/SDB can participate wherever possible.
- Executes a proactive outreach program to identify, develop, and grow Small Businesses.
 - Employ a very experienced Small Business Utilization Advisor with proven record of growing Small Businesses participation.
 - Attend SB/SDB conferences, workshops and seminars sponsored by SBA, Minority, Veteran, Woman-Owned, and HUBZone organizations.
 - Provide SB/SDB firms technical and business assistance to develop qualified subcontractors.
 - Invite Government Small Business Offices to participate in our SB/SDB Outreach Board.
 - Conduct quarterly ATAC SB/SDB Outreach Boards, with focus on finding, developing, mentoring, and promoting Small Business subcontracting.

1.1.5 Consistency with Utilization Plan

ATAC's SB/SDB Utilization Strategy is consistent with our SB Subcontracting Plan and our SB/SDB subcontracting goals, in that our strategy provides a roadmap to implement our SB/SDB subcontracting goals and to strengthen our internal SB/SDB subcontracting processes. Our strategy approach sets forth specific actions focusing on SB/SDB outreach to, proactively seek, develop, and subcontract with Small Business. O

2. Methods Used to Identify Potential Sources

ATAC's SBLO assists in identifying qualified SB, SDB, WOSB, HZSB, VOSB, SDVOSB and HBCU/MI Businesses as potential sources for participation in procurement opportunities. Commonly used resources include, but are not limited to the following: ATAC Approved Supplier List, System for Award Management (SAM), National Minority Supplier Development Council, National Association of Women Business Owners, Veterans Administration, National Center for American Indian Enterprise Development, various trade association membership directories and websites, outreach events, and other resource documents or representations.



3. Administrator and Description of Duties

Allison Merritts
Small Business Liaison Officer (SBLO)
ATAC
1001 Providence Blvd
Newport News, VA 23602
Phone: 757-243-8028 Fax: 757-812-7491
Email: amerritts@atacusa.com

Duties:

The SBLO's primary responsibilities are to:

- A. Prepare the Small Business Subcontracting Plan, which includes the elements required by the Federal Acquisition Regulation.
- B. Approve Individual Subcontract Plans that cover the entire contract period (including option periods), apply to a specific contract, and have goals that are based on planned subcontracting in support of the specific contract. The plan will include percentages and goals for participation of Small Business concerns, as requested by the Contracting Officer for DoD contracts, proposals, and modifications with a value of \$650,000 or more (wherein the proposed effort offers subcontracting possibilities).
- C. Prepare and submit the Individual Subcontracting Report (ISR) and Summary Subcontracting Report (SSR) in a timely manner to the contracting agency as required.
- D. Conduct training for ATAC personnel for all aspects relating to the Socio-Economic Business Program.
- E. Provide assistance and counsel to current and potential Small Business suppliers.
- F. Compile and maintain source directories on current and potential Small Business concerns to aid procurement personnel in locating and contracting with such concerns.
- G. Represent ATAC in matters relating to the Small Business subcontracting program with appropriate government agencies.
- H. Cooperate with local SBA and DCMA representatives with respect to periodic reviews and/or opportunity referrals.
- I. Assure procurements are awarded based on best value practices, including such factors as schedule, price, technical competition and known performance.
- J. Seek opportunities for Small Businesses in the Request For Quote (RFQ) process.
- K. Coordinate, support and participate in SB/SDB outreach events for all small business categories.

4. Efforts to Assure Equitable Opportunities

A special effort is made to identify and facilitate procurement opportunities for SB, SDB, WOSB, HUBZone, VOSB, and SDVOSB concerns. ATAC will provide the following actions:



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- A. Requirements are reviewed for possible opportunities for procurement from SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns.
- B. Ensure make-or-buy deliberations include adequate and timely consideration of known SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns capabilities.
- C. Examine development work, likely to lead to production, for possible placement with known SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns.
- D. Make available specifications, drawings, and other relevant data so that qualified known SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns may equitably compete and prepare bids.
- E. Provide, to the extent possible and ethical, counseling or other forms of assistance to help known SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns obtain awards for which they can qualify. Supportive relations are maintained with such suppliers throughout contract performance.

When appropriate, competition may be restricted to qualified SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns. Additionally, ATAC Proposal Teams will make every effort to identify and facilitate opportunities that enhance participation of SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns to compete for procurement awards. Efforts undertaken by ATAC Proposal Teams to solicit and fairly consider SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns for procurements vary among programs, commodity markets, technologies and the available industrial base. Changes in the market place or conditions may dictate the practical alternatives available in utilizing SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns. The following presents options for consideration:

- A. Ensure that Small Business firms are considered fairly when manufacture or purchase decisions are made for components required in development or production of major subsystems.
- B. Examine development work likely to lead to production and make available specifications, drawings, and other relevant data to assist qualified SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns in preparing bids wherever possible.
- C. Identify sole source items normally procured from large businesses and make a best commercial attempt to ascertain the feasibility of acquiring such items from SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns.
- D. Evaluate products developed by SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns for possible application in systems designed and produced by ATAC where feasible.

5. Outreach

- A. ATAC Supplier Diversity Program includes for this Individual Small Business Subcontracting Plan outreach to the SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns community. Outreach efforts are documented and include as a minimum, attendance at various federal and state sponsored procurement conferences, trade fairs, regional purchasing council meetings and active support of in-plant seminars, workshops and training programs.

Attachment V

*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*

Application: Tarrant County Application for
Tax Abatement/Reinvestment Zone

Project: ATAC

Textron Enterprise Standard	Title: Air Pollution	EHS Standard : 2.3
	Function Group: Environmental, Health & Safety	
	Issue Date: 9/1/1998	Reviewed: 8/31/2015

1.0 PURPOSE

This environmental standard defines the minimum requirements for control of air pollution sources. The intent of this standard is to ensure proper controls are implemented on air pollution sources in order to prevent undue impact on ambient air quality and liability risk for Textron.

2.0 SCOPE

This standard applies to all operations where Textron has operating control. Each facility will comply with the most stringent requirements established either by federal, state or local law or by this Global EHS Standard.

3.0 DISCUSSION

Air emissions may impact the environment. Textron operations have a responsibility to ensure that they operate in a manner that minimizes this impact and is in accordance with generally available environmental best practices and applicable laws. Implementation of this standard will ensure that Textron facilities are taking reasonable steps to protect air quality and the environment.

4.0 DEFINITIONS

Ozone Depleting Substances (ODS) – A family of man-made compounds that includes, but are not limited to, chlorofluorocarbons (CFCs), bromofluorocarbons (halons), methyl chloroform, carbon tetrachloride, methyl bromide, and hydrochlorofluorocarbons (HCFCs). These compounds have been shown to deplete stratospheric ozone, and therefore are typically referred to as ODSs (see Appendix I, List of Air Pollutants).

Combustion Source – Any equipment that burns fossil fuel and is used for the purpose of generating heat, electrical power, or steam. Excluded from this definition are product testing activities, transportation equipment, and any equipment used for emergency purposes.

Facility (Air Standard) – For purposes of this standard, a facility is defined as all affected emissions sources which are located on properties that are: geographically contiguous; operated by the same division; and defined as a unique plant or operating unit.

Freeboard – Freeboard is the distance from the top of the solvent to the top of the solvent tank.

Freeboard ratio is the freeboard height divided by the width of the tank.

Major Combustion Source – Facilities with greater than 100 metric tons per year of actual NO_x emissions.

Major VOC Source – Facilities with greater than 100 metric tons per year of actual VOC emissions from production processes (i.e., not from building maintenance activities).

Nitrous Oxides (NO_x) – Nitrogen Oxides formed during the combustion processes.

Volatile Organic Compound (VOC) – Hydrocarbon based chemicals with a vapor pressure greater than 10 mmHg at standard atmospheric conditions.

Textron Enterprise Standard	Title: Air Pollution	EHS Standard : 2.3
	Function Group: Environmental, Health & Safety	
	Issue Date: 9/1/1998	Reviewed: 8/31/2015

5.0 STANDARD

1. Each *facility* must initially complete an estimate of actual VOC and NO_x emissions. A formal review and revision to this estimate is required for all significant process additions or modifications.
2. Facilities shall report air energy consumption data as required by **EHS Policy 4, EHS Periodic Reporting** (see also **Standard Work Document SW-1, Environmental Metric Reporting Instructions**) to allow for the accurate calculation of greenhouse gas emissions from each Textron facility.

Facilities must also implement the following air pollution prevention and control measures as determined by on-site operations and classification as a major source:

A. Facilities with Painting/Coating Operations

Requirements for All Facilities

1. All paint operations using VOCs, with the exception of touch up operations, must be conducted in a controlled environment, (e.g., a paint booth). Enclosures for paint spray gun cleanup must be employed unless the gun is disassembled for cleaning.
2. Mechanical filters are required on any source generating particulates.
3. *Major VOC sources* must implement control measures on all painting/coating operations to reduce VOC emissions. Examples of some possible control measures are as follows:

Alternate Materials	Alternate Equipment & Processes
Pre-coated Materials	Electrostatic Painting
Self-Adhesive Materials	High Volume Low Pressure Paint Gun
Powder Coatings	Roll Coating
Hot-melt Adhesives	
Alternate Materials	Alternate Equipment & Processes
Water-based Adhesives	
Water-based Coatings	
Electrophoretic Coating	
High Solids/Low VOC Coatings	

Textron Enterprise Standard	Title: Air Pollution	EHS Standard : 2.3
	Function Group: Environmental, Health & Safety	
	Issue Date: 9/1/1998	Reviewed: 8/31/2015

B. Facilities with Paint/Coating Stripping Operations

Requirements for All Facilities

1. All stripping operations using VOCs, with the exception of touch up operations, must be conducted in an enclosed, emission controlled environment.
2. Mechanical filters are required on any source generating particulates.
3. Major VOC sources must implement control measures on all painting/coating stripping operations to reduce VOC emissions. Examples of some possible control measures are as follows:

Mechanical Stripping	Chemical Stripping
Water Jet	Low VOC Strippers
Shot Peen	
Abrasives	
Cryogenic Strippers	

C. Facilities with Cleaning and Degreasing Operations

Requirements for All Sources

1. All VOC cleaning and degreasing tank operations must use process covers and have adequate freeboard. A freeboard ratio of greater than or equal to 0.75 is preferred.
2. Heated systems must use cooling coils.
3. Major VOC sources must implement control measures on all cleaning or degreasing operations to reduce VOC emissions. Examples of some possible control measures are as follows:

Alternate Chemicals	Equipment/Process Modifications
Aqueous Cleaners	Closed Cleaning System
Semi-aqueous Cleaners	Optimized Cleaner Size
Low VOC Cleaners	Refrigerated Vapor Capture System
Low Vapor Pressure Cleaners	Minimized Part Removal Speed

D. Ozone Depleting Substances

Requirements for All Facilities

1. All equipment with ozone depleting chemicals must be properly maintained to prevent releases to the atmosphere.
2. Atmospheric venting of refrigeration systems containing an ODS is prohibited.

Textron Enterprise Standard	Title: Air Pollution	EHS Standard : 2.3
	Function Group: Environmental, Health & Safety	
	Issue Date: 9/1/1998	Reviewed: 8/31/2015

3. ODSs must be removed from products prior to disposal.
4. Purchase of equipment with a Class I ODS is prohibited after January 1, 2000.
5. Use of Class I ODS in an equipment or process is prohibited after January 1, 2000.
6. Major VOC sources must implement control measures on all operations with ODSs to reduce VOC emissions. Examples of some possible control measures are as follows:

Alternative Methods
Non-ODS Materials for Leak Checks
ODS Substitutes
Minimize Volume Quick Disconnects

E. Facilities with Combustion Sources

Requirements for All Facilities

1. Employ a preventive maintenance program and optimize burner operation.
2. Major combustion sources must implement control measures on all combustion sources to reasonably minimize pollutant emissions. Examples of some possible control measures are as follows:

Fuel Substitution	Equipment/Process Modification
Conversion to Natural Gas	Low NO _x Burners
Low Sulfur Fuel	Low Excess Air
Low Nitrogen Fuel	System/Combustion Efficiency Improvements
	Instrumentation/Burner Control Improvements
	Energy Conservation Program

6.0 EXEMPTIONS

Exemptions to this standard may be granted where a written assessment indicates that the degree of risk reduction obtainable by implementing the standard is not commensurate with the magnitude of necessary corrective action.

- Exemptions are only granted for Textron Standards. Exemptions will not be granted if the exemption would result in a violation of local laws and regulations.
- Exemptions to a Textron Standard must be requested and approved according to Textron EHS Policy 2, Global EHS Standards.

Textron Enterprise Standard	Title: Air Pollution	EHS Standard : 2.3
	Function Group: Environmental, Health & Safety	
	Issue Date: 9/1/1998	Reviewed: 8/31/2015

7.0 IMPLEMENTATION

Facilities are required to meet local regulations at all times. Implementation of additional requirements mandated in this standard will be in accordance with the following schedule:

New Operations:	Immediately
Existing Operations:	July 1, 2001
Newly Acquired Operations:	2 years from the date of acquisition

Attachment VI

Tax Certification showing property taxes paid for most recent year

Application: Tarrant County Application for
Tax Abatement/Reinvestment Zone

Project: ATAC



RON WRIGHT
TARRANT COUNTY
TAX ASSESSOR-COLLECTOR

@TarrantCoTax
 Facebook.com/TarrantCountyTAC

100 E. Westisford, Fort Worth, TX 76166
 (817) 894-1100
 e-mail: taxoffice@tarrantcounty.com
 web: www.tarrantcounty.com

DATE: 10/25/2017
ACCOUNT: 00003975576
LEGAL: JOHNSON, H C SURVEY ABSTRACT
 870 TRACT 38 AG
OWNER: ADL DEVELOPMENT LP
PARCEL ADDRESS: 0000179 INTERMODAL PKWY N
EXEMPTIONS: AG002

2017 TAX STATEMENT

e-STATEMENT

IMPORTANT - Legislative Changes
 5 - Year Comparison on back of statement.
IMPORTANTE - Cambios Legislativos
 Comparación de 5 - Años detrás del Cobro.

V1.0

LAND VALUE 1,832	AG DEFERRED VAL 894,073	APPRAISED VAL 895,905				
TAXING ENTITIES	APPRAISED VALUE	EXEMPTION AMOUNT	TAXABLE VALUE	TAX RATE PER \$100	BASE TAX	TAXES DUE CURRENTLY
HASLET CITY	895,905	894,073	1,832	0.333044	6.10	6.10
TARRANT COUNTY	895,905	894,073	1,832	0.244000	4.47	4.47
T C HOSPITAL	895,905	894,073	1,832	0.224429	4.11	4.11
T C COLLEGE	895,905	894,073	1,832	0.140080	2.57	2.57
TOTAL TAXES						17.25

TOTAL AMOUNT DUE 17.25
INCLUDES PAYMENTS RECEIVED

Pay by Credit Card or eCheck



In person only



Pay online with these cards
 Or by phone at 817-894-1119

****YOUR CHECK WILL BE CONVERTED INTO AN ELECTRONIC FUND TRANSFER****

ADL DEVELOPMENT LP
 AG002

RETURN WITH PAYMENT

00003975576
 00003975576

PAY THIS AMOUNT
\$17.25
 Delinquent after: 10/31/2018

00003975576 2017
 72585470
 72585470

IF PAID IN	AMOUNT DUE
NOV	17.25
DEC	17.25

H 8.62

ADL DEVELOPMENT LP C/O HILLWOOD
 ATTN LAURIE D ZIRPEL
 9800 HILLWOOD PKWY STE 300
 FORT WORTH, TX 76177

Make checks payable to:
RON WRIGHT, TAX-ASSESSOR-COLLECTOR

PO BOX 981018
 FORT WORTH TX 76161-0018

00003975576 0000001725 0000001725 0000001725 102520170000

Please review this tax notice. This tax statement includes only the property taxes which are collected by the Denton County Tax Office. There may be other taxes due on your property that are not collected by the Denton County Tax Office. This tax statement reflects the amount due for the 2017 tax year only. Delinquent taxes are not included in this statement. If payment is sent by first class-mail and properly addressed with postage prepaid, the post office cancellation mark is considered the date of payment.



MICHELLE FRENCH
 DENTON COUNTY TAX A/C
 P O BOX 80223
 DENTON, TX 76202
 (840) 346-3800

2017 TAX E-STATEMENT

PROPERTY ACCOUNT NUMBER: **03976576TAR**

32,212,204-1

STATEMENT DATE:	10/25/2017	LEGAL:	JOHNSON, H C SURVEY ABSTRACT 870 TRACT 35 AG
OWNER:	ADL DEVELOPMENT LP	PROPERTY LOCATION:	0000179 INTERMODAL FWY N
MAILING ADDRESS:	G/O HILLWOOD ATTN LAURIE D ZIRPEL 8800 HILLWOOD PKWY STE 300 FORT WORTH TX 76177	ACRES:	19.900

AG DEFERRED VAL	AG LAND	TOTAL MARKET VALUE
884,073	1,832	895,905

TAXING ENTITY	EXEMPTION AMOUNT	TAXABLE VALUE AFTER EXEMPTIONS	TAX RATE PER \$100	BASE TAX	PENALTY & INTEREST
NORTHWEST ISD	884073.00	1832.00	1.490000	27.30	0.00
SUBTOTAL				27.30	0.00
TOTAL AMOUNT DUE				27.30	

*IF YOU ARE RECEIVING THE 'OVER 65' OR '100% DISABILITY' EXEMPTION, YOU QUALIFY FOR INSTALLMENT PAYMENTS. CALL THIS TAX OFFICE FOR MORE INFORMATION.

* Detach on perforation and return this portion with your check payable to:

DENTON COUNTY
 P O BOX 80223
 DENTON, TX 76202
 (840) 346-3800

TOTAL AMOUNT DUE
\$27.30

** AMOUNT DUE ON RECEIPT **

Please make check payable to: **Michelle French, Tax A/C**

ACCOUNT: 03976576TAR 2017

ADL DEVELOPMENT LP
 LAURIE D ZIRPEL
 8800 HILLWOOD PKWY STE 300
 FORT WORTH TX 76177

G/O HILLWOOD ATTN

IF PAID IN	AMOUNT DUE
NOV	27.30
DEC	27.30
JAN	27.30
FEB	29.21
MAR	29.78
APR	30.30



RON WRIGHT
TARRANT COUNTY
TAX ASSESSOR-COLLECTOR

TarrantCoTax
 Facebook.com/TarrantCountyTAC

100 E. Weatherford, Fort Worth, TX 76188
 (817) 884-1100
 e-mail: taxoffice@tarrantcounty.com
 web: www.tarrantcounty.com

DATE: 10/25/2017
ACCOUNT: 00040784967
LEGAL: HARMON, C R SURVEY ABSTRACT
 737 TRACT 1F
OWNER: ADL DEVELOPMENT LP
PARCEL ADDRESS: 0000178 INTERMODAL PKWY N
EXEMPTIONS: AG002

2017 TAX STATEMENT

e-STATEMENT

IMPORTANT - Legislative Changes
 5 - Year Compression on back of statement.
IMPORTANTE - Cambios Legislativos
 Compresión de 5 - Años atrás del Cobro.

V1.0

LAND VALUE 287	AG DEFERRED VAL 140,113	APPRAISED VAL 140,400				
TAXING ENTITIES	APPRAISED VALUE	EXEMPTION AMOUNT	TAXABLE VALUE	TAX RATE PER \$100	BASE TAX	TAXES DUE CURRENTLY
HASLET CITY	140,400	140,113	287	0.333044	0.96	0.96
TARRANT COUNTY	140,400	140,113	287	0.244000	0.70	0.70
T C HOSPITAL	140,400	140,113	287	0.224429	0.64	0.64
T C COLLEGE	140,400	140,113	287	0.140090	0.40	0.40
TOTAL TAXES						2.70

TOTAL AMOUNT DUE 2.70
INCLUDES PAYMENTS RECEIVED

Pay by Credit Card or eCheck



Pay online with these cards
 Or by phone at 817-254-2310

****YOUR CHECK WILL BE CONVERTED INTO AN ELECTRONIC FUND TRANSFER****

ADL DEVELOPMENT LP
 AG002

00040784967
 00040784967

RETURN WITH PAYMENT
PAY THIS AMOUNT \$2.70
 Delinquent after: 1/31/2018

00040784967 2017
 72585473
 72585473

IF PAID IN	AMOUNT DUE
NOV	2.70
DEC	2.70

H1.35

ADL DEVELOPMENT LP C/O HILLWOOD
 ATTN LAURIE D ZIRPEL
 9800 HILLWOOD PKWY STE 300
 FORT WORTH, TX 76177

Make checks payable to:
RON WRIGHT, TAX-ASSESSOR-COLLECTOR

PO BOX 961018
 FORT WORTH TX 76181-0018

00040784967 000000270 000000270 000000270 1025201700000

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MICHELLE FRENCH
 DENTON COUNTY TAX A/C
 P O BOX 68223
 DENTON, TX 76202
 (940) 342-3559

2017 TAX E-STATEMENT

PROPERTY ACCOUNT NUMBER: **40784967TAR**

32212,208-1

STATEMENT DATE:	10/25/2017	LEGAL:	HARMON, C R SURVEY ABSTRACT 737 TRACT 1F
OWNER:	ADL DEVELOPMENT LP		
MAILING ADDRESS:	C/O HILLWOOD ATTN LAURIE D ZIRPEL 8885 HILLWOOD PKWY STE 300 FORT WORTH TX 76177	PROPERTY LOCATION:	0000179 INTERMODAL PKWY N ACRES: 3.12

AG DEFERRED VAL	AG LAND	TOTAL MARKET VALUE
140,113	287	140,400

TAXING ENTITY	EXEMPTION AMOUNT	TAXABLE VALUE AFTER EXEMPTIONS	TAX RATE PER \$100	BASE TAX	PENALTY & INTEREST
NORTHWEST ISD	140113.00	287.00	1.490000	4.28	0.00
SUBTOTAL				4.28	0.00
TOTAL AMOUNT DUE				4.28	

IF YOU ARE RECEIVING THE 'OVER 65' OR '100% DISABILITY' EXEMPTION, YOU QUALIFY FOR INSTALLMENT PAYMENTS. CALL THIS TAX OFFICE FOR MORE INFORMATION.

* Debit on presentation and return this portion with your check payable to:

DENTON COUNTY
 P O BOX 68223
 DENTON, TX 76202
 (940) 342-3559

TOTAL AMOUNT DUE
\$4.28

** AMOUNT DUE ON RECEIPT **

Please make check payable to: **Michelle French, Tax A/C**

ACCOUNT: 40784967TAR 2017

ADL DEVELOPMENT LP
 LAURIE D ZIRPEL
 8885 HILLWOOD PKWY STE 300
 FORT WORTH TX 76177

C/O HILLWOOD ATTN

PAID IN	AMOUNT DUE
NOV	4.28
DEC	4.28
JAN	4.28
FEB	4.58
MAR	4.57
APR	4.75



Survey Application Limited

Legend

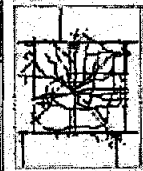
Deeds, Boundary RECONSIDERATION TYPE

- Parcel Line
- Parcel Eject Line
- Fence Road
- PDV
- Metres
- Accretion
- Eject
- Eject
- Eject
- Eject
- Eject

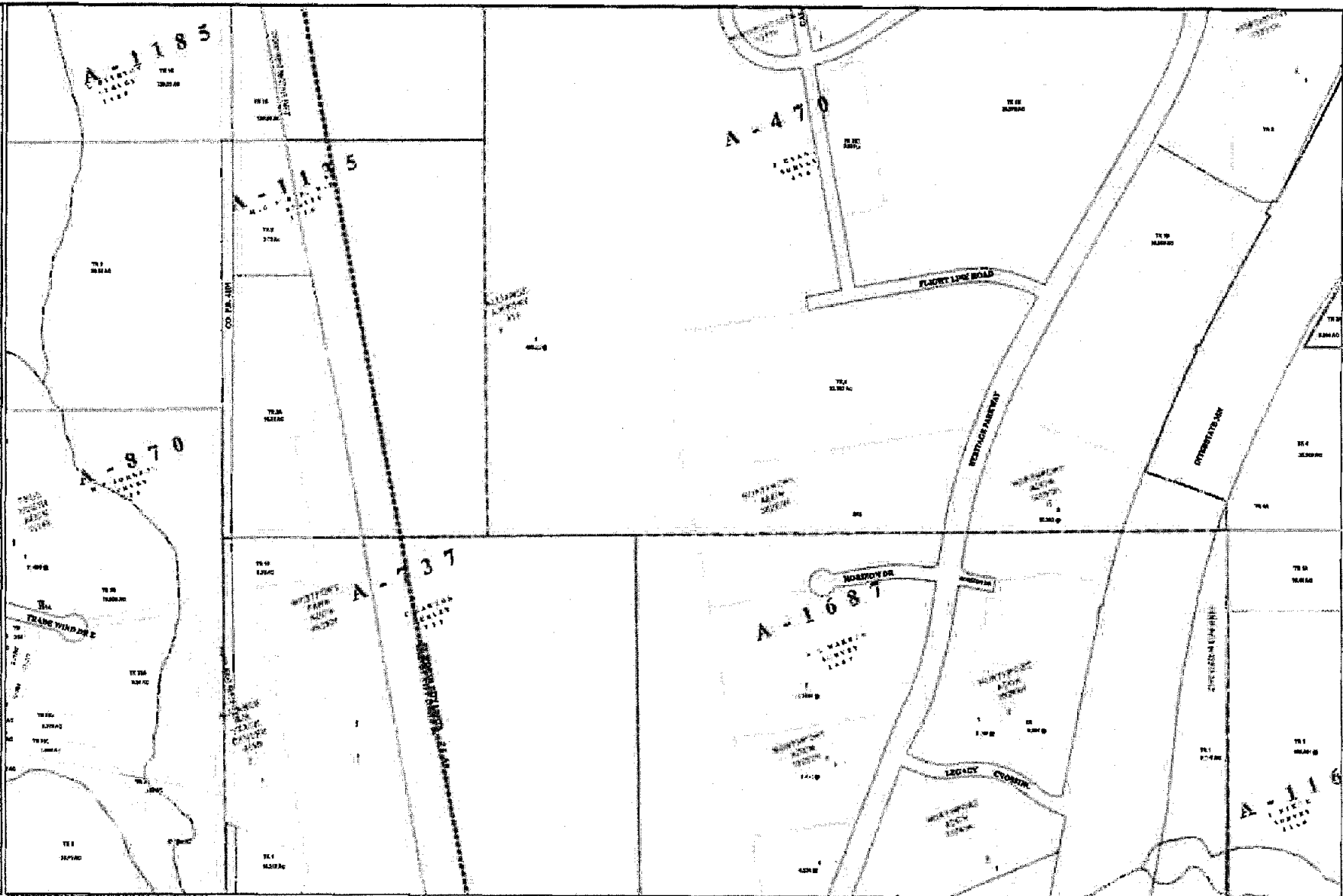


Map created on: 4/13/2016

1 inch = 400 feet



www.tad.ca



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 WARRANT FOR OR BE SUBJECT TO ANY LEGAL, ENGINEERING, OR SURVEYING PROFESSION.
 IT DOES NOT REPRESENT AN UNDEVELOPED SURVEY AND REPRESENTS ONLY THE
 APPROXIMATE LOCATIONS OF PROPERTY BOUNDARIES.

EXHIBIT "D"
DESCRIPTION OF PREMISES

DESCRIPTION OF PREMISES

**Description of
2.902 Acres of Land**

BEING that certain tract of land situated in the C. Harmon Survey, Abstract Number 737 and the H. Johnson Survey, Abstract Number 870, City of Haslet, Tarrant County, Texas and being a portion of the remainder of that tract of land described by deed to ADL Development, L.P., (former known as ADL Development, Ltd., formerly known as Hillwood/2470, Ltd., formerly known as Alliance Airport, Ltd.) recorded in Volume 9279, Page 377 of County Records, Tarrant County, Texas and being more particularly described by metes and bounds as follows;

BEGINNING at the easterly northeast corner Lot 1, Block 1, Alliance Air Trade Center, an addition to the City of Haslet recorded in Cabinet "A", Slide 9441 said County Records and being in the west line of Lot 1, Block 1, Westport Park Addition, an addition to the City of Haslet recorded in Cabinet "A", Slide 8543 said County Records;

THENCE S 79°34'04"W, 264.50 feet, with the north line of said Lot 1, Block 1, Alliance Air Trade Center;

THENCE N 10°25'56"W, continuing with said north line, at 423.03 feet the westerly northeast corner of said Lot 1, Block 1 Alliance Air Trade Center, in all 478.00 feet;

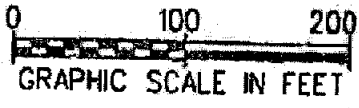
THENCE N 79°34'04"E, 264.50 feet;

THENCE S 10°25'56"E, at 54.97 the feet, the northerly northwest corner of said Lot 1, Block 1, Westport Park Addition, in all 478.00 feet, to the **Point of Beginning** and containing 126,431 square feet or 2.902 acres of land more or less.

"Integral parts of this document"

1. Description
2. Exhibit

TERS Firm Reg No. 0177700

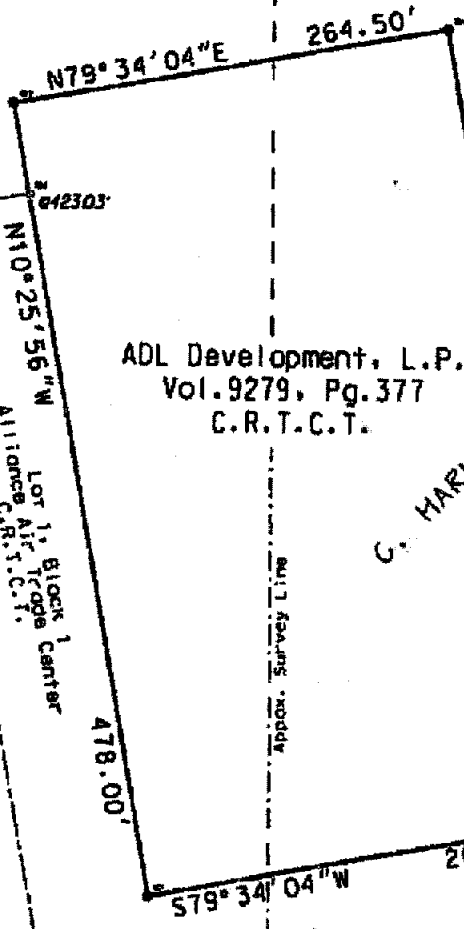


"Integral parts of this document"
1. Description
2. Exhibit

DESCRIPTION OF PREMISES

H. JOHNSON SURVEY
ABST. 870

ADL Development, L.P.
Vol. 9279, Pg. 377
C.R.T.C.T.



Lot 1, Block 1
Westport Park Addition
Cob. A. Sigs. 8543
C.R.T.C.T.

Lot 1, Block 1
Alliance Air Trade Center
C.R.T.C.T.

C. HARMON SURVEY
ABST. 737

Lot 1, Block 1
Alliance Air Trade Center
Cob. A. Sigs. 9447
C.R.T.C.T.

An Exhibit Showing

2.902 Acres

Situated in the C. Harmon Survey, Abstract Number 737
and the H. Johnson Survey, Abstract Number 870,
Tarrant County, Texas

PELTON
LAND SOLUTIONS
5700 HILLWOOD PARKWAY, SUITE 250
FORT WORTH, TEXAS 76117 FAX 817-352-2158

JOB # HWA17088.10	DRAWN BY:	CHECKED BY: TAB	DATE: 11-7-2017	PAGE # 2 of 2
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ACFR 7078

EXHIBIT "E"
DESCRIPTION OF IMPROVEMENTS

DESCRIPTION OF IMPROVEMENTS

75,000 total square feet of concrete slant-style hanger space consisting of:

- 50,000 square feet for multi-bay aircraft maintenance, repair and overhaul (MRO);
- 15,000 square feet for back shops (tire shop, sheet metal, battery shop, parachute shop and life support); and
- 10,000 square feet for office, logistics and flight operations.

Various aircraft with situs in Haslet, Tarrant County, Texas, with taxable valuation in excess of \$100,000,000.

EXHIBIT "F"

TARRANT COUNTY TAX ABATEMENT POLICY AND GUIDELINES



TARRANT COUNTY

TAX ABATEMENT POLICY 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) 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.**
- (b) 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.**
- (c) 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.**
- (d) 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.**
- (e) 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.**
- (f) 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.**
- (g) 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.



RESOLUTION

PARTICIPATION IN TAX ABATEMENT FOR AIRBORNE TACTICAL ADVANTAGE COMPANY, LLC, A TEXTRON COMPANY, HASLET, TX

WHEREAS, Airborne Tactical Advantage Company, LLC, a Textron Company, a Colorado limited liability corporation, acting by and through its authorized officers (hereafter referred to as "Company"), plans to construct a new maintenance and operations hanger on real property under its ownership, more particularly described in the Tax Abatement Agreement attached hereto and incorporated herein by reference ("Real Property"); and

WHEREAS, the Real Property is located within Tarrant County (the "County"), a political subdivision of the State of Texas, which Real Property is located within the City of Haslet; and

WHEREAS, the Real Property and all improvements and tangible personal property thereon, whether now existing or hereinafter to be constructed or installed, are subject to ad valorem taxation by the City of Haslet and the County; and

WHEREAS, the City Council of the City of Haslet has adopted Ordinance No. 001-2018 establishing Tax Abatement Reinvestment Zone No. 2, City of Haslet, and has approved and executed a Tax Abatement Agreement as it relates to improvements made on the Real Property; and

WHEREAS, the Tax Abatement Agreement (the "Agreement") between Tarrant County and Company, provides for the construction and installation of certain improvements at an estimated cost of \$117,000,000 to be completed by December 31, 2019; and

WHEREAS, the Agreement with the Company is conditioned upon specific real and personal property improvements, continued operation of the facility and the addition of new jobs; and


WHEREAS, the Commissioners Court has been requested by the Company to take the steps required pursuant to the Code to permit tax abatement with respect to that portion of the Real Property 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

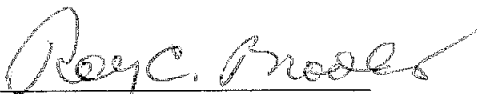
WHEREAS, the County has approved the Tarrant County Tax Abatement Policy Statement Guidelines and Criteria for granting tax abatement in reinvestment zones in Tarrant County;

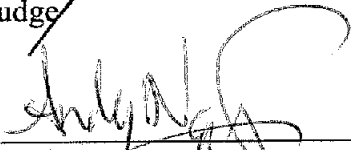
NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Commissioners Court of Tarrant County, Texas:

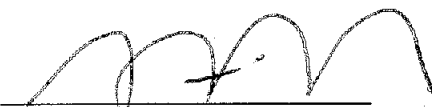
1. That all recitals set forth in the preamble are hereby found to be true and correct;
2. That the Commissioners Court shall have prudently reviewed each tax abatement agreement approved by a municipality having taxing jurisdiction with respect to property located in the County and within a reinvestment zone designated by such municipality or the state; and according to the here 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 certain Tarrant County taxes be and is hereby approved; that the County and its Commissioners Court hereby agree to enter into the Agreements 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).

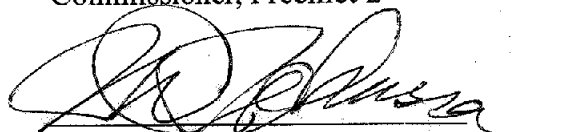
PASSED AND APPROVED, IN OPEN COURT, this 13th day of February, 2018, through Court Order No. 177040.


B. Glen Whitley, County Judge


Roy C. Brooks
Commissioner, Precinct 1


Andy H. Nguyen
Commissioner, Precinct 2


Gary Fickes
Commissioner, Precinct 3


J.D. Johnson
Commissioner, Precinct 4

THE STATE OF TEXAS §

Tax Abatement Agreement

COUNTY OF TARRANT §

THIS Agreement is executed by and between **AIRBORNE TACTICAL ADVANTAGE COMPANY, LLC**, a Textron Company, a Colorado limited liability corporation, acting by and through its authorized officer (hereafter referred to as "**COMPANY**"), 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 tax abatement; and

WHEREAS, the Commissioners Court has adopted a Policy Statement for Tax Abatement, herein contained as **Exhibit "F"**, which constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the COUNTY; and

WHEREAS, the Premises (as hereafter defined) is, and the Eligible Property (as hereafter defined) will be, located in Reinvestment Zone No. 2 in the City of Haslet, Texas, established by Ordinance No. 001-2018 (the "Ordinance") adopted on January 2, 2018, and further described in **Exhibit "A"**, being a commercial reinvestment zone for the purpose of tax abatement as authorized by Chapter 312 of the Texas Tax Code, as amended (the "Zone"); and

WHEREAS, on February 5, 2018, the City Council of the City of Haslet approved and authorized the execution and delivery of a Tax Abatement Agreement as to the Eligible Property thereon, attached hereto as **Exhibit "B"**; and

WHEREAS, COMPANY submitted an application for tax abatement to the County concerning the contemplated Improvements to the Premises (the "Application for Tax Abatement"), attached hereto and incorporated herein as **Exhibit "C"**; and

WHEREAS, COMPANY is or will be the owner of real property located within the Zone, more specifically described in **Exhibit "A"**, on which it plans to construct a new maintenance and operations hanger at the Alliance Airport; and

WHEREAS, the Commissioners Court finds that the contemplated use of the Premises, the Eligible Property and the terms of this Agreement are consistent with encouraging development within the Zone;

NOW THEREFORE, the COUNTY and COMPANY, for and in consideration of the mutual premises and promises contained herein, do hereby agree, covenant and contract as set forth below:

I.
Definitions

- A. "Added Market Value" is defined as the market value of Eligible Property on the Premises above the Base Year Value.
- B. "Base Year Value" is defined as the tax year 2018 taxable value of real and personal property located on the Premises in City of Haslet Reinvestment Zone No. 2 on January 1, 2018, as finally determined by the Tarrant Appraisal District.
- C. "Construction Costs" are defined as site development and building costs, including, without limitation, actual site preparation and development and construction costs, signage costs, contractor fees, the costs of labor, supplies and materials, materials testing, engineering fees, architectural fees and other design, consulting, construction management and professional costs, and contractor, development and permitting fees expended directly in connection with the construction of the Real Property Improvements and landscape improvements.
- D. "DBE Companies" are defined as companies who are a Disadvantage Business Enterprise (DBE), 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 D.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 D.i. above, and in which minority or women partners have proportionate interest in the control, operation, and management of the partnership affairs.
 - 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 D.i. above.
- E. "Effective Date" is defined as the date as of which both the COUNTY and COMPANY have executed this Agreement.
- F. "Eligible Property" is defined as Real Property Improvements and Personal Property Improvements constructed, delivered to, installed or placed on the Premises in

conjunction with the construction and operation of the new facility, more specifically described in **Exhibit "E"**.

- G. "Job" is defined as a permanent, full-time employment position with COMPANY on the Premises that results in employment of at least forty-hours per week per position. Part-time positions shall not be included in this definition. Outsourced or contracted positions shall not be included in this definition.
- H. "Personal Property Improvements" are defined as tangible personal property (except inventory or supplies) delivered to, installed or located on the Premises.
- I. "Premises" are defined as the real property (land and improvements) as described in **Exhibit "D"**, within City of Haslet Reinvestment Zone No. 2, owned by COMPANY.
- J. "Real Property Improvements" are defined as improvements to the Premises, and shall include structures or fixtures erected or affixed to the Premises.
- K. "Supply and Service Expenditures" are defined as those local discretionary expenditures made by COMPANY directly for the operation and maintenance of Premises and any improvements thereon, excluding utility service costs.
- L. "Tarrant County Companies" are defined as any corporation, partnership, limited liability company or sole proprietorship maintaining an addressed office location within Tarrant County from which such entity conducts all or a substantial part of its business operations within Tarrant County.
- M. "Zone" as used herein is defined as the real property located in City of Haslet Reinvestment Zone No. 2 and described by City of Haslet Ordinance No. 001-2018, substantially in the form included within **Exhibit "A"**.

II. **General Provisions**

- A. The Premises are not in an improvement project financed by tax increment bonds.
- B. Neither the Premises nor any of the Improvements covered by this Agreement are owned or leased by any member of the Commissioners Court, or any member of the governing body of any taxing units joining in or adopting this Agreement.

III. **Improvement Conditions and Requirements**

- A. COMPANY shall cause the improvement of the Premises with completion of Eligible Property improvements in accordance with this Agreement.
- B. COMPANY shall provide for the completion of combined Real Property Improvements and Personal Property Improvements, as set forth in **Exhibit "E"**, no later than December 31, 2019, which Improvements upon completion shall have a cumulative value appraised by the Tarrant County Appraisal District of not less than One Hundred Seventeen Million Dollars (\$117,000,000). COUNTY and COMPANY acknowledge and agree that COMPANY's Personal Property Improvements may depreciate over time

and may be replenished by COMPANY as needed; this may have the effect of reducing the value of COMPANY's taxable Personal Property Improvements over time. COMPANY shall maintain a minimum taxable value of the Eligible Property of at least One Hundred Million Dollars (\$100,000,000) in each year throughout the term of this Agreement.

- C. COMPANY shall provide for the completion of the Real Property Improvements consisting of an approximate 75,000 square foot new airport hanger and related infrastructure improvements as further described in **Exhibit "E"**, no later than December 31, 2019, having minimum Construction Costs upon completion of not less than Seven Million Dollars (\$7,000,000).
- D. COMPANY shall expend or cause to be expended at least fifteen percent (15%) of all Construction Costs of Eligible Real Property Improvements with DBE Companies.
- E. COMPANY shall expend or cause to be expended at least twenty-five percent (25%) of all Construction Costs of Eligible Real Property Improvements with Tarrant County companies.
- F. COMPANY shall expend or cause to be expended at least twenty-five percent (25%) in annual Supply and Service Expenditures with Tarrant County Companies.
- G. COMPANY shall expend or cause to be expended at least fifteen percent (15%) in annual Supply and Service Expenditures with DBE companies.
- H. COMPANY will provide for and maintain employment of a least sixty (60) Jobs on the Premises not later than December 31, 2019, with a minimum annual payroll of at least Five Million Dollars (\$5,000,000).
- I. COMPANY shall operate and maintain on the Premises the Eligible Property as an aircraft maintenance hanger and operations support and training facility for the duration of this Agreement.
- J. All proposed Eligible Property shall conform to the applicable building codes, zoning ordinances and all other ordinances and regulations of the City of Haslet and/or Tarrant County.
- K. The Premises and all Improvements must conform to all applicable state and federal laws and regulations to air pollution and air quality.

IV. **Abatement Allowed**

- A. As set forth in this section, tax abatement allowed herein shall be for Tarrant County and Tarrant County Hospital District ad valorem real property and personal property taxes, relative to Added Market Value of the Eligible Property located on the Premises, subject to the following terms and conditions.
- B. If the Improvement Conditions and Requirements set forth in Section III herein and specified below as to each level of abatement are met, COUNTY agrees for each tax year during the Abatement Term to exempt from taxation up to fifty percent (50%) of

the Added Market Value of the Eligible Property in accordance with the various requirements established by terms of this Agreement and to be calculated as set forth below.

1. Base Abatement - If COMPANY (i.) improves the Premises and adds the required Eligible Property to the Premises as set forth in Section III A., B., and C., (ii.) adds employment as set forth in Section III. H., (iii.) employs Tarrant County residents for a minimum twenty-five percent (25%) of all Jobs, (iv.) makes expenditures for Construction Costs and annual Supply and Service Expenditures as set forth in Section III. D., E., F. and G., then COUNTY shall exempt from taxation forty percent (40%) of the Added Market Value of the Eligible Property.

Dollars spent with DBE Companies may also count as dollars spent with Tarrant County Companies, and vice versa, for the purposes of this Section if the DBE Company is also a Tarrant County Company as defined herein.

Failure to meet the minimum requirements set forth in Section III. B and C. is a condition of Default and shall result in the termination of this Agreement in accordance with Section VII. Failure to meet the requirements for Jobs, Tarrant County resident employment, the use of DBE and Tarrant County Companies for Construction and Supply and Service Expenditures, and maintenance of taxable Eligible Improvement value, as set forth in Section III, shall be cause for a reduction in the percentage abatement for any year in which the requirements are not met, as set forth in Section IV.B.2.

2. Reduction to Abatement

- a. Employment and Spending Deficiencies

In any year that employment and spending levels do not meet the minimum requirements set forth in Section IV.B.1., the COUNTY shall reduce the Base Abatement percentage for that year (or for each year of the Abatement Term, as specified), as set forth below. Each reduction is separate and individual and may be cumulative in any year.

- i. If the actual number of Jobs falls below the minimum Jobs requirement of sixty (60) Jobs, the Base Abatement percentage will be reduced by one percent (1%) for each one (1) Job deficiency, for that year.

(Example: Total Jobs of 58, would provide a 2% reduction in abatement for that year.)

- ii. If less than twenty-five percent (25%) of all Jobs are filled by Tarrant County residents, COMPANY will receive a ten percent (10%) reduction from the Base Abatement for that year.
- iii. If spending with DBE Companies is less than fifteen percent (15%) of total Construction Costs, COMPANY will receive a reduction of one percent (1%) from the Base Abatement for each one percent (1%)

spending deficiency, up to a maximum reduction of five percent (5%), for the life of the abatement.

- iv. If spending with Tarrant County Companies is less than twenty-five percent (25%) of total Construction Costs, COMPANY will receive a reduction of one percent (1%) from the Base Abatement for each one percent (1%) spending deficiency, up to a maximum reduction of five percent (5%), for the life of the abatement.
- v. If spending with Tarrant County or DBE Companies for annual Supply and Services Expenditures is less than the minimum requirements set forth in Section III. F. and G., COMPANY will receive a one percent (1%) reduction in the Base Abatement percentage for each one percent (1%) deficiency from the minimum requirement, for that year.

b. Taxable Value Deficiency

In any year that the total taxable value of the Eligible Property falls below One Hundred Million Dollars (\$100,000,000), as set forth in Section III. B., COMPANY will receive a reduction of ten percent (10%) from the Base Abatement for each Ten Million Dollars (\$10,000,000) in valuation deficiency. A total taxable value of the Eligible Property below Seventy Million Dollars (\$70,000,000) shall reduce the overall tax abatement percentage to zero percent (0%) for that year.

(Example: \$90,000,000 in total taxable value would provide 10% reduction in abatement for that year.)

3. Additional Percentage Abatement

In any year that COMPANY is eligible to receive all or a portion of the Base Abatement under Sections IV.B.1. and 2., COMPANY may receive up to an additional ten percent (10%) ad valorem tax abatement in any year (or for each year of the Abatement Term, as specified below) that COMPANY meets one or more of the additional performance requirements as set forth below.

- a. For total Jobs above sixty (60), COMPANY will receive an additional one percent (1%) abatement for each two (2) Jobs added, up to a maximum of ten percent (10%) additional abatement for that year.

(Example: Total Jobs of 72 Jobs would provide for an additional 6% abatement for that year.)

- b. For employment of Tarrant County residents for more than sixty percent (60%) of all Jobs, COMPANY will receive an additional three percent (3%) abatement for that year.
- c. For spending with DBE Companies for thirty percent (30%) or greater of the total Construction Costs of the Eligible Real Property Improvements,

COMPANY will receive an additional three percent (3%) abatement for each year of the Abatement Term.

- c. For spending with Tarrant County Companies for forty percent (40%) or greater of the total Construction Costs of the Eligible Real Property Improvements, COMPANY will receive an additional three percent (3%) abatement for each year of the Abatement Term.

- C. This Agreement is effective beginning the Effective Date and shall expire simultaneously upon expiration of the Abatement Term, as defined below, unless terminated earlier in accordance with the terms and conditions of the Agreement. The term for which COMPANY may receive an abatement shall commence on January 1 of the year following the year in which the certificate of occupancy is issued by the City of Haslet for the Eligible Property improvements and shall expire on December 31 of the tenth (10th) year following the commencement date.

V.

Reports, Audits and Inspections

- A. Annual Certification and Reports - Pursuant to state law, COMPANY shall certify annually to taxing units that COMPANY is in compliance with the terms of the tax abatement agreement, and shall provide taxing units with reports and records reasonably necessary to support each year of the agreement, as follows:
 1. Certification - COMPANY shall complete and certify a Tax Abatement Evaluation Report to be provided by COUNTY for each year of the tax abatement agreement, to be due annually not later than April 30. This certification shall include information supporting job creation and retention requirements, reports on Eligible Property values, costs, and spending on construction and supply and services, a narrative description of the project's progress, and other submittals required by the tax abatement agreement.
 2. Eligible Property Reports - At a minimum, COMPANY shall make available upon request the following information annually on all Eligible Property for which COMPANY will seek tax abatement:
 - a. Property description;
 - b. Asset number/description;
 - c. Payment date for property located on Premises; and
 - d. Cost.
 3. Eligible Property Reports for Projects in Progress - COMPANY shall provide County, upon request, information on projects in progress for which fixed asset numbers have not been assigned. The report shall provide information in sufficient detail to identify the Eligible Property to be installed on the Premises. At a minimum, this information shall include:
 - a. Description of materials, machinery and equipment;
 - b. Vendor name, invoice date, invoice number and invoice amount; and
 - c. Payment date for property to be located on Premises.

4. Reports on Equipment Replaced or Removed - Additionally, COMPANY agrees to provide COUNTY, upon request, information on Eligible Property for which COMPANY has received tax abatement and which has been replaced or removed from the Premises. At a minimum, this information shall include:
 - a. Property description;
 - b. Asset number/description; and
 - c. Approximate date of disposal.
 5. Report Upon Project Completion - Within one-hundred eighty (180) days of completion of the Eligible Property, COMPANY shall provide COUNTY with a final Eligible Property Report that shall describe all Eligible Property Improvements for which the COMPANY is granted tax abatement. The report may contemplate a reconciliation of the general ledger to the personal property rendition to satisfy this requirement.
 6. Additional Reports - Additionally, throughout the term of this agreement, COMPANY shall furnish COUNTY any additional records and information reasonably requested to support the reports required by this agreement.
- B. Right to Audit Books and Records - COUNTY shall have the right to audit the books and records related to the Eligible Property and supporting the Eligible Property reports. COUNTY shall notify COMPANY in advance in writing of their intent to audit in order to allow COMPANY adequate time to make such books and records available.
- C. Inspection - At all times throughout the term of this Agreement, COUNTY and the Tarrant Appraisal District (TAD) shall have reasonable access to the Premises for the purpose of inspecting the Premises to ensure that the Eligible Property is constructed, installed, maintained and operated in accordance with the terms of this Agreement. All inspections shall be conducted in a manner as to not unreasonably interfere with the installation of the Eligible Property or the operation of the Premises. The inspections shall be conducted within a reasonable time period after notice by COUNTY or TAD to COMPANY, provided, however, that all inspections shall be made with one (1) or more representative(s) of COMPANY present and in accordance with the safety standards of COMPANY.

VI. **Use of Premises**

The Premises at all times shall be used in a manner that is consistent with the City of Haslet zoning ordinances and consistent with the general purpose of encouraging development within the Zone. Both parties acknowledge that the use of the Premises for a maintenance and operations hanger in accordance with this Agreement is consistent with such purposes.

VII. **Breach and Recapture**

- A. Breach - A breach of this Agreement may result in termination or modification of this Agreement and recapture by COUNTY of taxes which otherwise would have been paid since the execution of this Agreement to COUNTY without the benefit of the Abatement, as set forth in Sections VII(B) and VII(C). Penalty and interest on

recaptured taxes will be charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas, and such taxes shall become due sixty (60) days following notice of breach and after the expiration of any cure period as provided in Section VII(B). The following conditions shall constitute a breach of this Agreement:

1. COMPANY terminates the use of the Premises as an aircraft maintenance hanger and operations support and training facility at any time during the term of the Agreement; or
 2. COMPANY fails to meet the Abatement Conditions and Requirements as specified in Section III, A., B., C., or I, herein; or
 3. COMPANY allows its ad valorem taxes on any property located within Tarrant County owed to COUNTY to become delinquent.
- B. Notice of Breach - In the event that COUNTY makes a reasonable determination that COMPANY has breached this Agreement, then COUNTY shall give COMPANY written notice of such default. COMPANY has sixty (60) days following receipt of said written notice to reasonably cure such breach, or this Agreement may be terminated by COUNTY, and recapture of abated taxes may occur. Notice of default shall be in writing and shall be delivered by personal delivery or certified mail to COMPANY at its address provided in Section IX of this Agreement. It shall be the duty of COUNTY to determine whether to require recapture and payment of abated taxes and to demand payment of such.
- C. Recapture - Should COMPANY commit a breach of this Agreement according to items A(1), (2) or (3) of this Section VII, and COMPANY does not cure as provided in VII.B. above during the cure period, COUNTY may terminate this Agreement and recapture taxes abated for all years during which the breach is committed.
- D. Tax Lien Not Impaired - It is expressly agreed and acknowledged between the parties to this Agreement that nothing in this Agreement shall be deemed or construed to affect the lien for taxes against the property established by Section 32.01 of the Tax Code of the State of Texas. Such lien shall secure the payment of all taxes, penalties and interest ultimately imposed on the property, including any taxes abated and subject to recapture under this Agreement. Any such lien may be fully enforced pursuant to the provisions of the Code. For purposes of this Subsection, "property" refers to the Premises and Eligible Property described herein.

VIII.

Assignment and Effect of Sale or Lease of Property

COMPANY may assign this Agreement and all or any portion of the benefits provided hereunder to an Affiliate, without the consent of COUNTY, provided that COMPANY provides COUNTY with written notice of such assignment, which notice shall include (a) the name and full contact information for the Affiliate, and (b) written agreement from an Affiliate assuming all terms and conditions of COMPANY under this Agreement. For purposes of this Agreement, an "Affiliate" means all entities, incorporated or otherwise, under direct or indirect common control with COMPANY, controlled by COMPANY, or controlling COMPANY. For purposes of this definition, "control" means ten percent (10%) or more ownership determined by either

value or vote. Except as provided herein, the abatement granted by this Agreement shall not be otherwise assignable to any new owner or new lessee of all or a portion of the Premises or Eligible Property unless such assignment is approved in writing by the COUNTY.

IX.
Notice

All notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail postage prepaid or by hand delivery:

COMPANY: Airborne Tactical Advantage Company, LLC,
a Textron Company
Attn: President
1001 Providence Blvd.
Newport News, VA 23602

COUNTY: Tarrant County
County Administrator's Office
100 E. Weatherford
Fort Worth, Texas 76196

X.
Commissioners Court Authorization

This Agreement was 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.

XI.
Severability

In the event any section, subsection, paragraph, sentence, phrase or word 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.

XII.
Estoppel Certificate

Any 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. The certificate, which if requested will be addressed to a subsequent purchaser or assignee of COMPANY, 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 same), the remaining term of this Agreement, the levels and remaining term of the abatement in effect and such other matters reasonably requested by the party(ies) to receive the certificates.

XIII.
Company's Standing

COMPANY, as a party to this Agreement, shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions or Commissioners Court actions authorizing same, and COMPANY shall be entitled to intervene in said litigation.

XIV.
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's District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas.

XV.
Indemnification

It is understood and agreed between the parties that the COMPANY, in performing its obligations hereunder, is acting independently, and COUNTY assumes no responsibility or liability to third parties in connection therewith, and COMPANY agrees to indemnify and hold harmless COUNTY from any such responsibility or liability. It is further understood and agreed among the parties that COUNTY, in performing its obligations hereunder, is acting independently, and the COMPANY assumes no responsibility or liability to third parties in connection therewith, and COUNTY agrees to the extent allowed by law to indemnify and hold harmless COMPANY from any such responsibility or liability.

XVI.
Force Majeure

It is expressly understood and agreed by the parties to this Agreement that the parties shall not be found in default of this Agreement if any party's failure to meet the requirements of this Agreement is delayed by reason of war, Act of God, fire or other casualty of a similar nature.

XVII.
Knowing Employment of Undocumented Workers

COMPANY acknowledges that the COUNTY is required to comply with Chapter 2264 of the Texas Government Code, enacted by House Bill 1196 (80th Texas Legislature), which relates to restrictions on the use of certain public subsidies. COMPANY hereby certifies that COMPANY, and any branches, divisions, or departments of COMPANY, does not and will not knowingly employ an undocumented worker, as that term is defined by Section 2264.001(4) of the Texas Government Code. In the event that COMPANY, or any branch, division, or department of COMPANY, is convicted of a violation under 8 U.S.C. Section 1324a(f) (relating to federal criminal penalties and injunctions for a pattern or practice of employing unauthorized aliens), subject to any appellate rights that may lawfully be available to and exercised by COMPANY, COMPANY shall repay, within one hundred twenty (120) calendar days following receipt of written demand from the COUNTY, the aggregate amount of the value of the abatement received by COMPANY hereunder, if any, plus Simple Interest at a rate of four percent (4%) per annum. COMPANY shall not be considered in violation of this section for any

actions of a subsidiary, Affiliate, franchisee of COMPANY or a person or entity with whom COMPANY contracts.

XVIII.
No Other Agreement

This Agreement embodies all of the agreements of the parties relating to its subject matter as specifically set out herein, supersedes all prior understandings and agreements regarding such subject matter, and may be amended, modified or supplemented only by an instrument or instruments in writing executed by the parties.

XIX.
Recordation of Agreement

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

XX.
Signatories

This Agreement is effective and binding on those parties that have duly signed below.

XXI.
Headings

The headings of this Agreement are for the convenience of reference only and shall not affect in any manner any of the terms and conditions hereof.

XXII.
Successors and Assigns

The parties to this Agreement each bind themselves and their successors, executors, administrators and assigns to the other party of this Agreement and to the successors, executors, administrators and assigns of such other party in respect to all covenants of this Agreement.

XXIII.
Termination

This Agreement shall terminate, in accordance with the terms of this Agreement, unless extended by written agreement of the parties or a written instrument signed by all parties evidencing a delay by force majeure; provided however, that the period of abatement may not extend beyond ten (10) years.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the last date written below.

**AIRBORNE TACTICAL ADVANTAGE
COMPANY, LLC, a Textron Company**

By: _____
Scott Stacy, President

Date: _____

TARRANT COUNTY, TEXAS

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

Date: February 13, 2018

ATTEST:

Shaylen Phelps
Deputy County Clerk

APPROVED AS TO FORM*:

Calvin Fowler
Asst. Criminal District Attorney

February 13, 2018

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

THE STATE OF _____ §
 COUNTY OF _____ §

Airborne Tactical Advantage Company, LLC, a Textron Company
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of _____, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of **AIRBORNE TACTICAL ADVANTAGE COMPANY, LLC**, a Textron Company, and as the _____ thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2018.

 Notary Public in and for
 The State of _____

 My Commission Expires

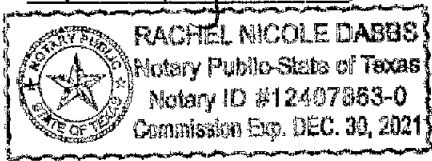
 Notary's Printed Name

THE STATE OF TEXAS §
 COUNTY OF TARRANT §

Tarrant County, Texas
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **B. GLEN WHITLEY**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for and as the act and deed of **TARRANT COUNTY, TEXAS**, as the **County Judge** thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 13th day of February, 2018.



12/30/2021
 My Commission Expires

Rachel Nicole Dabbs
 Notary Public in and for
 The State of Texas
Rachel Nicole Dabbs
 Notary's Printed Name

EXHIBIT "A"
CITY OF HASLET
REINVESTMENT ZONE NO. 2

CITY OF HASLET

ORDINANCE NO. 001-2018

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HASLET, TEXAS, DESIGNATING A TAX ABATEMENT REINVESTMENT ZONE NUMBER 2; FINDING THAT THE AREA QUALIFIES TO BE DESIGNATED AS A TAX ABATEMENT REINVESTMENT ZONE AND THE IMPROVEMENTS SOUGHT ARE FEASIBLE AND PRACTICABLE AND OF BENEFIT TO THE LAND AND THE CITY; ESTABLISHING AN EFFECTIVE DATE AND DURATION FOR THE TAX ABATEMENT REINVESTMENT ZONE; PROVIDING A CUMULATIVE CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Haslet, Texas ("City") desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone for tax abatement, as authorized by the Property Redevelopment and Tax Abatement Act, V.T.C.A., Tax Code, Chapter 312, as amended; and

WHEREAS, on November 21, 2016, the City Council approved Resolution 023-2016 re-adopting the City of Haslet Tax Abatement Policy as guidelines and criteria for the creation of reinvestment zones and for the granting of tax abatements within the City of Haslet; and

WHEREAS, the City Council has conducted a public hearing on the designation of the area described herein as a reinvestment zone on the 2nd day of January, 2018, such date being at least seven (7) days after the date of publication of the notice of such public hearing as required by the Texas Tax Code; and

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

WHEREAS, the City, 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.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HASLET, TEXAS:

SECTION 1.

That the City Council of the City finds that the area described herein will, if designated as a tax abatement reinvestment zone, be reasonably likely to contribute to the retention or expansion of primary employment, or to attract major investment in the zone that will be of benefit to the

property and contribute to the economic development of the City. The City Council further finds that the improvements sought are feasible and practicable and would be of benefit to the land included in the zone and to the City after the expiration of a tax abatement agreement.

SECTION 2.

That pursuant to the provisions of Section 312.201 of the Texas Tax Code, the area consisting of a tract of land containing approximately 2.902 acres and being further described in Exhibit "A" attached hereto and made a part hereof for all purposes (the "Property") is hereby designated as a Reinvestment Zone, and for identification shall be known as "Reinvestment Zone No. 2".

SECTION 3.

That the designation of this zone expires five (5) years after the effective date of this designation and may be renewed for periods not to exceed five (5) years.

SECTION 4.

That this ordinance shall be cumulative of all provisions of ordinances and of the Code of Ordinances of the City of Haslet, Texas, as amended, except when the provisions of this Ordinance are in direct conflict with the provisions of such ordinances and such code, in which event the conflicting provisions of such ordinances and such code are hereby repealed.

SECTION 5.

That it is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable, and if any section, paragraph, sentence, clause, or phrase of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining sections, paragraphs, sentences, clauses, and phrases of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional section, paragraph, sentence, clause or phrase.

SECTION 6.

That this Ordinance shall be in full force and effect from and after its date of passage and it is so ordained.

PASSED AND APPROVED ON THIS 2ND DAY OF JANUARY, 2018.

Bob Golden
Bob Golden, Mayor

ATTEST:

Dianna Buchanan
Dianna Buchanan, City Secretary



EXHIBIT "A"
Boundaries of Reinvestment Zone No. 2

BEING property located within the City of Haslet; specifically, a tract composed of approximately 2.902 acres more particularly described as being a tract of land situated in the C. Harmon Survey, Abstract No. 737, and the H. Johnson Survey, Abstract No. 870, Tarrant County, Texas, said tract being a portion of a tract of land conveyed to ADL Development, L.P. (formerly known as ADL Development, Ltd; formerly known as Hillwood/2470, Ltd; formerly known as Alliance Airport, Ltd) according to the deed recorded in volume 9279, Page 377, Deed records, Tarrant County, Texas.

EXHIBIT "B"

CITY OF HASLET TAX ABATEMENT AGREEMENT

THE STATE OF TEXAS
COUNTY OF TARRANT

§
§
§

TAX ABATEMENT AGREEMENT

This Tax Abatement Agreement ("Agreement") is entered into by and between the City of Haslet, Texas, a Type A General Law municipality located in Tarrant and Denton Counties, Texas, hereinafter referred to as "City" and Airborne Tactical Advantage Company, LLC, a Textron Company, a limited liability corporation created under the laws of the State of Colorado, hereinafter referred to as "Owner."

WITNESSETH:

WHEREAS, the City has adopted a Resolution stating that the City elects to be eligible to participate in tax abatement; and

WHEREAS, in accordance with the Property Redevelopment and Tax Abatement Act, codified in Chapter 312 of the Texas Tax Code (the "Act"), the City has adopted the City of Haslet Tax Abatement Policy (the "Policy Statement"); and

WHEREAS, the Policy Statement constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the City as contemplated by the Act; and

WHEREAS, the Premises as hereinafter defined, are owned by the Owner and are wholly located in the City in Reinvestment Zone No. 2 established by City Ordinance No. 001-2018 (the "Zone"); and

WHEREAS, designation of an area as an Reinvestment Zone allows the area to be eligible for tax abatements under the Act; and

WHEREAS, the City desires to enter into this Agreement to maintain and or enhance the commercial and/or economic and employment base of the City to the long term interest and benefit of the City in accordance with the Policy Statement and the Act; and

WHEREAS, the Owner desires to build and locate a new aircraft hangar at the Alliance Airport facility in the City, to conduct support aircraft depot maintenance, engine maintenance, parts/equipment storage, aircraft inspections, and flight operations for maintenance and training for the U.S. Department of Defense (the "Proposed Use"); and

WHEREAS, the Owner submitted an application for real property and business personal property abatement to the City concerning the proposed use of the Premises; and

WHEREAS, the proposed use of the Premises, as hereinafter defined, the contemplated improvements to the Premises in the amount set forth in this Agreement, and the other terms hereof are consistent with encouraging development of the Zone in accordance with the purposes and intent of the Policy Statement and applicable law; and

WHEREAS, written notice that the City intends to enter into this Agreement, along with a copy of this Agreement has been furnished in the manner and for the time prescribed by the Act to the presiding officers of the governing bodies of each of the taxing entities in the area in which the Premises is located.

NOW THEREFORE, the City and the Owner for good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, do hereby agree as follows:

**A.
DEFINITIONS**

1. The property that is the subject of this Agreement is an approximate 2.902 acre tract of land located at Alliance Airport in the City, and being further described in Exhibit "A" attached hereto and made a part hereof, and is hereinafter referred to as the "Premises".

2. The improvements to be constructed include an approximate 75,000 square foot new airport hangar, and related infrastructure improvements to be created on or affixed to the Premises or nearby within Haslet City limits; and tangible business personal property installed on the Premises, including but not limited to aircraft parts, furniture, fixtures, machinery and equipment, and aircraft, which shall collectively be referred to hereinafter as the "Improvements". The kind, number and location of the proposed Improvements are more specifically described in Exhibit "B" attached hereto and made part of this Agreement for all purposes.

3. The words "full-time employment positions" shall mean a job providing at least forty (40) hours per week of work and a minimum of 2,080 hours paid time averaged over a twelve (12) month period, for activity related directly to Owner's operations and proposed use of the Premises. This does not include outside or contract labor.

**B.
DUTIES OF OWNER**

1. As a condition precedent to tax abatement pursuant hereto, the Owner shall substantially complete or cause to be completed the Improvements on the Premises as described on attached Exhibit "B", which Improvements, upon completion, shall have a value appraised by the Tarrant County Appraisal District estimated to be valued at a minimum of one hundred seventeen million dollars (\$117,000,000).

2. As a condition precedent to tax abatement pursuant hereto, the Improvements shall be completed by December 31, 2019; Owner shall have such additional time to complete the Improvements as may be required if the Owner is diligently pursuing completion of the project in the event of "force majeure", or if in the sole opinion of the City, the Owner has made substantial progress toward completion of the Improvements. For this purpose, "force majeure" shall mean any contingency or cause beyond the reasonable control of Owner including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, governmental or de facto governmental action (unless caused by acts or omissions of the Owner), fire, explosion or flood, and strikes. The date of substantial completion of the Improvements shall be defined as the date a Certificate of Occupancy is issued for the Improvements by the City, or, if a Certificate of Occupancy is not required, the date the Owner certifies in writing that the Improvements are substantially complete with acceptance by the City.

3. The Owner agrees and covenants that it will diligently and faithfully in a good and workmanlike manner pursue (or cause to be pursued) the completion of the Improvements as a good and valuable consideration of this Agreement. The Owner further covenants and agrees that all construction of the Improvements will be in accordance with all applicable state and local laws and regulations or valid waiver thereof.

4. As a condition of tax abatement pursuant hereto, from the date of substantial completion of the Improvements until the expiration of this Agreement, the Owner covenants

and agrees that the Premises will be continuously operated, maintained and occupied for the proposed use.

5. As a condition of tax abatement pursuant hereto, Owner shall create and retain throughout the term of this Agreement at least sixty (60) new full-time employment positions at the Premises, with a minimum annual payroll of at least \$5,000,000.

6. The Owner further agrees that the City and its agents and employees, shall have reasonable right of access to the Premises to inspect the Improvements in order to insure that the construction of the Improvements are in accordance with this Agreement and all applicable state and local laws and regulations or valid waiver thereof; and subject to the Owner's reasonable security requirements, shall have the continuing right to inspect Premises to insure that the Premises are thereafter maintained, operated and occupied in accordance with this Agreement.

7. The Premises shall at all times be used in a manner that is consistent with the general purpose of encouraging development within the Zone. Both parties agree that the proposed use of the Premises as described herein, in accordance with this Agreement, is consistent with such purpose.

8. Prior to March 1st of each year this Agreement is in effect, Owner shall certify to the governing body of the City that the Owner is in compliance with each applicable term of this Agreement. The Owner agrees to provide the City any documentation the City may reasonably require to substantiate that the Owner is in compliance with this Agreement.

C. ABATEMENT ALLOWED

1. Subject to the terms and conditions of this Agreement, and subject to the rights of holders of any outstanding bonds of the City, a portion of ad valorem real property taxes and business personal property taxes on the Premises otherwise owed to the City for the value of the Improvements shall be abated as provided herein. Said abatement shall be as set forth below on the taxes assessed upon the value of the Improvements in the year of abatement, to the extent that the value exceeds the value of the Improvements in the year in which this Agreement is executed (or January 1, 2018), in accordance with the terms of this Agreement, all applicable state and local regulations, and the Act; provided that the Owner shall have the right to protest and/or contest any assessment of the Premises and said abatement shall be applied to the amount of taxes on the Improvements finally determined to be due as a result of any protest and/or contest. In accordance with these terms, the abatement granted shall be for a term of ten (10) years as follows, with "year one" beginning January 1, 2019 or January 1 of the year following the year in which a certificate of occupancy is issued by the City for the Improvements, or the Owner certifies in writing to the City that the Improvements are substantially complete and the improvements have been accepted by the City:

<u>Year</u>	<u>Percent of Value of Improvements Exempted from Taxation</u>
1	50%
2	50%
3	50%
4	50%
5	50%
6	50%
7	50%
8	50%

9
10

50%
50%

2. City and Owner acknowledge and agree that the Owner's aircraft will depreciate over time and that such aircraft will be replenished by Owner as needed; this may have the effect of reducing the value of Owner's taxable business personal property over time. City and Owner stipulate and agree that Owner must maintain a minimum taxable value of the Improvements of at least one hundred million dollars (\$100,000,000) in each year throughout the term of this Agreement in order to be entitled to the full fifty percent (50%) tax abatement set forth above. In the event that the total taxable value of the Improvements falls below one hundred million dollars (\$100,000,000) in any year during the term of this Agreement, the amount of tax abatement set forth above for that year shall be reduced by the following amounts:

The percent of value of Improvements exempted from taxation shall be reduced by ten percent (10%) per each ten million dollars (\$10,000,000) in valuation below the one hundred million dollar (\$100,000,000) floor; however, a total valuation below seventy million dollars (\$70,000,000) shall receive no tax abatement.

Examples:

Ninety million dollars (\$90,000,000) in total taxable value = forty percent (40%) tax abatement

Eighty million dollars (\$80,000,000) in total taxable value = thirty percent (30%) tax abatement

Seventy million dollars (\$70,000,000) in total taxable value = twenty percent (20%) tax abatement

Under seventy million dollars (\$70,000,000) in total taxable value = zero percent (0%) tax abatement

3. It is understood and expressly agreed by Owner that the City does not warrant or guarantee that the grant of Tax Abatement as provided for in this Agreement will be upheld as valid, lawful, enforceable or constitutional in the event the statutory authority for same or the City's use thereof is challenged by court action. In the event such court action related to the Agreement and the providing of Tax Abatement hereunder is instituted, Owner shall be responsible for defending the parties hereto, this Agreement, and the use of Tax Abatement hereunder, at Owner's sole cost and expense, including attorney's fees. The City, however, agrees to cooperate with Owner in such defense. Should such litigation result in the loss of Tax Abatement as provided herein, Owner shall be solely responsible for the payment of all taxes due, including all taxes which otherwise would have been paid to the City without the benefit of abatement, without recourse to the City, and without any obligation by the City to reimburse same back to Owner and without any right of reduction of Owner's obligations hereunder.

**D.
BREACH AND RECAPTURE**

1. In the event that (1) the Improvements for which an abatement has been granted are not substantially completed in accordance with this Agreement; or (2) Owner fails to occupy the Improvements for the purposes required by this Agreement; or (3) Owner allows ad valorem taxes owed to the City to become delinquent and fails to timely and properly follow the legal procedures for protesting or contesting the assessment of any such ad valorem taxes; or (4)

Owner breaches any of the terms or conditions of this Agreement, then this Agreement shall be in default. In the event that the Owner defaults in its performance of (1), (2), (3) or (4) above, then the City shall give the Owner written notice of such default and if the Owner has not cured such default, or obtained a waiver thereof from the City, within thirty (30) days of said written notice, or if the default is not capable of being cured within said thirty (30) day period if Owner does not commence to cure such default within said thirty day period and thereafter diligently proceed with its efforts to cure the same, this Agreement may be terminated by the City. Notice shall be in writing as provided below. If the City terminates this Agreement for default, Owner shall pay to the City all taxes which otherwise would have been paid to the City without the benefit of abatement (with interest being charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Tax Code, but without the addition of penalty), within sixty days after the expiration of the above mentioned applicable cure period. After sixty days, if said taxes owed remain unpaid by the Owner, the penalties and interest will accrue as provided by law. The Agreement may be terminated by the mutual consent of the parties in the same manner that the Agreement was approved and executed. If the Improvements have not been completed at the time of termination, the City shall recapture any property tax revenue lost as a result of the Agreement.

2. It is expressly agreed and acknowledged between the parties that nothing in this Agreement shall be deemed or construed to affect the ability of the City to place a lien for taxes against the property as established by Section 32.01 of the Tax Code. Such lien shall secure the payment of all taxes, penalties and interest ultimately imposed on the property, including any taxes abated and subject to recapture under this Agreement. Any such lien may be fully enforced pursuant to the provisions of the Tax Code. For purposes of this subsection, "property" refers to the Premises and all Improvements described herein.

3. Following the expiration of the tax abatement period under this Agreement, the property subject to this Agreement shall become fully taxable subject to any lawful exemptions and special appraisal that may otherwise apply.

E. GENERAL PROVISIONS

1. **Notice.** Notices required to be given to any party to this Agreement shall be given personally or by registered or certified mail, return receipt requested, postage prepaid, addressed to the party at its address set forth below, and, if given by mail, shall be deemed delivered as of the date personally delivered or three (3) days after deposit in the United States mail:

For City by notice to:

City of Haslet
Attention: City Administrator
101 Main Street
Haslet, Texas 76052

For Owner by notice to

Airborne Tactical Advantage Company,
LLC, a Textron Company
Attention: President
1001 Providence Blvd.
Newport News, VA 23602

Either party may change the address to which notices are to be sent by giving the other party written notice in the manner provided in this paragraph.

2. **Indemnification.** The Owner in performing its obligations under this Agreement is acting independently, and the City assumes no responsibilities or liabilities to third parties in connection with the Premises or Improvements. THE OWNER AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CITY, ITS OFFICERS, AGENTS, EMPLOYEES,

AND VOLUNTEERS IN BOTH THEIR PUBLIC AND PRIVATE CAPACITIES, FROM AND AGAINST CLAIMS, SUITS, DEMANDS, LOSSES, DAMAGES, CAUSES OF ACTION, AND LIABILITY OF EVERY KIND, INCLUDING, BUT NOT LIMITED TO, EXPENSES OF LITIGATION OR SETTLEMENT, COURT COSTS, AND ATTORNEYS FEES WHICH MAY ARISE DUE TO ANY DEATH OR INJURY TO A PERSON OR THE LOSS OF, LOSS OF USE OF, OR DAMAGE TO PROPERTY, ARISING OUT OF OR OCCURRING AS A CONSEQUENCE OF THE PERFORMANCE OF THIS AGREEMENT, SAVE AND EXCEPT FOR THE ACTUAL NEGLIGENCE OF THE CITY, ITS OFFICERS, AGENTS OR EMPLOYEES. OWNER INDEMNIFICATION OBLIGATIONS INCLUDE THE PAYMENT OF REASONABLE ATTORNEY FEES AND EXPENSES INCURRED BY THE CITY AND TAXING UNITS IN CONNECTION WITH THESE CLAIMS, SUITS, OR CAUSES OF ACTION.

3. **No Ownership by City Officer.** It is the belief of both parties that the Premises do not include any property that is owned or leased by a member of the Haslet City Council or any other board or commission of the City having responsibility for approval of this Agreement. The parties recognize and understand that any property so owned is excluded by law from property tax abatement.

4. **Compliance with Law.** The Owner shall comply with all applicable rules, regulations, ordinances, state and federal laws in the operation of the Improvements at the Premises.

5. **Assignment.** The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. This Agreement cannot be assigned by the Owner unless written permission is first granted by the City, which permission shall be at the sole discretion of the City, provided however that upon written notice to the City, the Owner may assign its right under this Agreement to a wholly-owned subsidiary.

6. **Venue.** This Agreement shall be construed under the laws of the State of Texas, and venue for any action arising under state law under this Agreement shall be the State District Court of Tarrant County, Texas. If not properly in state court, venue for any cause of action arising under federal law shall be the Northern District of Texas.

7. **Severability.** In the event any section, subsection, paragraph, subparagraph, sentence, phrase, or word herein is held invalid, illegal, or unenforceable, the balance of this Agreement shall stand, shall be enforceable, and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, subparagraph, sentence, phrase, or word. In the event there shall be substituted for such deleted provision a provision as similar in terms and in effect to such deleted provision as may be valid, legal and enforceable.

8. **Independent Parties.** Nothing herein shall be construed as creating a partnership or joint enterprise between the City and the Owner. Furthermore, the parties hereto acknowledge and agree that the doctrine of respondeat superior shall not apply between the City and the Owner, or between the City and any officer, director, member, agent, employee, contractor, subcontractor, licensee, or invitee of the Owner.

9. **Authority of City.** This Agreement was authorized by the Haslet City Council at its regular Council meeting on February 5, 2018, authorizing the Mayor to execute the Agreement on behalf of the City.

10. **Authority of Owner.** This Agreement was authorized by the Board of Directors of Owner authorizing the undersigned person to execute this Agreement on behalf of Owner.

11. **Recordation of Agreement.** A certified copy of this Agreement in recordable form shall be recorded in the deed records of Tarrant County, Texas, with certified copy returned to the City.

12. **Effective Date.** This Agreement shall be effective on the latest date that one of the parties signs below.

Witness our hands this 5th day of February, 2018.

ATTEST:

CITY OF HASLET, TEXAS:

Dianna Buchanan
Dianna Buchanan, City Secretary

Bob Golden
Bob Golden, Mayor



AIRBORNE TACTICAL ADVANTAGE COMPANY, LLC, a Textron Company

By: _____
Scott Stacy
Title: President

STATE OF _____ §
COUNTY OF _____ §

BEFORE ME, the undersigned authority in and for _____ County, _____ on this day personally appeared Scott Stacy, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he is the President of Airborne Tactical Advantage Company, LLC, a Textron Company, and that he is authorized by said limited liability corporation to execute the foregoing instrument as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____, 2018.

Notary Public in and for the State of Texas

Type or Print Notary's Name

My Commission Expires:

After recording return to:

**City Administrator
City of Haslet
101 Main Street
Haslet, Texas 76052**

EXHIBIT "A" PAGE 1

DESCRIPTION OF PREMISES

**Description of
2.902 Acres of Land**

BEING that certain tract of land situated in the C. Harmon Survey, Abstract Number 737 and the H. Johnson Survey, Abstract Number 870, City of Haslet, Tarrant County, Texas and being a portion of the remainder of that tract of land described by deed to ADL Development, L.P., (former known as ADL Development, Ltd., formerly known as Hillwood/2470, Ltd., formerly known as Alliance Airport, Ltd.) recorded in Volume 9279, Page 377 of County Records, Tarrant County, Texas and being more particularly described by metes and bounds as follows;

BEGINNING at the easterly northeast corner Lot 1, Block 1, Alliance Air Trade Center, an addition to the City of Haslet recorded in Cabinet "A", Slide 9441 said County Records and being in the west line of Lot 1, Block 1, Westport Park Addition, an addition to the City of Haslet recorded in Cabinet "A", Slide 8543 said County Records;

THENCE S 79°34'04"W, 264.50 feet, with the north line of said Lot 1, Block 1, Alliance Air Trade Center;

THENCE N 10°25'56"W, continuing with said north line, at 423.03 feet the westerly northeast corner of said Lot 1, Block 1 Alliance Air Trade Center, in all 478.00 feet;

THENCE N 79°34'04"E, 264.50 feet;

THENCE S 10°25'56"E, at 54.97 the feet, the northerly northwest corner of said Lot 1, Block 1, Westport Park Addition, in all 478.00 feet, to the **Point of Beginning** and containing 126,431 square feet or 2.902 acres of land more or less.

"Integral parts of this document"

1. Description
2. Exhibit

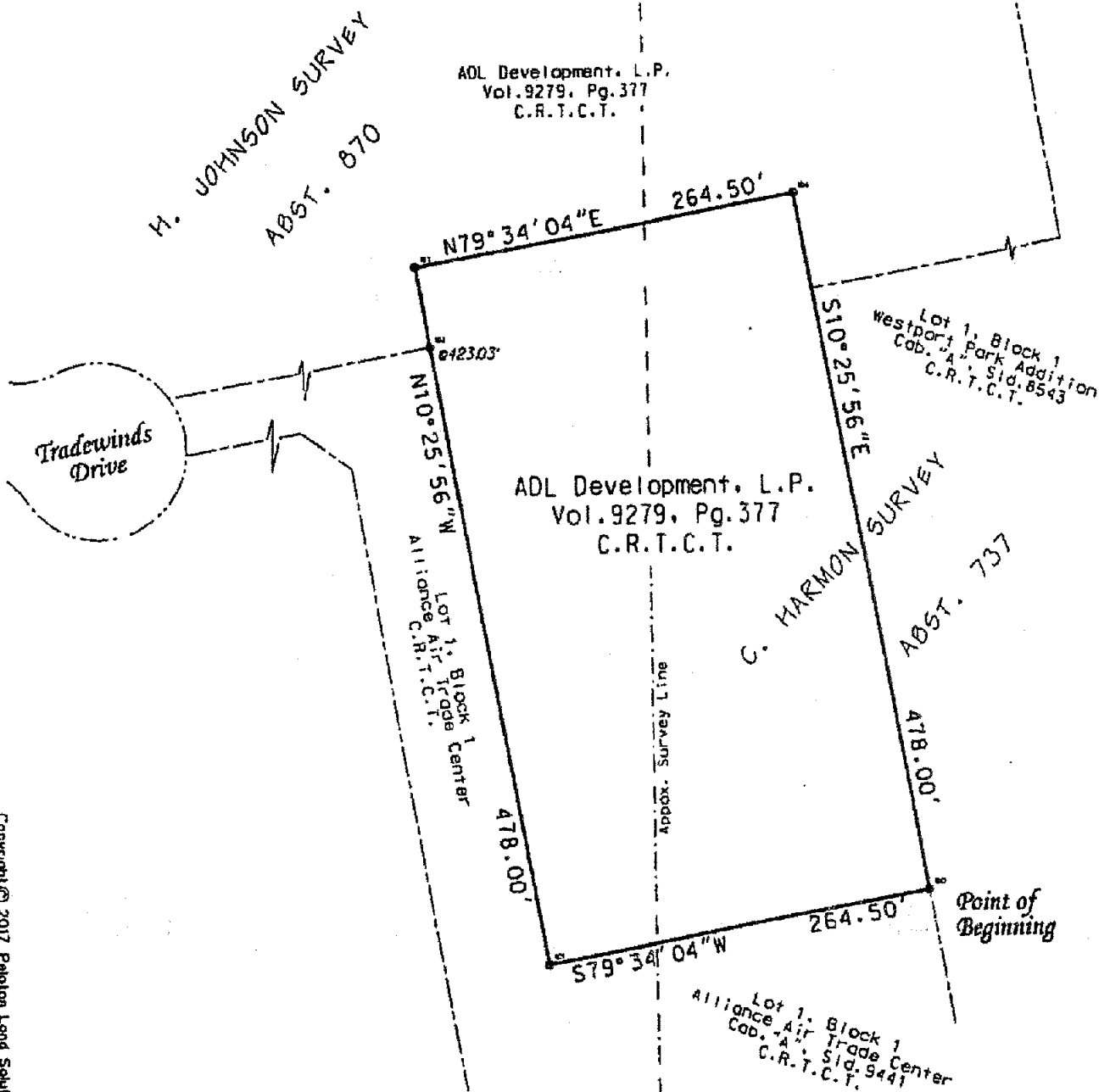
IBPL'S Firm Reg No. W177200



EXHIBIT "A" PAGE 2

"Integral parts of this document"
1. Description
2. Exhibit

DESCRIPTION OF PREMISES



Copyright © 2017 Peloton Land Solutions, Inc.

An Exhibit Showing
2.902 Acres

Situated in the C. Harmon Survey, Abstract Number 737
and the H. Johnson Survey, Abstract Number 870.
Tarrant County, Texas

ACF# 7078

PELTON
LAND SOLUTIONS
9400 HILLWOOD PARKWAY, SUITE 250
FORT WORTH, TEXAS 76117 PH: 817-502-3350

JOB # HWA17099.19	DRAWN BY:	CHECKED BY: TAB	DATE: 11-7-2017	PAGE # 2 of 2
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EXHIBIT "B"

DESCRIPTION OF IMPROVEMENTS

75,000 total square feet of concrete slant-style hanger space consisting of:

- 50,000 square feet for multi-bay aircraft maintenance, repair and overhaul (MRO);
- 15,000 square feet for back shops (tire shop, sheet metal, battery shop, parachute shop and life support); and
- 10,000 square feet for office, logistics and flight operations.

Various aircraft with situs in Haslet, Tarrant County, Texas, with taxable valuation in excess of \$100,000,000.



EXHIBIT "C"

TARRANT COUNTY TAX ABATEMENT APPLICATION



Tarrant County

Application for Tax Abatement/Reinvestment Zone

I. APPLICANT INFORMATION

Applicant/Property Owner: Textron Inc.

Company/Project Name: Airborne Tactical Advantage Company, LLC, a Textron Company

Mailing Address: 1001 Providence Blvd., Newport News, VA, 23602

Telephone: (757) 874-8100

Fax: (757) 874-8810

Applicant's Representative for contact regarding abatement request:

Name and Title: Scott Stacy, President

Mailing Address: 1001 Providence Blvd., Newport New, VA, 23602

Telephone: (757) 874-8100

Fax: (757) 874-8810

E-mail: sgoggin@atacusa.com

II. PROPERTY AND PROJECT DESCRIPTION

Address and legal description of property to be considered for Tax Abatement/Reinvestment Zone: north of 1104 Tradewind Dr., Haslet, TX, 76052, aircraft hangar

Project Description: New aircraft hangar to be lease/built just north of Ceva Logistics at Alliance Airport (AFW)

Description of activities, products, or services produced and/or provided at project location: Aircraft flight operations, training, and maintenance (US DoD NAICS: 611512)

Current Assessed Value: Real Property: \$ 1.3M Land Personal Property: \$ 0

Estimated start date of construction/site improvements: Feb 1, 2018

Projected date of occupancy/commencement of operations at project site: Nov 1, 2018

Please indicate dates for phases if applicable: NA

Location of existing company facilities: Newport News, VA

Requested level of Tax Abatement: 50% of eligible property for 15 years.

Explain why tax abatement is necessary for the success of this project. Include business pro-formas or other information to substantiate your request. Airborne Tactical Advantage Company, LLC, a Textron Company, plans to lease single or multiple facilities on Fort Worth Alliance Airport. At the facilities, it conduct support aircraft depot maintenance, engine maintenance, parts/equipment storage, aircraft inspections, and flight operations for maintenance and training for the US Department of Defense on organic F-16 and F-35 jet aircraft operated under public use. The company will invest \$14.7 million in the facility over ten years: \$12.7 million for capitalized leases and \$2.0 million for furniture, fixtures and equipment. The facility will create 281 jobs over ten years with initial average annual salaries of \$100,000. This abatement is necessary to reduce our cost and maintain a robust employment base.

III. PROJECTED VALUE OF IMPROVEMENTS

Estimated Value of Real Property Improvements \$ 12.7M

Estimated Value of Personal Property Improvements \$ 2M

Will any infrastructure improvements (roads, drainage, etc.) be requested of Tarrant County for this project?

Yes No

If yes, describe requested infrastructure improvements: roads and drainage on or near Tradewind Dr.

Detail any direct benefits to Tarrant County as a result of this project (i.e., inventory tax, etc.): Property and schools tax on the business will directly impact the revenue of Tarrant County. An additional 281 full-time employees with average wages of \$100,000.

IV. EMPLOYMENT IMPACT AT PROJECT LOCATION

A. NEW EMPLOYMENT

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

Full-time 281 Part-Time 12

Provide types of jobs created and average salary levels: logistics, managers, pilots, mechanics, overall average \$100,000

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

2017 14 \$1,400,000

2018 69 \$6,900,000

2019 6 \$600,000

2020 6 \$600,000

2021 11 \$1,100,000

2022 32 \$3,200,000

2023 6 \$600,000

2024 52 \$5,200,000

2025 12 \$1,200,000

2026 72 \$7,200,000

Percentage of new jobs to be filled by Tarrant County residents: 65%

Number of employees transferring from other company locations: 30

B. CONSTRUCTION RELATED EMPLOYMENTS

Projected number of construction related jobs: 90

Estimated total construction payroll: \$ 40,000 annually per employee

Commitment as to percentage of construction dollars to be spent with Tarrant County contractors or subcontractors: 100%

Commitment as to percentage & total dollars of construction contracts to be awarded to DBE: "TBD" %

C. CURRENT COMPANY/PROJECT LOCATION EMPLOYMENT

Current Number of Employees: 118 Full-time "96" Part-time "22"

Average annual payroll: \$ "100,000"

Detail on workforce diversity – percentage breakdown of current employees by gender and ethnicity: Male-92%, Female-8%, American Indian or Alaska Native-1%, Asian-1%, Black or African American-3%, Hispanic or Latino-2%, Native Hawaiian or Other Pacific Islander-1%, White-92%.

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: \$ 170 Family: \$ 220

Other employee benefits provided or offered: "Vacation, Sick Pay, HSA, Dental, Vision, Federal Holiday's, 401k"

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

Estimated amount of annual supply and services expenses: \$ 440,000

Detail any supply/services expenses that are sole source: NA

Percentage of total supplier/services expenses committed to Tarrant County businesses: 15%

Percentage of total supplier and services expenses committed to DBE: "TBD" %

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:

Air Quality Water Quality Solid Waste Disposal Storm/Water Runoff

Floodplain/Wetlands Noise levels Other (specify) Aircraft operations within the scope of Alliance

Field current environmental impact plan.

Provide detail on existing and new fleet vehicles, specifying types of vehicles, quantities and fuel used (gasoline, diesel, LP gas, CNG, etc.): 6 x diesel fleet vehicles, on average 8 x single engine jet aircraft using Jet A+ fuel.

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
- Descriptive list and value of real and personal property improvements
- Plat/Map of Project Location
- Project Time Schedule
- Owner's policy regarding use of disadvantaged Business Enterprises
- 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
- Tax Certificate showing property taxes paid for most recent year

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.

Jeri J. Cawelti
Signature
Jeri J. Cawelti
Printed Name

Sr. Manager Public Affairs
Title
10-27-17
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.*

Attachment I

Letter addressing economic qualifications and additional criteria for abatements.

Application: Tarrant County Application for
Tax Abatement/Reinvestment Zone

Project: ATAC



A Textron Company

October 24, 2017

Lisa McMillan
Economic Development Coordinator
Tarrant County Government
100 E. Weatherford, Suite 404
Fort Worth, Texas 76196

Ms. McMillan,

It has been a pleasure working with you and the other team members in assessing locations for Project Maverick. Please accept this letter and attached application as ATAC's official application for Tax Abatement and Reinvestment Zone consideration.

ATAC would like to assess options to base our future aircraft maintenance hub and operational headquarters at the Alliance-Fort Worth Air Port (AFW). ATAC is researching potential sites to support ongoing operations for a fleet of 63 Mirage F1 and 15 Lockheed Martin F-16 aircraft and follow on aircraft and operations. ATAC's search has identified AFW airport as one of three finalists with Phoenix-Mesa Gateway Airport, AZ (IWA) and March Air Reserve Base (RIV) in Riverside, CA. Both IWA and RIV have government incentives to grow business at their airfields. Tax and financial incentives are an important factor in ATAC's basing evaluation. All three locations meet the operational requirements for our business plan.

ATAC is poised to grow over 400% in the next 3-5 years. ATAC's recently acquired 63 Mirage F1 and 15 Lockheed Martin F-16 aircraft mandate expansion to a new airfield. This new airfield would support aircraft depot maintenance, engine maintenance, parts/equipment storage, aircraft inspections, and flight operations for maintenance and training. If the facility in Tarrant County is selected, this project would bring 281 new employees to the area with average salaries of \$100,000 per year. We plan to invest \$7.7M in a new 185,000 sq. ft. hangar and locate at least \$200,000,000 worth of business personal property at the facility,

Please consider this completed package as our formal request for economic development incentives. We are happy to provide any additional information needed. Please do not hesitate to contact me or JJ Cawelti at jjcawelti@bh.com or 806-220-8876.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Stacy", is written over a faint, dotted line.

Scott Stacy
President
Airborne Tactical Advantage Company

1001 Providence Boulevard, Newport News, VA 2360

757.874.8100 | ATACUSA.cor

Attachment II

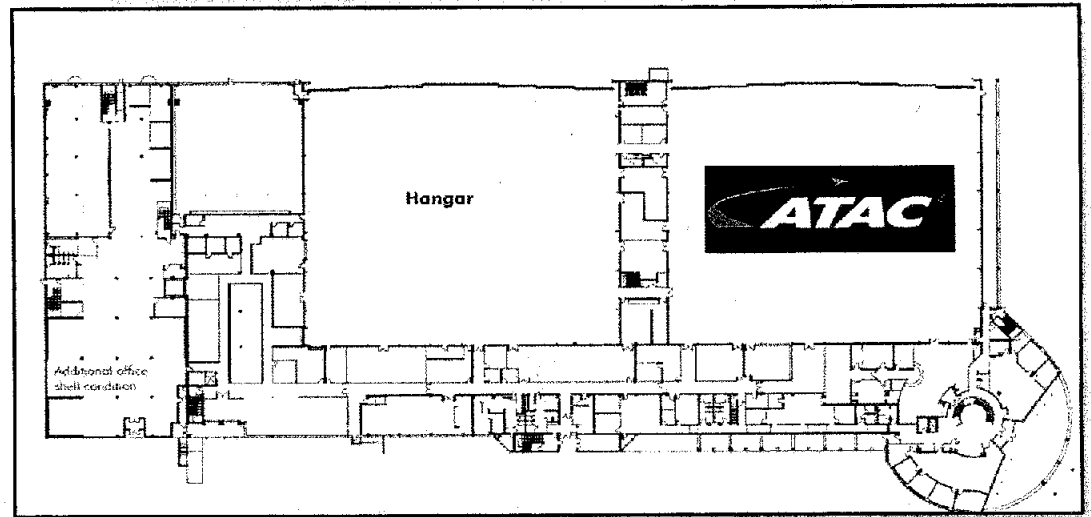
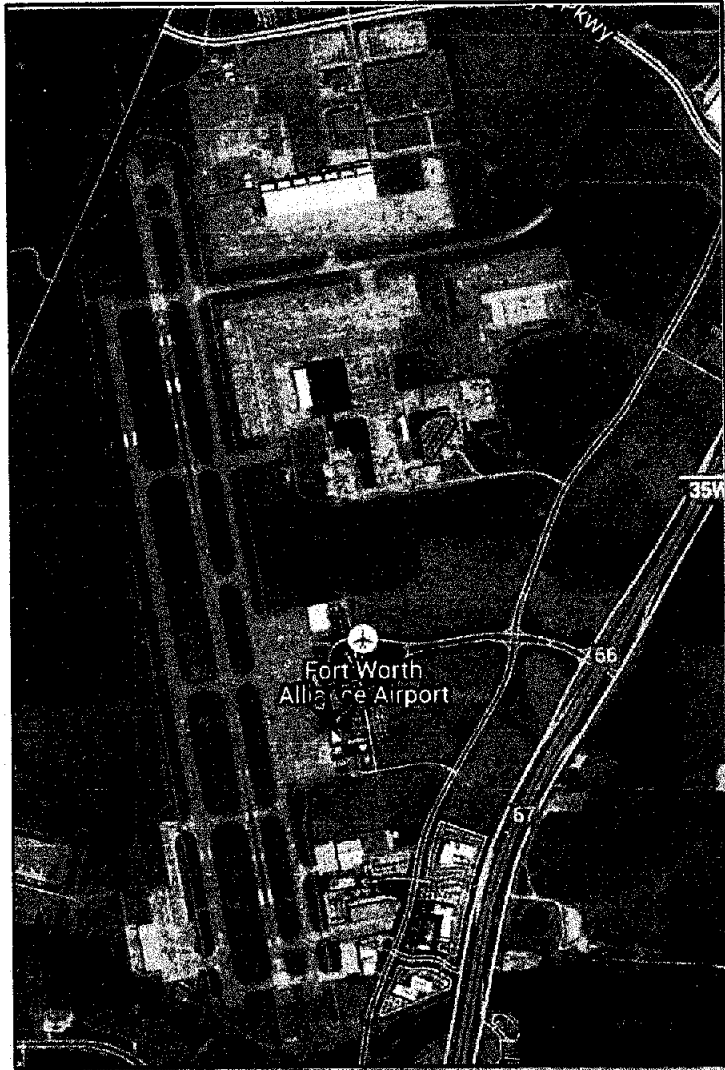
Plat/Map of Project Location

Application: Tarrant County Application for
Tax Abatement/Reinvestment Zone

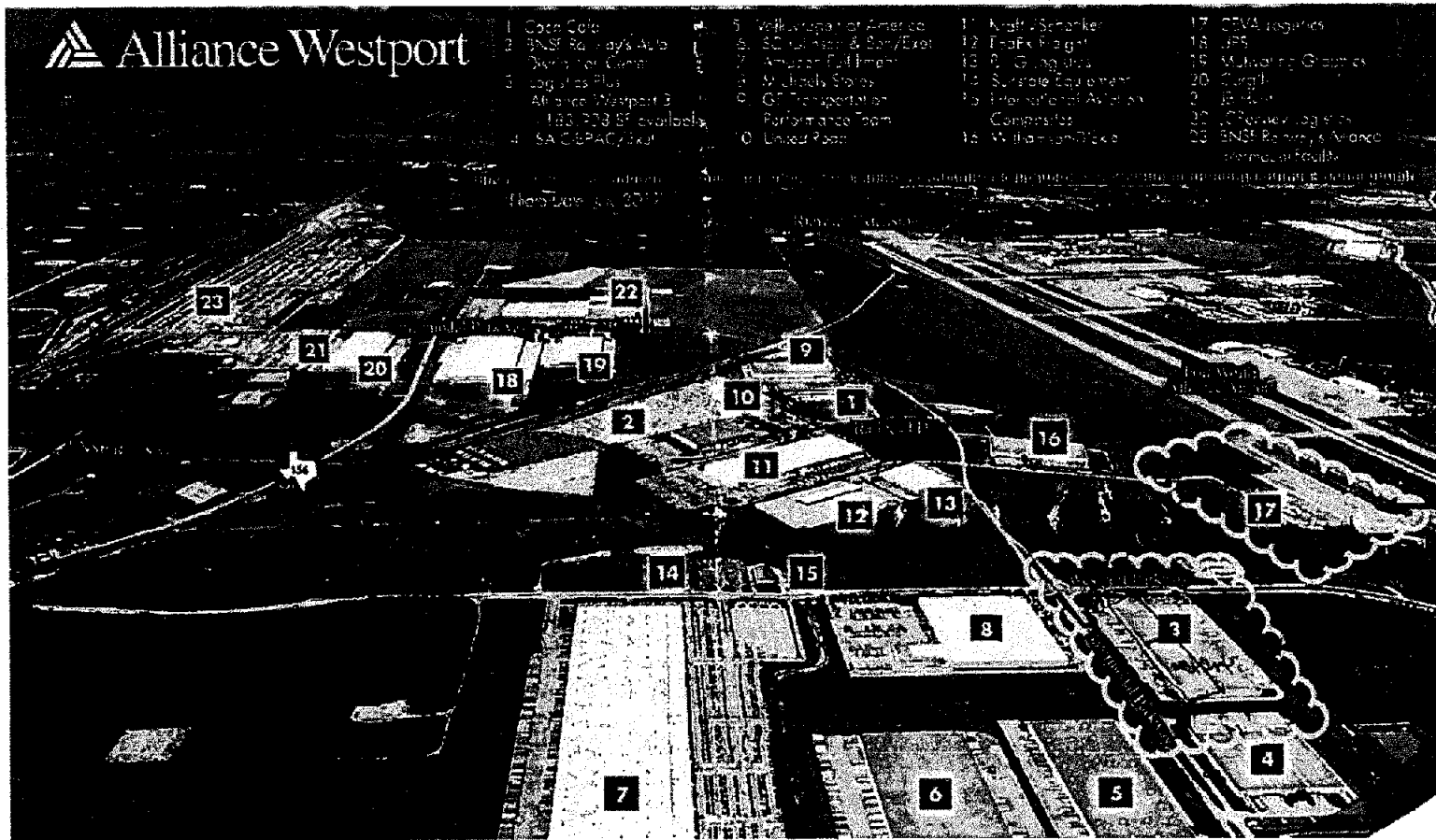
Project: ATAC

ATAC[®]

Temporary Operations (10 Mths)



Note: Limited office space available



ATAC

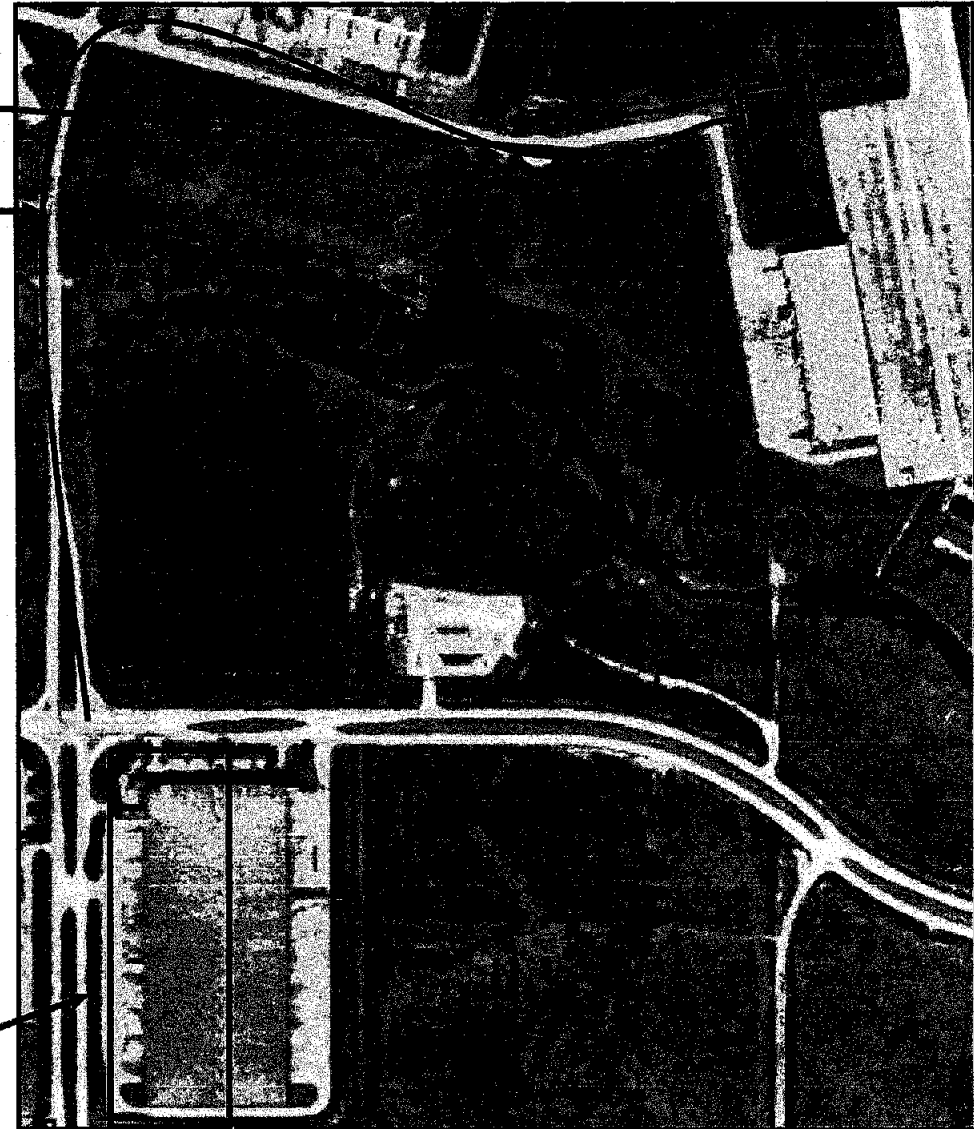
Westport 3 warehouse

Hangar

Connecting Route



Warehouse



Training Today's Warriors for Tomorrow's Challenges™

Alliance Westport

183,908 S.F. Available

Alliance Westport 3
920 Westport Parkway
Haslet, Texas, 76177, Tarrant County

**ALLIANCE WESTPORT 3
AVAILABLE SPACE**

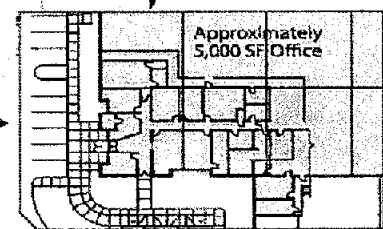
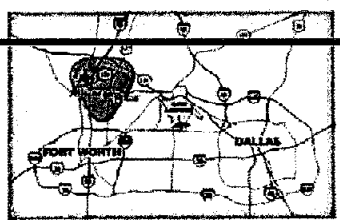
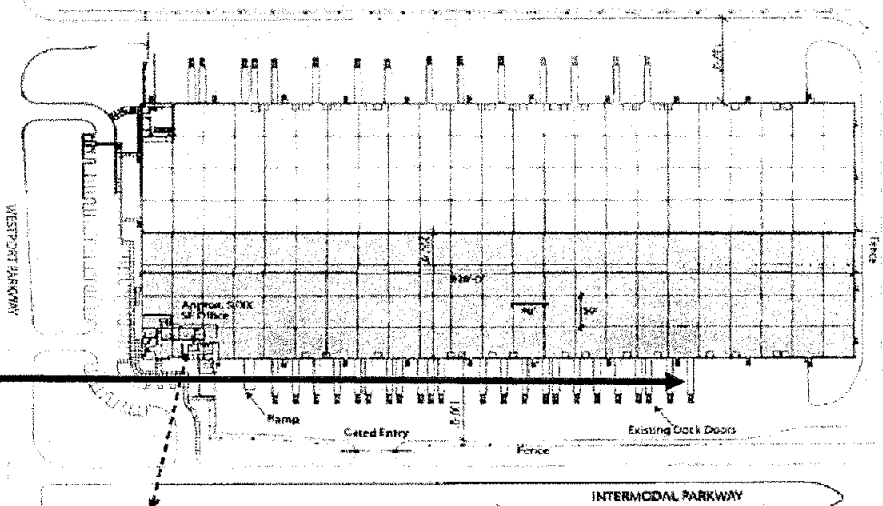
- 183,908 S.F. available
- Approximately 5,000 S.F. office space
- 23 dock doors (expandable to 38)
- Secured truck court
- 1 oversized door with ramp
- T5 warehouse lighting
- 130' truck court
- 40 car parking spaces

BUILDING FEATURES

- 367,916 S.F.
- 400' building depth
- 60' clear height
- 40' X 50' typical bay spacing
- 4' X 8' skylights in alternate bays
- Ventilation or 3 air changes per hour
- Smooth panel painted tilt-wall construction
- Painted (white) interior walls and deck
- ESFR fire protection system
- Heavy landscape and irrigation
- Freeze protection in warehouse

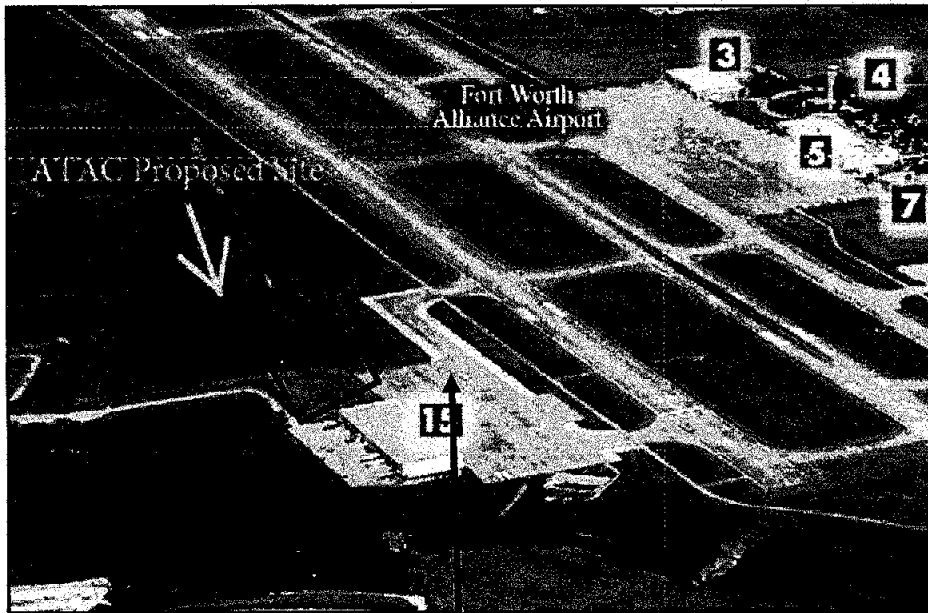
Hangar Door

5,000 sq. ft.
Office Space

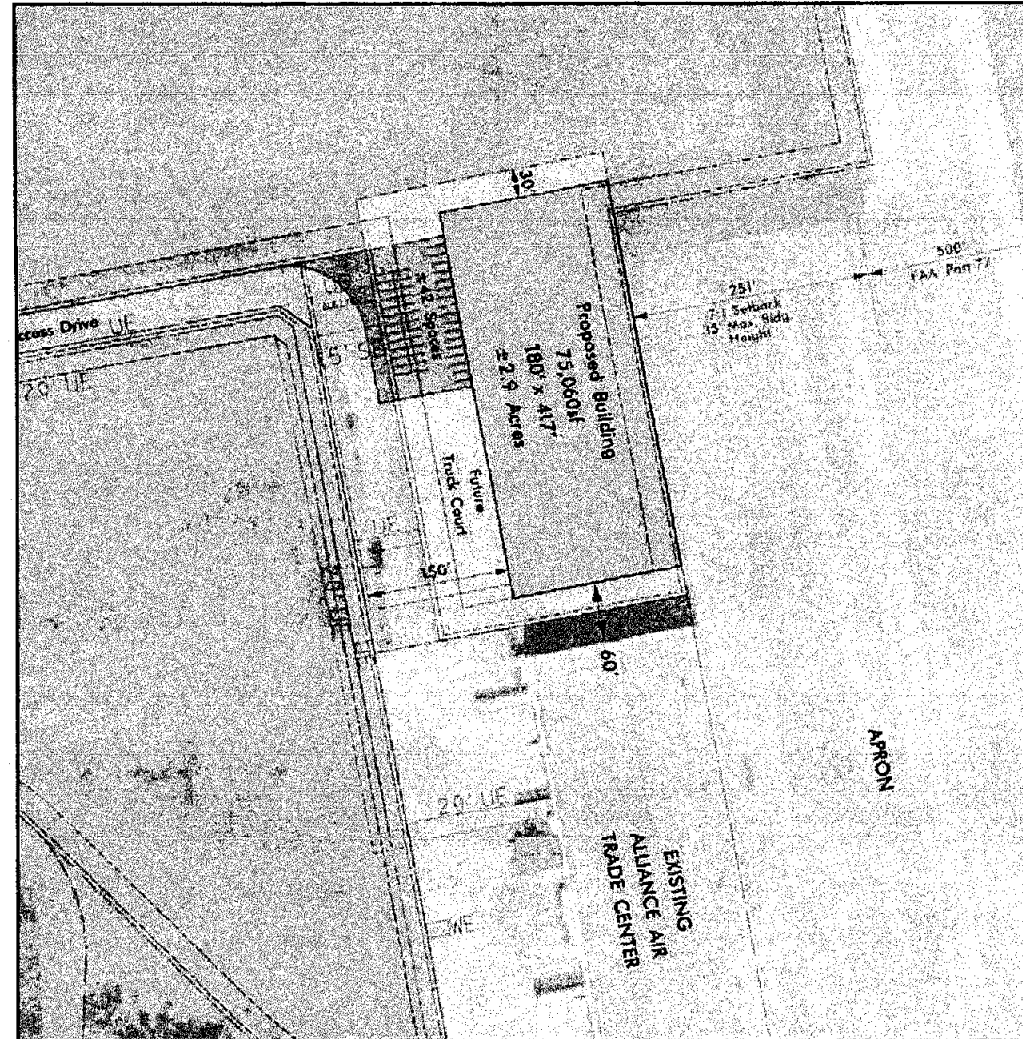


Alliance Westport is a 183,908 sq. ft. parcel comprising the Westport development in Alliance, Texas. Alliance Westport is managed by Alliance Westport. Together they also own 450,000 sq. ft. of office, retail, and industrial space in the area. For more information, contact Alliance Westport at 817.224.6000. All rights reserved. © 2007 Alliance Westport. All rights reserved.

For more information:
817.224.6000
AllianceTexas.com
9800 Hillwood Parkway, Suite 300
Fort Worth, Texas 76177



Utilize existing ramp (no cost)



Attachment III

Descriptive list and value of real and personal property improvements & Project Time Schedule

Application: Tarrant County Application for
Tax Abatement/Reinvestment Zone

Project: ATAC

Data Sheet for Economic Impact

Name of facility, project or firm for which Texas Enterprise Fund grant is being prepared:

Airborne Tactical Advantage Company, LLC (A Textron Company)

Location in Texas Alliance Field, Texas

A brief description of the new facility or operations or expansion that will be included in the Texas Enterprise Fund application and in the economic impact report:

ATAC will lease a single or multiple facilities on the Alliance Airfield to conduct support aircraft depot maintenance, engine maintenance, parts/equipment storage, aircraft inspections, and flight operations for maintenance and training. ATAC will use these facilities to support US Government Department of Defense work on organic F-16 and F-1 jet aircraft operated under public use.

The project or firm's primary NAICS code 611512

Number of jobs to be created and investments at the new or expanded facility each year:

Year	Number of New Workers to be Hired Each Year	Investments			Total Capital Investment
		Land	Buildings Lease	Machinery & Equipment	
2017	15	\$0	\$962,500	\$45,000	\$1,007,500
2018	64	\$0	\$1,317,500	\$565,000	\$1,882,500
2019	12	\$0	\$1,335,313	\$95,000	\$1,430,313
2020	20	\$0	\$1,353,570	\$55,000	\$1,408,570
2021	6	\$0	\$1,372,285	\$55,000	\$1,427,285
2022	42	\$0	\$1,391,467	\$650,000	\$2,041,467
2023	52	\$0	\$1,411,128	\$195,000	\$1,606,128
2024	38	\$0	\$1,431,282	\$95,000	\$1,526,282
2025	28	\$0	\$1,451,939	\$215,000	\$1,666,939
2026	14	\$0	\$1,473,112	\$95,000	\$1,568,112
Total	291	\$0	\$13,500,095	\$2,065,000	\$15,565,095

Average annual salaries for workers shown in the TEF application \$100,000

Average increase in payroll or average annual salaries after the first year 3%

New facility will be built by developer and leased by ATAC.

Facility Description	Aircraft storage and maintenance hangar.
Facility Size	185,000 sq ft
Value of new facility / investment by lessor	\$7,737,000

Project Facilities Schedule	Start Date: 1 Feb 2018
	Plat: 62 Days
	Design and Permit: 70 Days
	Building and Construction: 159 Days
	Occupancy: 1 Nov 2018

Data for calculating the increase in gross state product of the new facility or expansion -- the facility or expansion that will be included in the Texas Enterprise Fund application:

	Operating Budget	or	Annual Revenues \$M
2017	\$0		\$44
2018	\$0		\$70
2019	\$0		\$97
2020	\$0		\$200
2021	\$0		\$218
2022	\$0		\$259
2023	\$0		\$260
2024	\$0		\$262
2025	\$0		\$267
2026	\$0		\$271

Further explanation on Texas Franchise tax is shown on the Texas Comptroller of Public Accounts website: <http://www.cpa.state.tx.us/taxinfo/franchise/index.html>

Estimated out-of-town visitors to the facility for calculating state hotel occupancy taxes:

Number annual out-of-town visitors to the facility 90

Estimated annual percent increase in the number of out-of-town visitors	3%
Average number of days that each visitors spends at the facility	3
Average daily taxable spending in the city, excluding spending on motels	\$51
Average number of nights spent in a local motel	3
Average nightly lodging room rate for these visitors	\$131

Attachment IV

Owner's policy regarding use of disadvantaged Business Enterprises

Application: Tarrant County Application for
Tax Abatement/Reinvestment Zone

Project: ATAC



ATAC POLICY FOR USE OF DISADVANTAGED BUSINESS ENTERPRISES UTILIZATION STRATEGY

1.1 UTILIZATION STRATEGY

1.1.1 Introduction

Airborne Tactical Advantage Company (ATAC) is committed to making available areas of commercial opportunities to Disadvantaged Business Enterprises such as Small Business (SB), Small Disadvantaged Business (SDB), Women-Owned Small Business (WOSB), HUBZone Small Business (HZSB), Veteran-Owned Small Business (VOSB), and Service-Disabled Veteran-Owned Small Business (SDVOSB).

Our Company jumped from being a VOSB to a Large Business (under the current North American Industry Classification System {NAICS} code) in 2012. We are committed to Disadvantaged Business Enterprises having the same opportunity to advance their business interests, and have designed our Subcontracting Plan accordingly. We are retaining a number of our incumbent SB/SDB subcontractors; and ATAC will increase our outreach by incorporating products and services from the SB/SDB community to further increase the number of ATAC aligned SB/SDB subcontractors for future work.

1.1.2 Approach to Identify Disadvantaged Business Concerns

Our Utilization Strategy uses a two-part approach to identify, and use, qualified Disadvantaged Business concerns.

- Continue the expansion of our SDB, WOSB, HZSB, VOSB, and SDVOSB utilizations from the work
- Use the Dynamic Small Business Search database to search for qualified Small Businesses capable of performing work

We conduct an analysis of all work activities involved with performing our work, including analyzing what Large Business workloads can convert to Small Business. We assign an applicable NAICS code to each work activity, and execute a thorough search for each work activity, by NAICS code, via the Small Business Administration's (SBA's) "Dynamic Small Business Search" database (website). This Government provided tool enables us to identify SB/SDB sources by NAICS code, location (state), certification status, and quality assurance standards (ANSI/ASQC Z1.4, ISO-9000 Series, ISO 10012-1, and MIL-Q-9858; MIL-STD-45662A). We will work with the SBA, US DoD Office of Small Business Programs, and other organizations to identify emerging SB sources capable of fulfilling CAS contract requirements.

1.1.3 Improved Processes For Participation

ATAC has undertaken improvements to increase SB/SDB subcontracting participation in the scope of our enterprise activities. These initiatives include:

- CEO policy letter emphasizing the importance of small business participation
- Integrate SB goals into company objectives and Quarterly progress updates
- Communicating to all employees the importance of having a diverse supplier base
- Contract work breakdown analysis to better search for qualified Small Businesses



- Quarterly updating of the list of qualified SBs eligible to fulfill subcontracting opportunities that arise during the performance of the contract
- Instituting a SB/SDB Outreach Board to promote SB/SDB subcontracting
- Proactive outreach and communications program to promote SB/SDB subcontracting

1.1.4 Specific Efforts

ATAC analyzes (work breakdown) all activities involved with performing our obligations and runs the results against the Small Business Administration's "Dynamic Small Business Search" database to find qualified firms eligible for subcontracts. Where work currently executed by Large Business can be, subcontracted to a qualified SB/SDB at a comparable price, we implement a Subcontract Conversion Transition Plan to ensure seamless transition of the work to the SB/SDB. We actively search for SB/SDB firms who can provide subcontracting support by using resources such as: the SBA, Minority Business Directories, Regional Directories of Minority Owned Businesses Firms, DoD Office of Small Business Programs, State agencies and Aerospace Trade Associations. In addition, ATAC also;

- Structures RFPs so SB/SDB can participate wherever possible.
- Executes a proactive outreach program to identify, develop, and grow Small Businesses.
 - Employ a very experienced Small Business Utilization Advisor with proven record of growing Small Businesses participation.
 - Attend SB/SDB conferences, workshops and seminars sponsored by SBA, Minority, Veteran, Woman-Owned, and HUBZone organizations.
 - Provide SB/SDB firms technical and business assistance to develop qualified subcontractors.
 - Invite Government Small Business Offices to participate in our SB/SDB Outreach Board.
 - Conduct quarterly ATAC SB/SDB Outreach Boards, with focus on finding, developing, mentoring, and promoting Small Business subcontracting.

1.1.5 Consistency with Utilization Plan

ATAC's SB/SDB Utilization Strategy is consistent with our SB Subcontracting Plan and our SB/SDB subcontracting goals, in that our strategy provides a roadmap to implement our SB/SDB subcontracting goals and to strengthen our internal SB/SDB subcontracting processes. Our strategy approach sets forth specific actions focusing on SB/SDB outreach to, proactively seek, develop, and subcontract with Small Business. O

2. Methods Used to Identify Potential Sources

ATAC's SBLO assists in identifying qualified SB, SDB, WOSB, HZSB, VOSB, SDVOSB and HBCU/MI Businesses as potential sources for participation in procurement opportunities. Commonly used resources include, but are not limited to the following: ATAC Approved Supplier List, System for Award Management (SAM), National Minority Supplier Development Council, National Association of Women Business Owners, Veterans Administration, National Center for American Indian Enterprise Development, various trade association membership directories and websites, outreach events, and other resource documents or representations.



3. Administrator and Description of Duties

Allison Merritts
Small Business Liaison Officer (SBLO)
ATAC
1001 Providence Blvd
Newport News, VA 23602
Phone: 757-243-8028 Fax: 757-812-7491
Email: amerritts@atacusa.com

Duties:

The SBLO's primary responsibilities are to:

- A. Prepare the Small Business Subcontracting Plan, which includes the elements required by the Federal Acquisition Regulation.
- B. Approve Individual Subcontract Plans that cover the entire contract period (including option periods), apply to a specific contract, and have goals that are based on planned subcontracting in support of the specific contract. The plan will include percentages and goals for participation of Small Business concerns, as requested by the Contracting Officer for DoD contracts, proposals, and modifications with a value of \$650,000 or more (wherein the proposed effort offers subcontracting possibilities).
- C. Prepare and submit the Individual Subcontracting Report (ISR) and Summary Subcontracting Report (SSR) in a timely manner to the contracting agency as required.
- D. Conduct training for ATAC personnel for all aspects relating to the Socio-Economic Business Program.
- E. Provide assistance and counsel to current and potential Small Business suppliers.
- F. Compile and maintain source directories on current and potential Small Business concerns to aid procurement personnel in locating and contracting with such concerns.
- G. Represent ATAC in matters relating to the Small Business subcontracting program with appropriate government agencies.
- H. Cooperate with local SBA and DCMA representatives with respect to periodic reviews and/or opportunity referrals.
- I. Assure procurements are awarded based on best value practices, including such factors as schedule, price, technical competition and known performance.
- J. Seek opportunities for Small Businesses in the Request For Quote (RFQ) process.
- K. Coordinate, support and participate in SB/SDB outreach events for all small business categories.

4. Efforts to Assure Equitable Opportunities

A special effort is made to identify and facilitate procurement opportunities for SB, SDB, WOSB, HUBZone, VOSB, and SDVOSB concerns. ATAC will provide the following actions:



- A. Requirements are reviewed for possible opportunities for procurement from SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns.
- B. Ensure make-or-buy deliberations include adequate and timely consideration of known SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns capabilities.
- C. Examine development work, likely to lead to production, for possible placement with known SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns.
- D. Make available specifications, drawings, and other relevant data so that qualified known SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns may equitably compete and prepare bids.
- E. Provide, to the extent possible and ethical, counseling or other forms of assistance to help known SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns obtain awards for which they can qualify. Supportive relations are maintained with such suppliers throughout contract performance.

When appropriate, competition may be restricted to qualified SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns. Additionally, ATAC Proposal Teams will make every effort to identify and facilitate opportunities that enhance participation of SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns to compete for procurement awards. Efforts undertaken by ATAC Proposal Teams to solicit and fairly consider SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns for procurements vary among programs, commodity markets, technologies and the available industrial base. Changes in the market place or conditions may dictate the practical alternatives available in utilizing SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns. The following presents options for consideration:

- A. Ensure that Small Business firms are considered fairly when manufacture or purchase decisions are made for components required in development or production of major subsystems.
- B. Examine development work likely to lead to production and make available specifications, drawings, and other relevant data to assist qualified SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns in preparing bids wherever possible.
- C. Identify sole source items normally procured from large businesses and make a best commercial attempt to ascertain the feasibility of acquiring such items from SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns.
- D. Evaluate products developed by SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns for possible application in systems designed and produced by ATAC where feasible.

5. Outreach

- A. ATAC Supplier Diversity Program includes for this Individual Small Business Subcontracting Plan outreach to the SB, SDB, WOSB, HZSB, VOSB, and SDVOSB concerns community. Outreach efforts are documented and include as a minimum, attendance at various federal and state sponsored procurement conferences, trade fairs, regional purchasing council meetings and active support of in-plant seminars, workshops and training programs.

Attachment V

*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*

Application: Tarrant County Application for
Tax Abatement/Reinvestment Zone

Project: ATAC

Textron Enterprise Standard	Title: Air Pollution	EHS Standard : 2.3
	Function Group: Environmental, Health & Safety	
	Issue Date: 9/1/1998	Reviewed: 8/31/2015

1.0 PURPOSE

This environmental standard defines the minimum requirements for control of air pollution sources. The intent of this standard is to ensure proper controls are implemented on air pollution sources in order to prevent undue impact on ambient air quality and liability risk for Textron.

2.0 SCOPE

This standard applies to all operations where Textron has operating control. Each facility will comply with the most stringent requirements established either by federal, state or local law or by this Global EHS Standard.

3.0 DISCUSSION

Air emissions may impact the environment. Textron operations have a responsibility to ensure that they operate in a manner that minimizes this impact and is in accordance with generally available environmental best practices and applicable laws. Implementation of this standard will ensure that Textron facilities are taking reasonable steps to protect air quality and the environment.

4.0 DEFINITIONS

Ozone Depleting Substances (ODS) – A family of man-made compounds that includes, but are not limited to, chlorofluorocarbons (CFCs), bromofluorocarbons (halons), methyl chloroform, carbon tetrachloride, methyl bromide, and hydrochlorofluorocarbons (HCFCs). These compounds have been shown to deplete stratospheric ozone, and therefore are typically referred to as ODSs (see Appendix I, List of Air Pollutants).

Combustion Source – Any equipment that burns fossil fuel and is used for the purpose of generating heat, electrical power, or steam. Excluded from this definition are product testing activities, transportation equipment, and any equipment used for emergency purposes.

Facility (Air Standard) – For purposes of this standard, a facility is defined as all affected emissions sources which are located on properties that are: geographically contiguous; operated by the same division; and defined as a unique plant or operating unit.

Freeboard – Freeboard is the distance from the top of the solvent to the top of the solvent tank.

Freeboard ratio is the freeboard height divided by the width of the tank.

Major Combustion Source – Facilities with greater than 100 metric tons per year of actual NO_x emissions.

Major VOC Source – Facilities with greater than 100 metric tons per year of actual VOC emissions from production processes (i.e., not from building maintenance activities).

Nitrous Oxides (NO_x) – Nitrogen Oxides formed during the combustion processes.

Volatile Organic Compound (VOC) – Hydrocarbon based chemicals with a vapor pressure greater than 10 mmHg at standard atmospheric conditions.

Textron Enterprise Standard	Title: Air Pollution	EHS Standard : 2.3
	Function Group: Environmental, Health & Safety	
	Issue Date: 9/1/1998	Reviewed: 8/31/2015

5.0 STANDARD

1. Each *facility* must initially complete an estimate of actual VOC and NO_x emissions. A formal review and revision to this estimate is required for all significant process additions or modifications.
2. Facilities shall report air energy consumption data as required by **EHS Policy 4, EHS Periodic Reporting** (see also **Standard Work Document SW-1, Environmental Metric Reporting Instructions**) to allow for the accurate calculation of greenhouse gas emissions from each Textron facility.

Facilities must also implement the following air pollution prevention and control measures as determined by on-site operations and classification as a major source:

A. Facilities with Painting/Coating Operations

Requirements for All Facilities

1. All paint operations using VOCs, with the exception of touch up operations, must be conducted in a controlled environment, (e.g., a paint booth). Enclosures for paint spray gun cleanup must be employed unless the gun is disassembled for cleaning.
2. Mechanical filters are required on any source generating particulates.
3. *Major VOC sources* must implement control measures on all painting/coating operations to reduce VOC emissions. Examples of some possible control measures are as follows:

Alternate Materials	Alternate Equipment & Processes
Pre-coated Materials	Electrostatic Painting
Self-Adhesive Materials	High Volume Low Pressure Paint Gun
Powder Coatings	Roll Coating
Hot-melt Adhesives	
Alternate Materials	Alternate Equipment & Processes
Water-based Adhesives	
Water-based Coatings	
Electrophoretic Coating	
High Solids/Low VOC Coatings	

Textron Enterprise Standard	Title: Air Pollution	EHS Standard : 2.3
	Function Group: Environmental, Health & Safety	
	Issue Date: 9/1/1998	Reviewed: 8/31/2015

B. Facilities with Paint/Coating Stripping Operations

Requirements for All Facilities

1. All stripping operations using VOCs, with the exception of touch up operations, must be conducted in an enclosed, emission controlled environment.
2. Mechanical filters are required on any source generating particulates.
3. *Major VOC sources* must implement control measures on all painting/coating stripping operations to reduce VOC emissions. Examples of some possible control measures are as follows:

Mechanical Stripping	Chemical Stripping
Water Jet	Low VOC Strippers
Shot Peen	
Abrasives	
Cryogenic Strippers	

C. Facilities with Cleaning and Degreasing Operations

Requirements for All Sources

1. All VOC cleaning and degreasing tank operations must use process covers and have adequate *freeboard*. A *freeboard ratio* of greater than or equal to 0.75 is preferred.
2. Heated systems must use cooling coils.
3. *Major VOC sources* must implement control measures on all cleaning or degreasing operations to reduce VOC emissions. Examples of some possible control measures are as follows:

Alternate Chemicals	Equipment/Process Modifications
Aqueous Cleaners	Closed Cleaning System
Semi-aqueous Cleaners	Optimized Cleaner Size
Low VOC Cleaners	Refrigerated Vapor Capture System
Low Vapor Pressure Cleaners	Minimized Part Removal Speed

D. Ozone Depleting Substances

Requirements for All Facilities

1. All equipment with ozone depleting chemicals must be properly maintained to prevent releases to the atmosphere.
2. Atmospheric venting of refrigeration systems containing an *ODS* is prohibited.

Textron Enterprise Standard	Title: Air Pollution	EHS Standard : 2.3
	Function Group: Environmental, Health & Safety	
	Issue Date: 9/1/1998	Reviewed: 8/31/2015

3. ODSs must be removed from products prior to disposal.
4. Purchase of equipment with a Class I ODS is prohibited after January 1, 2000.
5. Use of Class I ODS in an equipment or process is prohibited after January 1, 2000.
6. Major VOC sources must implement control measures on all operations with ODSs to reduce VOC emissions. Examples of some possible control measures are as follows:

Alternative Methods
Non-ODS Materials for Leak Checks
ODS Substitutes
Minimize Volume Quick Disconnects

E. Facilities with Combustion Sources

Requirements for All Facilities

1. Employ a preventive maintenance program and optimize burner operation.
2. Major combustion sources must implement control measures on all combustion sources to reasonably minimize pollutant emissions. Examples of some possible control measures are as follows:

Fuel Substitution	Equipment/Process Modification
Conversion to Natural Gas	Low NO _x Burners
Low Sulfur Fuel	Low Excess Air
Low Nitrogen Fuel	System/Combustion Efficiency Improvements
	Instrumentation/Burner Control Improvements
	Energy Conservation Program

6.0 EXEMPTIONS

Exemptions to this standard may be granted where a written assessment indicates that the degree of risk reduction obtainable by implementing the standard is not commensurate with the magnitude of necessary corrective action.

- Exemptions are only granted for Textron Standards. Exemptions will not be granted if the exemption would result in a violation of local laws and regulations.
- Exemptions to a Textron Standard must be requested and approved according to **Textron EHS Policy 2, Global EHS Standards**.

Textron Enterprise Standard	Title: Air Pollution	EHS Standard : 2.3
	Function Group: Environmental, Health & Safety	
	Issue Date: 9/1/1998	Reviewed: 8/31/2015

7.0 IMPLEMENTATION

Facilities are required to meet local regulations at all times. Implementation of additional requirements mandated in this standard will be in accordance with the following schedule:

New Operations:	Immediately
Existing Operations:	July 1, 2001
Newly Acquired Operations:	2 years from the date of acquisition

Attachment VI

Tax Certification showing property taxes paid for most recent year

Application: Tarrant County Application for
Tax Abatement/Reinvestment Zone

Project: ATAC



RON WRIGHT
TARRANT COUNTY
TAX ASSESSOR-COLLECTOR

@TarrantCoTax

Facebook.com/TarrantCountyTAC

100 E. Weatherford, Fort Worth, TX 76196

(817) 884-1100

e-mail: taxoffice@tarrantcounty.com

web: www.tarrantcounty.com

DATE: 10/25/2017

2017 TAX STATEMENT

ACCOUNT: 00003975576

IMPORTANT - Legislativa Changes
 5 - Year Comparison on back of statement.
IMPORTANTE - Cambios Legislativos
 Comparación de 5 - Años detrás del Cobro.

LEGAL: JOHNSON, H C SURVEY ABSTRACT
 870 TRACT 38 AG

e-STATEMENT

OWNER: ADL DEVELOPMENT LP
 PARCEL ADDRESS: 0000179 INTERMODAL PKWY N
 EXEMPTIONS: AG002

V1.0

LAND VALUE	AG DEFERRED VAL	APPRAISED VAL				
1,832	894,073	895,905				
TAXING ENTITIES	APPRAISED VALUE	EXEMPTION AMOUNT	TAXABLE VALUE	TAX RATE PER \$100	BASE TAX	TAXES DUE CURRENTLY
HASLET CITY	895,905	894,073	1,832	0.333044	6.10	6.10
TARRANT COUNTY	895,905	894,073	1,832	0.244000	4.47	4.47
T C HOSPITAL	895,905	894,073	1,832	0.224429	4.11	4.11
T C COLLEGE	895,905	894,073	1,832	0.140080	2.57	2.57
TOTAL TAXES						17.25

TOTAL AMOUNT DUE 17.25
INCLUDES PAYMENTS RECEIVED

Pay by Credit Card or eCheck



In person only



Pay online with these cards
 Or by phone at 817-884-1110

INFORMAL PRESENT

****YOUR CHECK WILL BE CONVERTED INTO AN ELECTRONIC FUND TRANSFER****

ADL DEVELOPMENT LP
 AG002

RETURN WITH PAYMENT

00003975576
 00003975576

PAY THIS AMOUNT \$17.25
 Delinquent after: 1/31/2018

00003975576 2017
 72585470
 72585470

IF PAID IN	AMOUNT DUE
NOV	17.25
DEC	17.25

H 8.82


Make checks payable to:
 RON WRIGHT, TAX-ASSESSOR-COLLECTOR

ADL DEVELOPMENT LP C/O HILLWOOD
 ATTN LAURIE D ZIRPEL
 9800 HILLWOOD PKWY STE 300
 FORT WORTH, TX 76177

PO BOX 961018
 FORT WORTH TX 76161-0018

00003975576 0000001725 0000001725 0000001725 1025201700000

Please review this tax notice. This tax statement includes only the property taxes which are collected by the Denton County Tax Office. There may be other taxes due on your property that are not collected by the Denton County Tax Office. This tax statement reflects the amount due for the 2017 tax year only. Delinquent taxes are not included in this statement. If payment is sent by first class-mail and property addressed with postage prepaid, the post office cancellation mark is considered the date of payment.

 MICHELLE FRENCH DENTON COUNTY TAX A/C P O BOX 80223 DENTON, TX 76202 (940) 349-3500	2017 TAX E-STATEMENT
	PROPERTY ACCOUNT NUMBER: 03975576TAR 32,212,204-1

STATEMENT DATE:	10/25/2017	LEGAL:	JOHNSON, H C SURVEY ABSTRACT 870 TRACT 3B AG
OWNER:	ADL DEVELOPMENT LP		
MAILING ADDRESS:	C/O HILLWOOD ATTN LAURIE D ZIRPEL 9800 HILLWOOD PKWY STE 300 FORT WORTH TX 76177	PROPERTY LOCATION:	0000179 INTERMODAL PKWY N
		ACRES:	19.909

AG DEFERRED VAL	AG LAND	TOTAL MARKET VALUE
884,073	1,832	895,905

TAXING ENTITY	EXEMPTION AMOUNT	TAXABLE VALUE AFTER EXEMPTIONS	TAX RATE PER \$100	BASE TAX	PENALTY & INTEREST
NORTHWEST ISD	894073.00	1832.00	1.490000	27.30	0.00
SUBTOTAL				27.30	0.00
TOTAL AMOUNT DUE				27.30	

***IF YOU ARE RECEIVING THE 'OVER 65' OR '100% DISABILITY' EXEMPTION, YOU QUALIFY FOR INSTALLMENT PAYMENTS. CALL THIS TAX OFFICE FOR MORE INFORMATION.**

** Detach on perforation and return this portion with your check payable to:*

DENTON COUNTY
 P O BOX 80223
 DENTON, TX 76202
 (940) 349-3500

TOTAL AMOUNT DUE \$27.30

**** AMOUNT DUE ON RECEIPT ****

Please make check payable to: **Michelle French, Tax A/C**

ACCOUNT: 03975576TAR 2017

ADL DEVELOPMENT LP
 LAURIE D ZIRPEL
 9800 HILLWOOD PKWY STE 300
 FORT WORTH TX 76177

C/O HILLWOOD ATTN

IF PAID IN	AMOUNT DUE
NOV	27.30
DEC	27.30
JAN	27.30
FEB	29.21
MAR	29.76
APR	30.30



RON WRIGHT
TARRANT COUNTY
TAX ASSESSOR-COLLECTOR

@TarrantCoTax

Facebook.com/TarrantCountyTAC

100 E. Weatherford, Fort Worth, TX 76196
 (817) 884-1100
 e-mail:taxoffice@tarrantcounty.com
 web:www.tarrantcounty.com

DATE: 10/25/2017

2017 TAX STATEMENT

ACCOUNT: 00040784967

LEGAL: HARMON, C R SURVEY ABSTRACT
 737 TRACT 1F

e-STATEMENT

IMPORTANT - Legislative Changes
 5 - Year Comparison on back of statement.
IMPORTANTE - Cambios Legislativos
 Comparación de 5 - Años detrás del Cobro.

OWNER: ADL DEVELOPMENT LP
 PARCEL ADDRESS: 0000179 INTERMODAL PKWY N
 EXEMPTIONS: AG002

V1.0

LAND VALUE 287	AG DEFERRED VAL 140,113	APPRAISED VAL 140,400				
TAXING ENTITIES	APPRAISED VALUE	EXEMPTION AMOUNT	TAXABLE VALUE	TAX RATE PER \$100	BASE TAX	TAXES DUE CURRENTLY
HASLET CITY	140,400	140,113	287	0.333044	0.96	0.96
TARRANT COUNTY	140,400	140,113	287	0.244000	0.70	0.70
T C HOSPITAL	140,400	140,113	287	0.224429	0.64	0.64
T C COLLEGE	140,400	140,113	287	0.140060	0.40	0.40
TOTAL TAXES						2.70

TOTAL AMOUNT DUE 2.70
INCLUDES PAYMENTS RECEIVED

Pay by Credit Card or eCheck



In person only



Pay online with these cards
 Or by phone at 817-884-1110

IN COPY WE TRIED

****YOUR CHECK WILL BE CONVERTED INTO AN ELECTRONIC FUND TRANSFER****

ADL DEVELOPMENT LP
 AG002

RETURN WITH PAYMENT

00040784967

00040784967

PAY THIS AMOUNT \$2.70
 Delinquent after: 1/31/2018

00040784967 2017

72585473

72585473

IF PAID IN	AMOUNT DUE
NOV	2.70
DEC	2.70

H 1.35

ADL DEVELOPMENT LP C/O HILLWOOD
 ATTN LAURIE D ZIRPEL
 9800 HILLWOOD PKWY STE 300
 FORT WORTH, TX 76177

Make checks payable to:
RON WRIGHT, TAX-ASSESSOR-COLLECTOR

PO BOX 961018
 FORT WORTH TX 76161-0018

00040784967 0000000270 0000000270 0000000270 102520170000

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MICHELLE FRENCH
 DENTON COUNTY TAX A/C
 P O BOX 90223
 DENTON, TX 76202
 (940) 349-3500

2017 TAX E-STATEMENT

PROPERTY ACCOUNT NUMBER: **40784967TAR**

32,212,208-1

STATEMENT DATE: 10/25/2017	LEGAL: HARMON, C R SURVEY ABSTRACT 737 TRACT 1F
OWNER: ADL DEVELOPMENT LP	
MAILING ADDRESS: C/O HILLWOOD ATTN LAURIE D ZIRPEL 9800 HILLWOOD PKWY STE 300 FORT WORTH TX 76177	PROPERTY LOCATION: 0000179 INTERMODAL PKWY N ACRES: 3.12

AG DEFERRED VAL	AG LAND	TOTAL MARKET VALUE
140,113	287	140,400

TAXING ENTITY	EXEMPTION AMOUNT	TAXABLE VALUE AFTER EXEMPTIONS	TAX RATE PER \$100	BASE TAX	PENALTY & INTEREST
NORTHWEST ISD	140113.00	287.00	1.490000	4.28	0.00
SUBTOTAL				4.28	0.00
TOTAL AMOUNT DUE				4.28	

***IF YOU ARE RECEIVING THE 'OVER 65' OR '100% DISABILITY' EXEMPTION, YOU QUALIFY FOR INSTALLMENT PAYMENTS. CALL THIS TAX OFFICE FOR MORE INFORMATION.**

^ Detach on perforation and return this portion with your check payable to:

DENTON COUNTY
 P O BOX 90223
 DENTON, TX 76202
 (940) 349-3500

TOTAL AMOUNT DUE
\$4.28

** AMOUNT DUE ON RECEIPT **

Please make check payable to: **Michelle French, Tax A/C**

ACCOUNT: 40784967TAR 2017

ADL DEVELOPMENT LP
 LAURIE D ZIRPEL
 9800 HILLWOOD PKWY STE 300
 FORT WORTH TX 76177

C/O HILLWOOD ATTN

IF PAID IN	AMOUNT DUE
NOV	4.28
DEC	4.28
JAN	4.28
FEB	4.58
MAR	4.67
APR	4.75

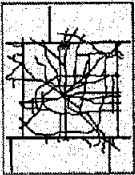


- Legend**
Deeds_Boundary
RECORDBOUNDARYTYPE
- Parcel Line
 - Parcel Split Line
 - Private Road
 - ROW
 - Unknown
 - Historical
 - School
 - City
 - Abseatis
 - County
 - Water_District

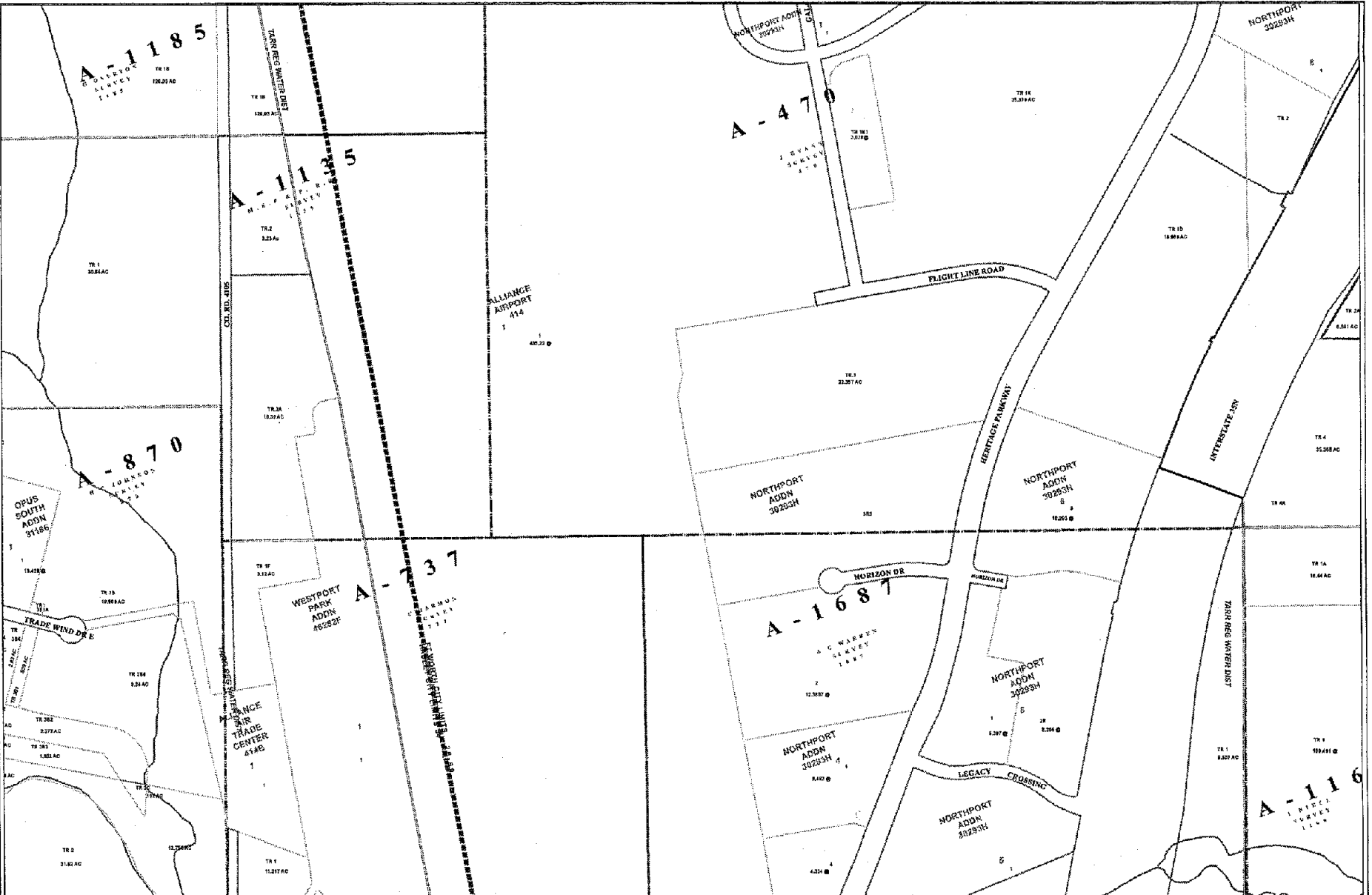


Map created on:
4/13/2016

1 Inch = 400 feet



* map location



This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

EXHIBIT "D"

DESCRIPTION OF PREMISES

DESCRIPTION OF PREMISES

Description of 2.902 Acres of Land

BEING that certain tract of land situated in the C. Harmon Survey, Abstract Number 737 and the H. Johnson Survey, Abstract Number 870, City of Haslet, Tarrant County, Texas and being a portion of the remainder of that tract of land described by deed to ADL Development, L.P., (former known as ADL Development, Ltd., formerly known as Hillwood/2470, Ltd., formerly known as Alliance Airport, Ltd.) recorded in Volume 9279, Page 377 of County Records, Tarrant County, Texas and being more particularly described by metes and bounds as follows;

BEGINNING at the easterly northeast corner Lot 1, Block 1, Alliance Air Trade Center, an addition to the City of Haslet recorded in Cabinet "A", Slide 9441 said County Records and being in the west line of Lot 1, Block 1, Westport Park Addition, an addition to the City of Haslet recorded in Cabinet "A", Slide 8543 said County Records;

THENCE S 79°34'04"W, 264.50 feet, with the north line of said Lot 1, Block 1, Alliance Air Trade Center;

THENCE N 10°25'56"W, continuing with said north line, at 423.03 feet the westerly northeast corner of said Lot 1, Block 1 Alliance Air Trade Center, in all 478.00 feet;

THENCE N 79°34'04"E, 264.50 feet;

THENCE S 10°25'56"E, at 54.97 the feet, the northerly northwest corner of said Lot 1, Block 1, Westport Park Addition, in all 478.00 feet, to the **Point of Beginning** and containing 126,431 square feet or 2.902 acres of land more or less.

"Integral parts of this document"

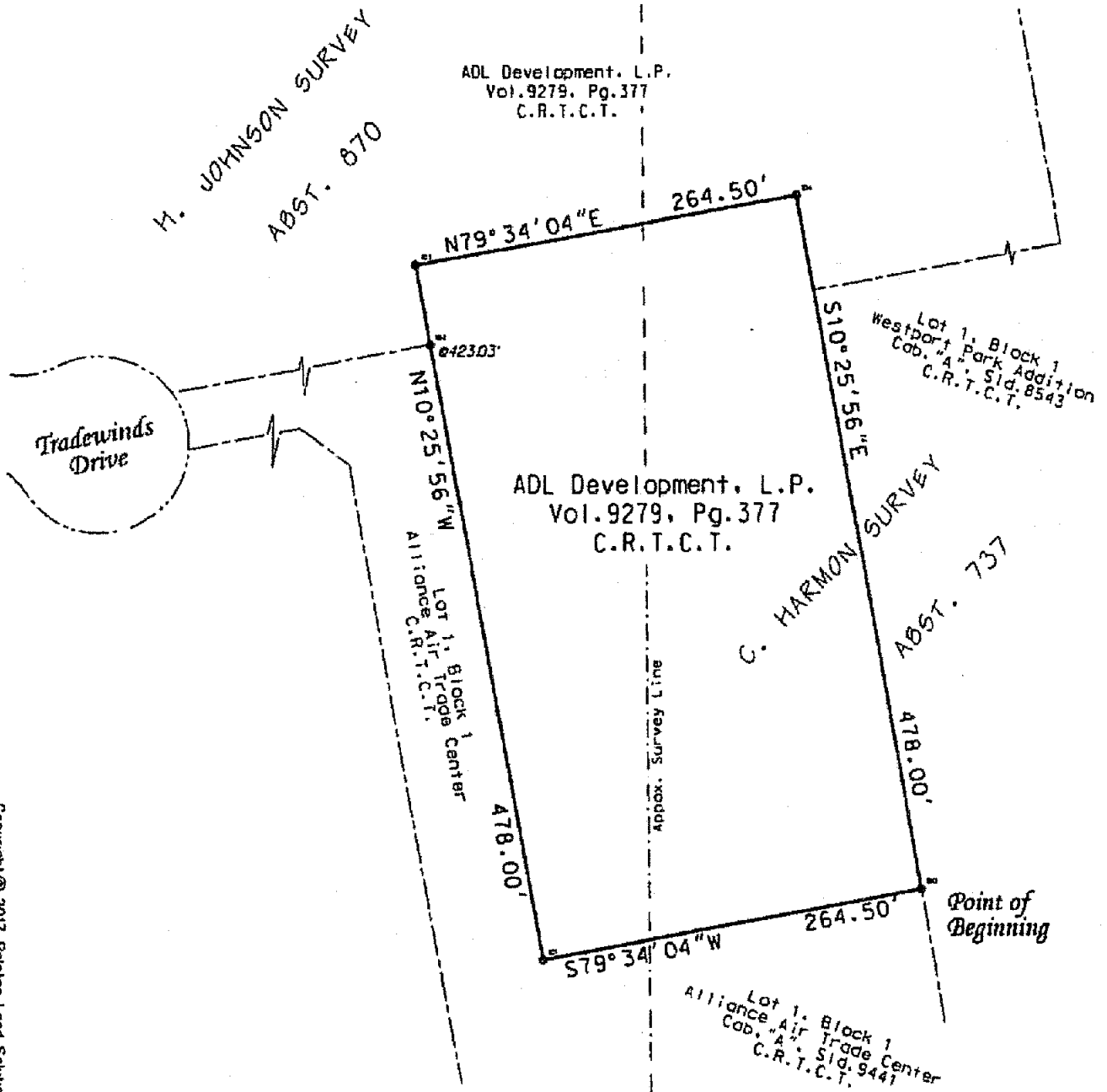
1. Description
2. Exhibit

TBPLS Firm Reg No. 1017700



"Integral parts of this document"
1. Description
2. Exhibit

DESCRIPTION OF PREMISES



Copyright © 2017 Peloton Land Solutions, Inc

An Exhibit Showing

2.902 Acres

Situated in the C. Harmon Survey, Abstract Number 737
and the H. Johnson Survey, Abstract Number 870.
Tarrant County, Texas

ACF# 7078

PELTON
LAND SOLUTIONS
8600 HILLWOOD PARKWAY, SUITE 250
FORT WORTH, TEXAS 76177 PH: 817-562-3350

JOB # HWA17099.19	DRAWN BY:	CHECKED BY: TAB	DATE: 11-7-2017	PAGE # 2 of 2
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EXHIBIT "E"

DESCRIPTION OF IMPROVEMENTS

DESCRIPTION OF IMPROVEMENTS

75,000 total square feet of concrete slant-style hanger space consisting of:

- 50,000 square feet for multi-bay aircraft maintenance, repair and overhaul (MRO);
- 15,000 square feet for back shops (tire shop, sheet metal, battery shop, parachute shop and life support); and
- 10,000 square feet for office, logistics and flight operations.

Various aircraft with situs in Haslet, Tarrant County, Texas, with taxable valuation in excess of \$100,000,000.

EXHIBIT "F"

TARRANT COUNTY TAX ABATEMENT POLICY AND GUIDELINES



TARRANT COUNTY

TAX ABATEMENT POLICY 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) 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.**
- (b) 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.**
- (c) 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.**
- (d) 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.**
- (e) 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.**
- (f) 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.**
- (g) 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.