



COMMISSIONERS COURT  
COMMUNICATION

REFERENCE NUMBER

PAGE 1 OF

131

DATE: 6/24/2014

SUBJECT: **APPROVAL OF A TAX ABATEMENT AGREEMENT BETWEEN TARRANT COUNTY AND CAROLINA BEVERAGE GROUP, LLC AND AT INDUSTRIAL OWNER 7, LLC, CITY OF FORT WORTH**

**COMMISSIONERS COURT ACTION REQUESTED:**

It is requested that the Commissioners Court approve the Resolution and Tax Abatement Agreement providing for Tarrant County participation with the City of Fort Worth in the abatement of ad valorem taxes on the eligible real and personal property improvements made by Caroline Beverage Group, LLC and AT Industrial Owner 7, LLC for the location of a new manufacturing and distribution facility in the Alliance Gateway Park, 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:**

Carolina Beverage Group, LLC, is expanding its beverage manufacturing and distribution operations into the North Texas/Oklahoma area and will lease an existing 399,000 sq. ft. facility at Alliance Gateway in north Fort Worth, owned by AT Industrial Owner 7, LLC. Carolina Beverage Group, LLC will launch operations with two manufacturing lines in 2014, and have the ability to grow to four (4) lines over the next three (3) to five (5) years. The company will invest approximately \$17 million in new equipment and machinery by the end of 2014, and add an additional \$23 million in personal property with the addition of the third and fourth lines by the end of 2018. Total improvement costs are estimated at over \$45,000,000.00, with approximately \$5 million in real property improvements and \$40 million in new personal property improvements. The company plans to employ a minimum of sixty (60) full-time employees by the end of 2014, and grow to more than two hundred twenty-five (225) full-time jobs as the additional lines become operational. The annual salaries for management and maintenance professionals range from \$67,000.00 to \$85,000.00; annual wages for warehouse, blending, quality assurance and administrative employees will range from \$13.00 to \$14.00 per hour. Health benefits are provided at a reasonable cost to full-time employees.

The City of Fort Worth has approved a ten (10) year tax abatement providing up to seventy percent (70%) abatement of real and personal property taxes. The attached Tax Abatement Agreement provides for County 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 thirty

SUBMITTED BY:	Administrator's Office	PREPARED BY:	Lisa McMillan
		APPROVED BY:	



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percent (30%) and providing for up to twenty percent (20%) additional abatement for employment and performance-based criteria.

To receive a base thirty percent (30%) abatement, Carolina Beverage will be required to meet a minimum \$5 million in real property improvement costs, add a minimum of \$40 million in new taxable business personal property to the site, and add and retain employment of sixty (60) full-time jobs. Tax abatement will apply only to that portion of value added over and above the 2013 real property value of the facility on the Tarrant County tax rolls. Up to an additional twenty percent (20%) abatement can be incrementally earned for added full-time employment to the site above the minimum sixty (60) required jobs, and for added community commitments in terms of Tarrant County resident employment and additional spending with DBE and Tarrant County companies for construction costs. The total cumulative percentage of ad valorem tax abatement that may be received in any one (1) year is capped at fifty percent (50%).

### **FISCAL IMPACT:**

Total new real and personal property value added from this development is estimated at over \$45,000,000.00 (\$5,000,000.00 for real property and \$40,000,000.00 for business personal property). Based on current tax rates, should Carolina Beverage Group, LLC 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 up to \$547,000.00 from the County. Hospital District taxes will not be abated.

Over that same period, the County will receive tax revenues from the unabated portion of the new improvements, as well as the current base value of the land and existing facility. New tax revenues from the unabated portion of new improvements are expected to be over \$547,000.00 for the County over the ten (10) year tax abatement period.

117891



## RESOLUTION

### PARTICIPATION IN TAX ABATEMENT FOR CAROLINA BEVERAGE GROUP LLC AND AT INDUSTRIAL OWNER 7 LLC, FORT WORTH

**WHEREAS**, Caroline Beverage Group LLC and AT Industrial Owner 7 LLC, entities duly authorized to do business in the State of Texas, and duly acting by and through their authorized officers, (hereafter referred to collectively as "Owner"), plans to construct, renovate and equip facilities on real property under its ownership or lease agreement, more particularly described in the Abatement Agreement attached hereto and incorporated herein by reference ("Real Property"), located in the City of Fort Worth; 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 Fort Worth; 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 Fort Worth and the County; and

**WHEREAS**, the Real Property and all improvements thereon are located in Reinvestment Zone No. 87 in the City of Fort Worth, a reinvestment zone for the purpose of tax abatement as authorized by Chapter 312 of the Texas Tax Code, as amended (the "Code"); and

**WHEREAS**, on the City Council of the City of Fort Worth has approved and executed a tax abatement agreement as to certain improvements thereon; and

**WHEREAS**, the Tax Abatement Agreement (the "Agreement") between Tarrant County and Owner, provides for the construction, renovation and installation of certain improvements at an estimated cost of over \$45,000,000 to be completed by December 31, 2018; and

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

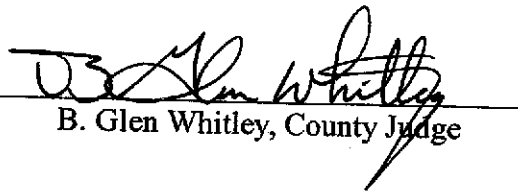
**WHEREAS**, the Commissioners Court has been requested by the Owner to take the steps required pursuant to the Code to permit tax abatement with respect to that portion of the Real Property and the improvements thereon which are subject to the taxing jurisdiction of the County, and has further requested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

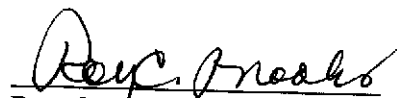
**WHEREAS**, the County has approved the Tarrant County Tax Abatement Policy Statement Guidelines and Criteria for granting tax abatement in reinvestment zones in Tarrant County;

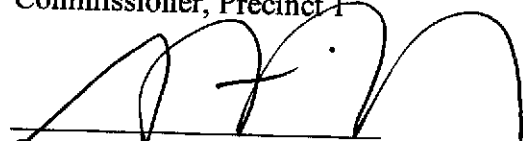
**NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED** by the Commissioners Court of Tarrant County, Texas:

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; and according to the adopted guidelines and criteria for tax abatement of the County, shall prudently review and consider each proposed County tax abatement agreement providing participation in tax abatement with a municipality; and shall, solely at its discretion, approve those tax abatement agreements that it finds meet all constitutional and statutory criteria and requirements, and which it finds to be in the best interest of the taxpayers and citizens of the County; and
3. That the Commissioners Court hereby finds that the terms and conditions of the Agreement substantially meet its guidelines and criteria; that the Agreement for the abatement of 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 24<sup>th</sup> day of June, 2014, through Court Order No. 117891.

  
B. Glen Whitley, County Judge

  
Roy C. Brooks  
Commissioner, Precinct 1

  
Gary Fickes  
Commissioner, Precinct 3

\_\_\_\_\_  
Andy H. Nguyen  
Commissioner, Precinct 2

  
J.D. Johnson  
Commissioner, Precinct 4

THE STATE OF TEXAS §

**Tax Abatement Agreement**

COUNTY OF TARRANT §

THIS Agreement is executed by and between **AT INDUSTRIAL OWNER 7 LLC**, a Delaware limited liability company ("**AT7**"); and **CAROLINA BEVERAGE GROUP, LLC**, a North Carolina limited liability company (hereafter referred to as "**OWNER**"), 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, in accordance with law, has adopted a Policy Statement for Tax Abatement, herein contained as **Exhibit "D"**, which constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the COUNTY; and
- WHEREAS, the Premises (as hereafter defined) and the Eligible Property (as hereafter defined) are located in the Reinvestment Zone No. 87 in the City of Fort Worth, Texas, established by Ordinance No. 20719-04-2013 adopted on April 23, 2013, being a commercial-industrial reinvestment zone for the purpose of tax abatement as authorized by Chapter 312 of the Texas Tax Code, as amended; and
- WHEREAS, the City Council of the City of Fort Worth has 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, OWNER 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, AT Industrial Owner 7 LLC is the owner of certain real property located at 1330 Park Vista Boulevard, more specifically described as the Premises, and said Premises is leased by Carolina Beverage Group LLC for use as a beverage manufacturing and distribution facility; 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 of the Zone in accordance with the purposes for its creation and are in compliance with the Policy Statement and other applicable law;

NOW THEREFORE, the COUNTY and OWNER, 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 2013 taxable value of real and personal property located on the Premises in Reinvestment Zone No. 87 on January 1, 2013, as finally determined by the Tarrant Appraisal District.
- C. "Construction Costs" are defined as site development and building costs, including, without limitation, actual construction costs, signage costs, contractor fees, the costs of supplies and materials, engineering fees, architectural fees and other professional costs, and development and permitting fees expended directly in connection with the construction of the Real Property 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 Owner have executed this Agreement.

- F. "Eligible Property" is defined as Real Property Improvements and Personal Property Improvements made for construction and operation of the facility as generally described in **Exhibit "C"**, constructed, delivered to, installed or placed on the Premises after May 31, 2013 and through December 31, 2018.
- G. "Job" is defined as a permanent, full-time employment position with Carolina Beverage Group that results in employment on the Premises of at least one thousand, eight hundred and twenty (1,820) hours per position in a year. 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 by metes and bounds in **Exhibit "A"** which existed on January 1, 2013 within Reinvestment Zone No. 87, that are owned or leased by, and/or operated by OWNER.
- J. "Real Property Improvements" are defined as improvements to the Premises, and shall include structures or fixtures erected or affixed to the Premises.
- K. "Reinvestment Zone No. 87" is defined as the real property located in the City of Fort Worth and described by City of Fort Worth Ordinance No. 20719-04-2013, (included within **Exhibit "B"**).
- L. "Supply and Service Expenditures" are defined as those local discretionary expenditures made by OWNER directly for the operation and maintenance of Premises and any improvements thereon, excluding utility service costs.
- M. "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.

## **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. OWNER shall improve the Premises by completing the Eligible Real and Personal Property Improvements described in **Exhibit "C"** in accordance with this Agreement.
- B. OWNER shall provide for the completion of the Eligible Personal Property not later than December 31, 2018, at a cumulative initial cost of not less than Forty Million Dollars

- (\$40,000,000). Said Eligible Personal Property to be completed in two phases, as set forth in Section IV.B.2.a.
- C. OWNER shall provide for the completion of the Eligible Real Property Improvements not later than December 31, 2014, having a minimum Construction Cost upon completion of not less than Five Million Dollars (\$5,000,000).
  - D. OWNER 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. OWNER 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. OWNER will provide for employment of a least sixty (60) Jobs on the Premises not later than December 31, 2015.
  - G. OWNER shall operate and maintain on the Premises the Eligible Property for the duration of this agreement.
  - H. All proposed Eligible Property shall conform to the applicable building codes, zoning ordinances and all other ordinances and regulations of the City of Fort Worth and/or Tarrant County.
  - I. OWNER agrees and covenants that it will diligently and faithfully pursue the completion of the Eligible Property. OWNER further covenants and agrees that it will use all reasonable efforts to cause the Eligible Property to be constructed in a good and workmanlike manner and in accordance with all applicable state and local laws and regulations.
  - J. 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 ad valorem real and personal property taxes only, 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 are met, COUNTY agrees 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. The abatement period shall be from tax year beginning January 1, 2015 through and including tax year January 1, 2024.
  - 1. Base Abatement - If OWNER (i.) improves the Premises and adds the required Eligible Property to the Premises as set forth in Section III A., B., C., D., and E. (ii.) maintains employment as set forth in Section III. F., (iii.) employs Tarrant County residents for a minimum twenty-five percent (25%) of all Jobs, (iv.)



spends a minimum of fifteen percent (15%) of annual Supply and Service Expenditures with DBE Companies, and (v.) spends a minimum of twenty-five percent (25%) of annual Supply and Service Expenditures with Tarrant County Companies, then COUNTY shall exempt from taxation thirty percent (30%) 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 above requirements for Jobs, Tarrant County resident employment, and use of DBE and Tarrant County Companies for Construction and Supply and Service Expenditures 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 Base Abatement

a. Completion of Phases of Eligible Property Investment

Failure of OWNER to meet minimum investment levels in the time periods noted herein shall be cause for a reduction in the Base Abatement percentage as specified below:

- i. For Phase I, at least Five Million Dollars (\$5,000,000.00) in Construction Costs for Eligible Real Property Improvements and at least Seventeen Million (\$17,000,000.00) in initial cost of Eligible Personal Property Improvements must be expended by December 31, 2014. Failure to meet these minimum investment requirements for Phase I is a condition of Default and shall result in the termination of this Agreement in accordance with Section VII.
- ii. For Phase II, additional investment, above the amounts required in Phase I, of at least Twenty-Three Million (\$23,000,000.00) in initial cost of Eligible Personal Property Improvements, must be expended by December 31, 2018. Failure to meet these minimum additional investment requirements for Phase II shall result in the termination of this Agreement in accordance with Section VII. For purposes of the expenditures for Eligible Personal Property Improvements, the requirement will be met if the cumulative amounts actually expended during this phase and the prior phase equal or exceed the cumulative minimum requirements for this phase and the prior phase.

b. 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 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 to zero percent (0%) and OWNER will receive no tax abatement for that year.
- ii. If less than twenty-five percent (25%) of all Jobs are filled by Tarrant County residents, OWNER will receive a ten percent (10%) reduction.
- iii. If spending with DBE Companies is less than fifteen percent (15%) of total Construction Costs, OWNER 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, OWNER 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%), amount 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 IV.B.1.(iv.) and (v.), OWNER 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.

### 3. Additional Percentage Abatement

In any year that OWNER is eligible to receive all or a portion of the Base Abatement under Sections IV.B.1. and 2., OWNER may receive up to an additional twenty percent (20%) tax abatement on the Added Market Value of the Eligible Improvements in any year that OWNER meets one or more of the additional performance requirements as set forth below.

- a. For total Jobs above sixty (60), OWNER will receive an additional one percent (1%) abatement for each ten (10) Jobs added, up to a maximum of twenty percent (20%) additional abatement.  
  
(Example: A total of 72 Jobs would be 12 additional jobs, which would provide for 1% additional abatement; a total of 200 Jobs would be 140 additional jobs, which would provide for 14% additional abatement.)
- b. For employment of Tarrant County residents for more than sixty-five percent (65%) of all Jobs, OWNER will receive an additional three percent (3%) abatement.
- c. For use of DBE Companies for greater than twenty-five percent (25%) of the total Construction Costs of the Eligible Real Property Improvements, OWNER will receive an additional three percent (3%) abatement for the life of the abatement.

- d. For use of Tarrant County Companies for greater than forty percent (40%) of the total Construction Costs of the Eligible Real Property Improvements, OWNER will receive an additional three percent (3%) abatement for the life of the abatement .

## V.

### Reports, Audits and Inspections

- A. Annual Certification and Reports - Pursuant to state law, OWNER shall certify annually to taxing units that OWNER 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 - OWNER 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, OWNER shall make available upon request the following information annually on all Eligible Property for which OWNER will seek tax abatement:
    - a. Property description;
    - b. Asset number;
    - c. Payment date for property located on Premises; and
    - d. Cost.
  3. Eligible Property Reports for Projects in Progress - OWNER 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, OWNER agrees to provide COUNTY, upon request, information on Eligible Property for which OWNER 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; and
    - c. Approximate date of disposal.

5. Report Upon Project Completion - Within one-hundred eighty (180) days of completion of the Eligible Property, OWNER shall provide COUNTY with a final Eligible Property Report that shall describe all Eligible Property for which the owner 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, OWNER 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 OWNER in advance in writing of their intent to audit in order to allow OWNER 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 OWNER, provided, however, that all inspections shall be made with one (1) or more representative(s) of OWNER present and in accordance with the safety standards of OWNER.

## **VI.** **Use of Premises**

The Premises at all times shall be used in a manner that is consistent with the City of Fort Worth zoning ordinances and consistent with the general purpose of encouraging development within the Reinvestment Zone. Both parties acknowledge that the use of the Premises for a beverage manufacturing and distribution center and related activities 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. OWNER terminates the use of the Premises by Carolina Beverage Group as a beverage manufacturing and distribution facility and related activities at any time during the term of the Agreement; or
  2. OWNER fails to meet the Abatement Conditions and Requirements as specified in Section III, G., H., I. or J., or Section IV.B.2.a.(i.) and (ii.), herein; or
  3. OWNER 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 OWNER has breached this Agreement, then COUNTY shall give OWNER written notice of such default. OWNER 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 OWNER 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 OWNER commit a breach of this Agreement according to items A(1), (2) or (3) of this Section VII, and OWNER 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.** **Effect of Sale or Lease of Property**

The abatement granted by this Agreement shall not be 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:

OWNER:           AT Industrial Owner 7 LLC  
                      c/o Hillwood Alliance Services, LLC  
                      Fort Worth, TX 76177

Attn: Property Manager-Gateway 18

Carolina Beverage Group, LLC  
Attn: Harry Barto  
P.O. Box 1183  
110 Barley Park Lane  
Moorseville, NC 28115

*With copies to:*

AT Industrial Owner 7 LLC  
c/o JPMorgan Asset Management, LLC  
Global Real Assets  
NY1-K150  
270 Park Avenue, 7<sup>th</sup> Floor  
New York, NY 10017  
Attn: Dan Minkoff

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

#### 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 OWNER, 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.**  
**Owner's Standing**

OWNER, 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 City Council actions authorizing same, and OWNER 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 OWNER, in performing its obligations hereunder, is acting independently, and COUNTY assumes no responsibility or liability to third parties in connection therewith, and OWNER 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 OWNER 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 OWNER 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.**  
**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.

**XVIII.**  
**Recordation of Agreement**

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

**XIX.**  
**Signatories**

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

**XX.**  
**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.

**XXI.**  
**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.

No successor, executor, administrator or assign is valid in the place of the parties to this Agreement without the written consent of COUNTY and such consent shall not be unreasonably withheld, provided however, the procedures set out in Section VIII, Effect of Sale or Lease of Property, is binding for the assignment situation specifically described in Section VIII. Notwithstanding the foregoing, the OWNER may assign this Agreement to any entity which is an affiliate of OWNER, without the consent of the COUNTY, in which case the benefits and obligations under this Agreement shall apply to the property and premises owned by such assignee. For purposes of the Section, an affiliate shall mean any entity which is related to OWNER through direct or indirect common ownership or control.

**XXII.**  
**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.



**AT INDUSTRIAL OWNER 7 LLC,**  
a Delaware limited liability company:

By: AT Industrial Owner Acquisition, LLC,  
a Delaware limited liability company,  
its sole member

By: Commingled Pension Trust Fund  
Strategic Property of JPMorgan  
Chase Bank, N.A., its sole member

By: JPMorgan Chase Bank, N.A.,  
not individually, but solely in its  
capacity as trustee

By: \_\_\_\_\_  
Name:  
Title:

Date: \_\_\_\_\_

[See JOINDER]

**CAROLINA BEVERAGE GROUP, LLC,**  
a North Carolina limited liability company:

By: Andy Kerner  
Name: ANDY KERNER  
Title: MANAGER

Date: 7-30-14

**TARRANT COUNTY, TEXAS**

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

Date: 6-24-14

ATTEST:

\_\_\_\_\_  
Deputy County Clerk

APPROVED AS TO FORM\*  
[Signature]  
Asst. District Attorney

*\*By law, the 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 \_\_\_\_\_ §

**AT Industrial Owner 7 LLC**

COUNTY OF \_\_\_\_\_ §

**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 **AT Industrial Owner 7 LLC**, 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 \_\_\_\_\_, 2014.

\_\_\_\_\_  
Notary Public in and for  
The State of \_\_\_\_\_

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary's Printed Name

THE STATE OF TX §

**Carolina Beverage Group LLC**

COUNTY OF DAWES §

**Acknowledgment**

BEFORE ME, the undersigned authority, a Notary Public in and for the State of TX, on this day personally appeared ANDY KERNER, 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 **Carolina Beverage Group LLC**, and as the MANAGER 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 30 day of July, 2014.



Victoria Gossett  
Notary Public in and for  
The State of \_\_\_\_\_

\_\_\_\_\_  
My Commission Expires

Victoria Gossett  
Notary's Printed Name

**AT7 JOINDER**

1. AT7 has executed this Agreement as an accommodation to, and at the request of, Carolina Beverage Group, LLC (which is referred to as the "OWNER" in this Agreement), in order to confirm its consent to the provisions of this Agreement. Accordingly, notwithstanding anything to the contrary contained in this Agreement, in no event shall AT7 be responsible for any damages, clawbacks, fees, penalties, interest or increase in ad valorem taxes as a result of any default under this Agreement.
2. For avoidance of doubt, AT7 is not the "Owner" as such term is used in this Agreement, and all obligations of the "Owner" under this Agreement are those of Carolina Beverage Group, LLC, alone.
3. AT7 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 City Council actions authorizing same, and AT7 shall be entitled to intervene in said litigation.
4. By accepting this joinder, each of the OWNER and the COUNTY agrees to indemnify AT7 in the same manner as each such party has agreed to indemnify one another pursuant to Article XV of this Agreement.
5. AT7's addresses for any notices under this Agreement are as follows:

AT Industrial Owner 7 LLC  
 c/o Hillwood Alliance Services, LLC  
 13600 Heritage Parkway, Suite 200  
 Fort Worth, TX 76177  
 Attention: Property Manager – Gateway 18

With a copy to:  
 AT Industrial Owner 7 LLC  
 c/o JPMorgan Asset Management, LLC  
 Global Real Assets  
 NY1-K150  
 270 Park Avenue, 7<sup>th</sup> Floor  
 New York, NY 10017  
 Attention: Dan Minkoff – Gateway 18

**AT7:**

**AT INDUSTRIAL OWNER 7 LLC**, a Delaware limited liability company  
 By: AT Industrial Owner Acquisition LLC, a Delaware limited liability company, its sole member  
 By: Commingled Pension Trust Fund (Strategic Property) of JPMorgan Chase Bank, N.A., its sole member  
 By: JPMorgan Chase Bank, N.A., not individually, but solely in its capacity as trustee

By: [Signature]  
 Name: Scott M. MacDonald  
 Title: VP  
 Date: 12-19-14

STATE OF New York §  
 COUNTY OF [Signature] §

**AT Industrial Owner 7 LLC**  
**Acknowledgment**

BEFORE ME, the undersigned authority, a Notary Public in and for the State of New York, on this day personally appeared Scott M. MacDonald known to me to be the person whose name is subscribed to the foregoing joinder page, and acknowledged to me that he/she executed same for and as the act and deed of **AT INDUSTRIAL OWNER 7 LLC**, and as the Vice President 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 19 day of December, 2014.

[Signature]  
 Notary Public in and for The State of [Signature]

11/20/2018  
 My Commission Expires

**ESTHER MARY KRIVDA**  
 Notary Public, State of New York  
 Qualified in Bronx County  
 No. 01KR0051251  
 My Commission Expires Nov. 20, 2018

THE STATE OF TEXAS §

Tarrant County, Texas

COUNTY OF TARRANT §

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.

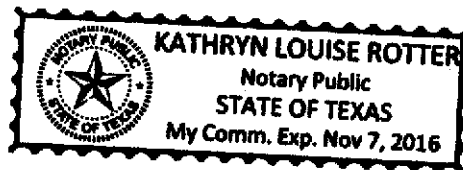
GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 24<sup>th</sup> day of June, 2014.

*Kathryn Louise Rotter*

Notary Public in and for  
The State of Texas

11-7-2016  
My Commission Expires

*Kathryn Louise Rotter*  
Notary's Printed Name



**EXHIBIT "A"**  
**DESCRIPTION OF PREMISES**

## LEGAL DESCRIPTION EXHIBIT "A"

### LEGAL DESCRIPTION

BEING A TRACT OF LAND SITUATED IN THE JOSE CHIRINO SURVEY, ABSTRACT NUMBER 265, TARRANT COUNTY, TEXAS, AND BEING THAT CERTAIN TRACT OF LAND DESCRIBED BY DEED TO ALLIANCE GATEWAY NO. 18, LTD., AS RECORDED IN COUNTY CLERK'S FILE NUMBER D207146924, DEED RECORDS, TARRANT COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF LOT 3, BLOCK 2, ALLIANCE GATEWAY SOUTH ADDITION, AS RECORDED IN CABINET A, SLIDE 6208, PLAT RECORDS, TARRANT COUNTY, TEXAS, FROM WHICH A 1/2 INCH IRON ROD WITH PLASTIC CAP STAMPED "HALFF & ASSOC." BEARS N 10° 45' 02" W, 0.31 FEET, SAID POINT BEING IN THE NORTH RIGHT-OF-WAY LINE OF WESTPORT PARKWAY (A 120' RIGHT-OF-WAY),

THENCE N 89° 38' 48" W, 130.02 FEET ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID WESTPORT PARKWAY TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR THE POINT OF BEGINNING,

THENCE N 89° 38' 48" W, 574.44 FEET CONTINUING ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID WESTPORT PARKWAY TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET AT THE BEGINNING OF A CURVE TO THE RIGHT,

THENCE CONTINUING ALONG SAID RIGHT-OF-WAY LINE AND WITH SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 121.35 FEET, THROUGH A CENTRAL ANGLE OF 07° 01' 18" HAVING A RADIUS OF 990.00 FEET, THE LONG CHORD OF WHICH BEARS N 86° 08' 09" W, 121.25 FEET TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET AT A REVERSE CURVE TO THE LEFT,

THENCE CONTINUING ALONG SAID RIGHT-OF-WAY LINE AND WITH SAID REVERSE CURVE TO THE LEFT, AN ARC DISTANCE OF 74.76 FEET, THROUGH A CENTRAL ANGLE OF 07° 01' 18" HAVING A RADIUS OF 610.00 FEET, THE LONG CHORD OF WHICH BEARS N 86° 08' 09" W, 74.71 FEET TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET,

THENCE N 89° 38' 48" W, 150.24 FEET CONTINUING ALONG SAID RIGHT-OF-WAY LINE TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET AT THE BEGINNING OF A CURVE TO THE RIGHT, BEING THE SOUTHERLY END OF A CORNER CLIP FOUND AT THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF SAID WESTPORT PARKWAY AND THE EAST RIGHT-OF-WAY LINE OF PARK VISTA BOULEVARD (A 120' RIGHT-OF-WAY),

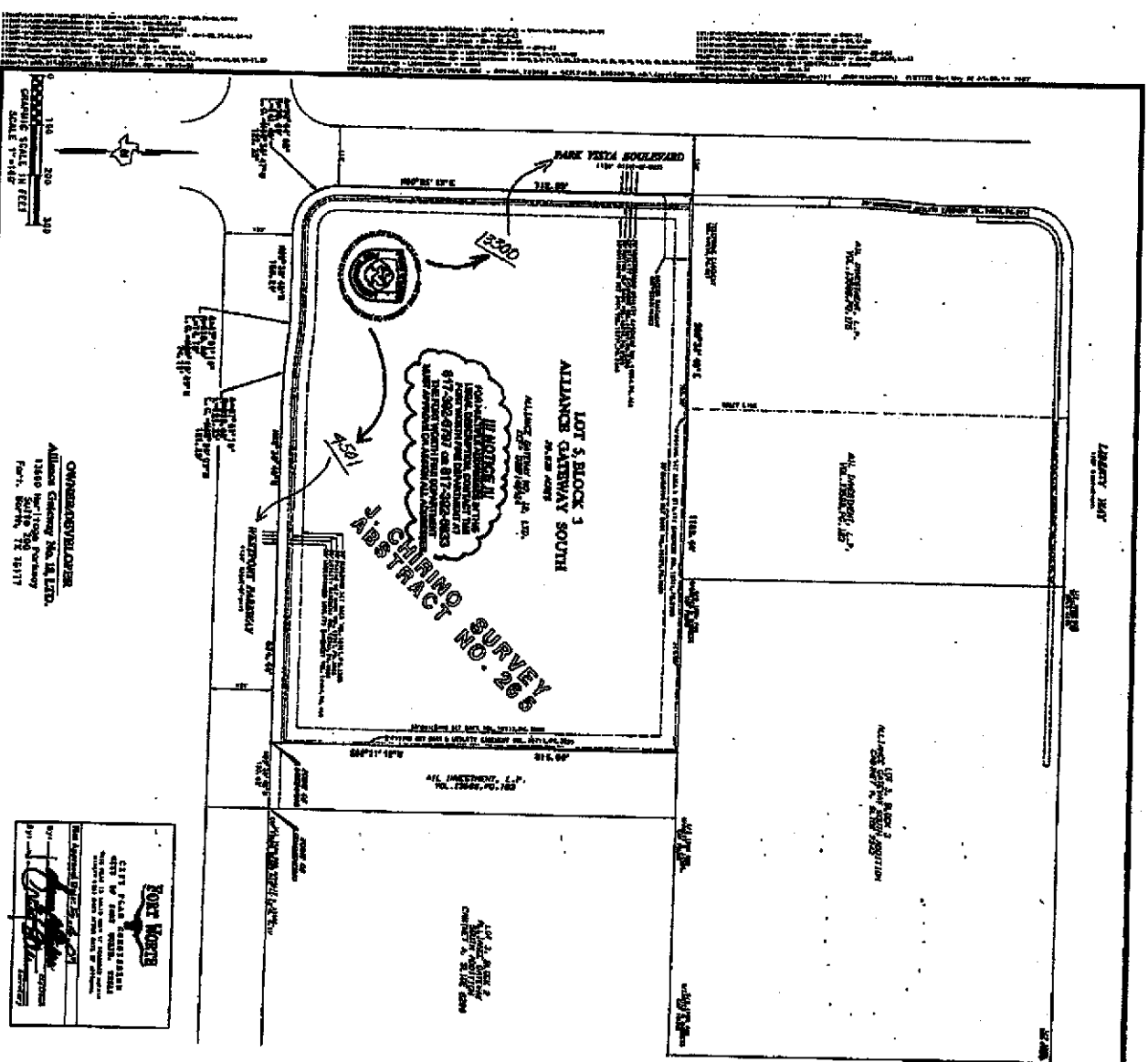
THENCE ALONG SAID CORNER CLIP AND WITH SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 141.48 FEET, THROUGH A CENTRAL ANGLE OF 90° 04' 02" HAVING A RADIUS OF 90.00 FEET, THE LONG CHORD OF WHICH BEARS N 44° 36' 47" W, 127.35 FEET TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET, BEING IN THE EAST RIGHT-OF-WAY LINE OF SAID PARK VISTA BOULEVARD,

THENCE N 00° 25' 13" E, 712.89 FEET ALONG THE EAST RIGHT-OF-WAY LINE OF SAID PARK VISTA BOULEVARD TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET,

THENCE S 89° 38' 48" E, AT 765.38 FEET PASS THE SOUTHWEST CORNER OF LOT 3, BLOCK 3, ALLIANCE GATEWAY SOUTH ADDITION, AS RECORDED IN CABINET A, SLIDE T242, AND THEN ALONG THE SOUTH LINE OF SAID LOT 3, BLOCK 3, ALLIANCE GATEWAY SOUTH ADDITION, IN ALL 1169.44 FEET TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET,

THENCE S 00° 21' 12" W, 815.80 FEET TO THE POINT OF BEGINNING AND CONTAINING 898,871 SQUARE FEET OR 20.635 ACRES OF LAND MORE OR LESS.

Copyright 1987 by Carter & Burgess, Inc.



**OWNER/SUBDIVIDER**  
 Alliance Gateway No. 18, Ltd.  
 13800 West 170th Parkway  
 Suite 100  
 Denver, CO 80227

**FORT WORTH**  
 CITY PLANNING DEPARTMENT  
 515 WEST 7TH STREET  
 FORT WORTH, TEXAS 76102

*[Signature]*

**ALLIANCE GATEWAY SOUTH**  
 A SUBDIVISION OF  
 LOT 5, BLOCK 3

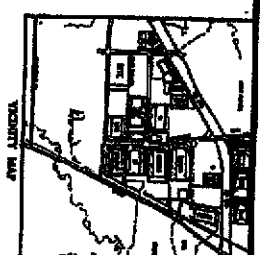
*[Signature]*  
 THIS PLAN FILED IN CABINET A, SLIDE NO. 118121, DATE 11/17/87.

**LEGAL DESCRIPTION**

That certain parcel of land, more particularly described as follows: ...

**NOTICE**

THIS SURVEY WAS MADE BY THE SURVEYOR ...



11/17/87  
 015007.005.001.0447

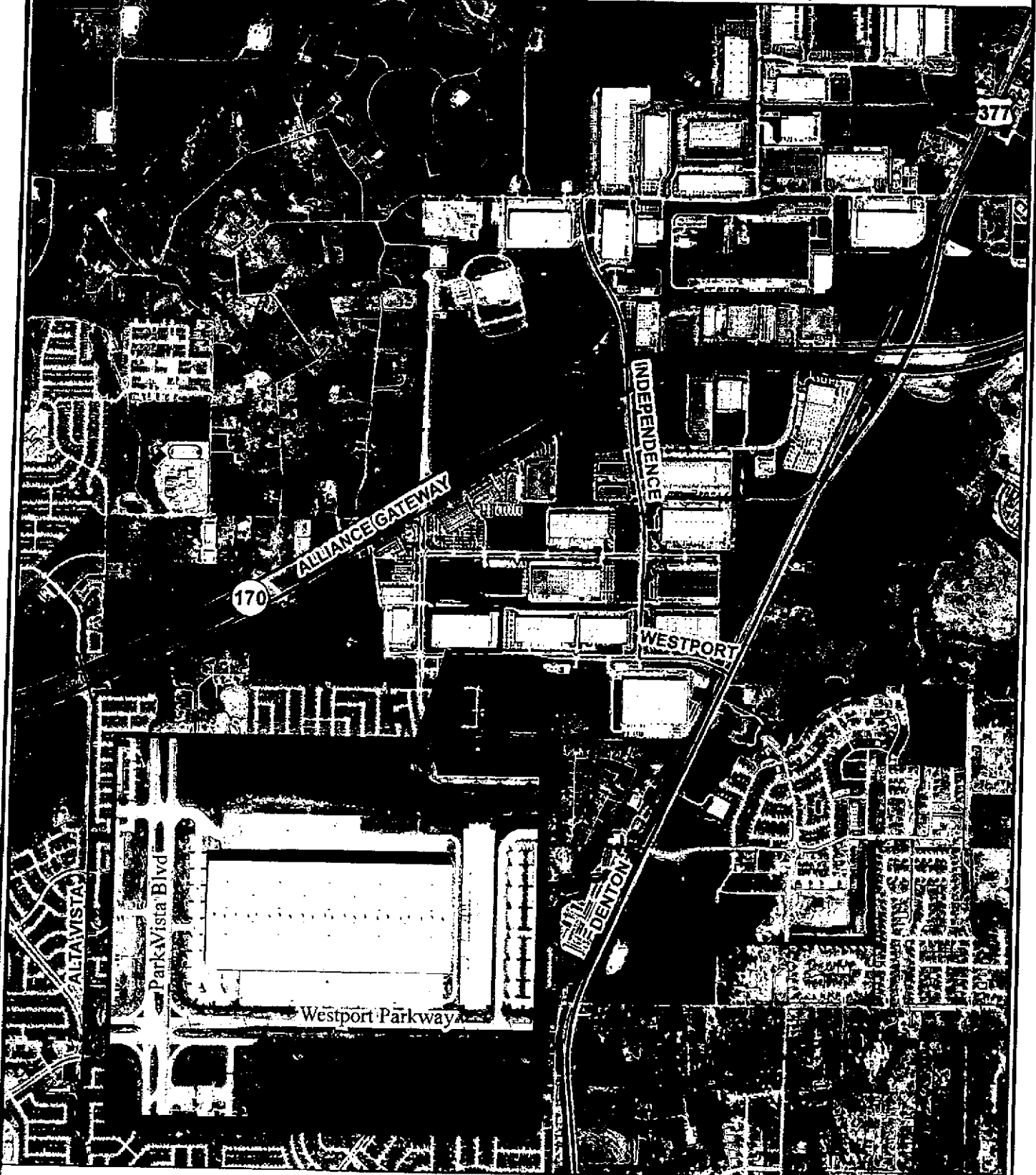
**Carter & Burgess**  
 Surveyors & Planners  
 13800 West 170th Parkway  
 Suite 100  
 Denver, CO 80227  
 Phone: 303.973.1111

Survey No. 118121  
 Date 11/17/87

NO.	DATE	DESCRIPTION

**FORT WORTH.**

**Carolina Beverage Group, LLC**  
13300 Park Vista Blvd, Fort Worth, TX 76177



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**EXHIBIT "B"**

**CITY OF FORT WORTH TAX ABATEMENT AGREEMENT  
AND APPLICABLE ORDINANCES**

STATE OF TEXAS §

COUNTY OF TARRANT §

## TAX ABATEMENT AGREEMENT

This **TAX ABATEMENT AGREEMENT** ("**Agreement**") is entered into by and between the **CITY OF FORT WORTH, TEXAS** (the "**City**"), a home rule municipality organized under the laws of the State of Texas; **AT INDUSTRIAL OWNER 7 LLC**, a Delaware limited liability company ("**AT7**"); and **CAROLINA BEVERAGE GROUP, LLC**, a North Carolina limited liability company ("**Company**").

### RECITALS

A. On June 12, 2012, the City Council adopted Resolution No. 4096-06-2012, stating that the City elects to be eligible to participate in tax abatement and setting forth guidelines and criteria governing tax abatement agreements entered into between the City and various parties, entitled "**General Tax Abatement Policy**" (the "**Policy**"), which is incorporated herein by reference and hereby made a part of this Agreement for all purposes.

B. The Policy contains appropriate guidelines and criteria governing tax abatement agreements to be entered into by the City as contemplated by Chapter 312 of the Texas Tax Code, as amended (the "**Code**").

C. On April 23, 2013 the City Council adopted Ordinance No. 20719-04-2013 (the "**Ordinance**") establishing Tax Abatement Reinvestment Zone No. 87, City of Fort Worth, Texas (the "**Zone**").

D. Company leases certain real property in the Zone located at 13300 Park Vista Boulevard, as more specifically described in Exhibit "A", attached hereto and hereby made a part of this Agreement for all purposes (the "**Land**"). The Land and improvements thereon, including an existing, approximately 399,000 square foot facility, are owned by AT7. The lease of the Land between AT7 and Company (the "**Lease**") will include terms and conditions consistent with those outlined in Exhibit "B", attached hereto and hereby made a part of this Agreement for all purposes.

E. Company is a manufacturer and distributor of craft beers, malt beverage, distilled spirits, energy drinks, teas, and other beverages. In accordance with the Lease, and contingent upon receipt of the tax abatement herein, AT7 and Company wish to redevelop the existing facilities on the Land for use as one of Company's manufacturing and distribution centers, as more specifically set forth in Exhibit "C", attached hereto and

hereby made a part of this Agreement for all purposes (the "Required Improvements"). Upon completion of the Required Improvements, Company intends to install certain new taxable business personal property on the Land.

F. Under the Lease, Company is required to pay AT7's real property taxes on the Land and all improvements thereon, including the Required Improvements. In order for the full tax abatement necessary to provide incentive for this project to be undertaken, the City has been requested to grant an abatement on real property taxes on improvements to the Land as well as an abatement on taxes on New Taxable Tangible Personal Property (as defined in Section 2) located on the Land. Section 312.204(a) of the Texas Tax Code permits the City to enter into an agreement with the owner of the Land to abate taxes on the value of improvements located on the Land, or of tangible personal property located on the Land, or both. Because Company must meet certain employment and spending commitments in order for the City to grant the full amount of abatement available hereunder on improvements to the Land, and because Company will be the owner or lessee of New Taxable Tangible Personal Property (as defined in Section 2) that is subject to abatement hereunder, it is necessary that both AT7 and Company be parties to this Agreement.

G. On March 26, 2013, AT7 submitted an application for tax abatement to the City concerning plans for redevelopment of the Land, including construction of the Required Improvements, which application is attached hereto as Exhibit "C" and hereby made a part of this Agreement for all purposes. On March 26, 2013 Company submitted an application for tax abatement to the City relating to plans for redevelopment of the Land, including construction of the Required Improvements and installation of certain new taxable business personal property on the Land, which application is attached hereto as Exhibit "D" and hereby made a part of this Agreement for all purposes. These two applications collectively are referred to herein as the "Application".

H. The contemplated use of the Land and the terms of this Agreement are consistent with encouraging development of the Zone and generating economic development and increased employment opportunities in the City, in accordance with the purposes for creation of the Zone, and are in compliance with the Policy, the Ordinance and other applicable laws, ordinances, rules and regulations.

I. The provisions of this Agreement, and the proposed use of the Land and the nature of the proposed Required Improvements, satisfy the eligibility criteria for a commercial/industrial tax abatement pursuant to Section 4.2 of the Policy.

J. Written notice that the City intends to enter into this Agreement, along with a copy of this Agreement, has been furnished in the manner prescribed by the Code to the presiding officers of the governing bodies of each of the taxing units that have jurisdiction over the Land.

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

## AGREEMENT

### 1. INCORPORATION OF RECITALS.

The City Council has found, and the City, AT7 and Company hereby agree, that the recitals set forth above are true and correct and form the basis upon which the parties have entered into this Agreement.

### 2. DEFINITIONS.

In addition to terms defined in the body of this Agreement, the following terms shall have the definitions ascribed to them as follows:

**Abatement** means the abatement of a percentage (not to exceed seventy percent (70%) in any year of the Abatement Term of the City's ad valorem taxes on both (i) any improvements located on the Land (but not on the Land itself, which taxes are not subject to Abatement hereunder) and (ii) New Taxable Tangible Personal Property located on the Land, calculated in accordance with this Agreement.

**Abatement Term** means the term of ten (10) consecutive years, commencing on January 1 of the second calendar year following the year in which the Completion Date occurred and expiring on December 31 of the tenth (10th) year thereafter, in which Company will receive an Abatement in accordance with this Agreement.

**Application** has the meaning ascribed to it in Recital G.

**Central City** means that area in the corporate limits of the City within Loop 820 (i) consisting of all Community Development Block Grant ("CDBG") eligible census block groups; (ii) all state-designated enterprise zones; and (iii) all census block groups that are contiguous by seventy-five percent (75%) or more of their perimeter to CDBG-eligible block groups or enterprise zones, as well as any CDBG-eligible block in the corporate limits of the City outside Loop 820, as more specifically depicted in the map of **Exhibit "F"**, attached hereto and hereby made a part of this Agreement for all purposes.

**Central City Employment Commitment** has the meaning ascribed to it in Section 4.7.

**Central City Employment Percentage** has the meaning ascribed to it in Section 6.2.6.

**Central City Resident** means an individual whose primary residence is at a location within the Central City.

**Certificate of Completion** has the meaning ascribed to it in Section 5.

**Code** has the meaning ascribed to it in Recital B.

**Company Affiliate** means all entities, incorporated or otherwise, under common control with, controlled by or controlling Company. For purposes of this definition, "control" means fifty percent (50%) or more of the ownership determined by either value or vote.

**Completion Date** means the date as of which all occupiable space within the Required Improvements has received a temporary or permanent certificate of occupancy.

**Completion Deadline** means December 31, 2014.

**Compliance Auditing Term** means the term of ten (10) consecutive years, commencing on January 1 of the first full calendar year following the year in which the Completion Date occurred and expiring on December 31 of the tenth (10th) year thereafter, in which the City will verify and audit Company's compliance with the various commitments set forth in Section 4 that form the basis for calculation of the amount of each annual Abatement percentage hereunder.

**Construction Costs** means Hard Construction Costs plus engineering, architectural, and design fees expended directly in connection with the Required Improvements, and specifically excludes any property acquisition costs or rents under the Lease.

**Director** means the director of the City's Housing and Economic Development Department.

**Effective Date** has the meaning ascribed to it in Section 3.

**Event of Default** means a breach of this Agreement by a party, either by act or omission, as more specifically set forth in Section 8 of this Agreement.

**Fort Worth Certified M/WBE Company** means a minority or woman-owned business that has received certification as either a minority business enterprise (MBE), a woman business enterprise (WBE) or a disadvantaged business enterprise (DBE) by the North Central Texas Regional Certification Agency (NCTRCA) and that has a principal business office located within the corporate limits of the City that performs a commercially useful function and that provides the services for which Company is seeking credit under this Agreement.

**Fort Worth Company** means a business that has a principal office located within the corporate limits of the City that performs a commercially useful function and that provides the services for which Company is seeking credit under this Agreement.

**Fort Worth Construction Commitment** has the meaning ascribed to it in Section 4.3.

**Fort Worth Construction Percentage** has the meaning ascribed to it in Section 6.2.2.

**Fort Worth Employment Commitment** has the meaning ascribed to it in Section 4.6.

**Fort Worth Employment Percentage** has the meaning ascribed to it in Section 6.2.5.

**Fort Worth Resident** means an individual whose principal place of residence is at a location within the corporate limits of the City.

**Fort Worth Supply and Service Spending Commitment** has the meaning ascribed to it in Section 4.8.

**Fort Worth Supply and Service Percentage** has the meaning ascribed to it in Section 6.2.7.

**Full-time Job** means a job provided to one (1) individual by Company on the Land for at least forty (40) hours per week.

**Hard Construction Costs** means the following costs directly associated with construction of the Required Improvements: actual site development and construction costs, including directly-related contractor fees, and costs of supplies and materials

**Land** has the meaning ascribed to it in Recital D.

**Lease** has the meaning ascribed to it in Recital D.

**Legal Requirements** means federal, state and local laws, ordinances, rules and regulations, including, but not limited to, all provisions of the City's charter and ordinances, as amended.

**M/WBE Construction Commitment** has the meaning ascribed to it in Section 4.4.

**M/WBE Construction Percentage** has the meaning ascribed to it in Section 6.2.3.

**M/WBE Supply and Service Spending Commitment** has the meaning ascribed to it in Section 4.9.

**M/WBE Supply and Service Percentage** has the meaning ascribed to it in Section 6.2.8.

**New Taxable Tangible Personal Property** means any personal property other than inventory or supplies that (i) is subject to ad valorem taxation by the City; (ii) is located on the Land; (iii) is owned or leased by Company and used by Company for the business purposes outlined in this Agreement; and (iv) was not located in the City prior to October 1, 2013.

**Ordinance** has the meaning ascribed to it in Recital C.

4.5. **Overall Employment Commitment** has the meaning ascribed to it in Section

**Overall Employment Percentage** has the meaning ascribed to it in Section 6.2.4.

6.2.1. **Overall Improvement Percentage** has the meaning ascribed to it in Section

**Phase I Personal Property Commitment** has the meaning ascribed to it in Section 4.1.

**Phase II Personal Property Commitment** has the meaning ascribed to it in Section 4.2.

**Policy** has the meaning ascribed to it in Recital A.

**Records** has the meaning ascribed to it in Section 4.12.

**Required Improvements** has the meaning ascribed to it in Recital E.

**Supply and Service Expenditures** means those local discretionary expenditures made by Company directly for the operation and maintenance of Land and any improvements thereon, *excluding* utility service costs and any salaries, benefits or other sums paid to persons counted as holding Full-time Jobs on the Land for purposes of determining attainment of the Overall Employment Commitment, the Fort Worth Employment Commitment or the Central City Employment Commitment.

**Term** has the meaning ascribed to it in Section 3.

**Zone** has the meaning ascribed to it in Recital C.

3. **TERM.**

This Agreement shall take effect on the date as of which both the City and Company have executed this Agreement (the "Effective Date") and, unless terminated earlier in accordance with its terms and conditions, shall expire simultaneously upon expiration of the Abatement Term; provided, however, that if the Phase II Personal Property Commitment, as outlined in Section 4.2, is not met, no Abatement will be granted for the 2019 tax year and this Agreement shall expire on December 31, 2019 (collectively, the "Term").

4. **COMPANY'S OBLIGATIONS AND COMMITMENTS.**

4.1. **Phase I.**

AT7 and Company must expend or cause to be expended at least Five Million Dollars (\$5,000,000.00) in Construction Costs for the Required Improvements by the Completion Date, of which Three Million Seven Hundred Thousand Dollars (\$3,700,000.00) must be Hard Construction Costs. The Completion Date for the Required Improvements must occur on or before the Completion Deadline. In addition, New Taxable Tangible Personal Property having a value of at least Twenty Million Dollars (\$20,000,000.00) must be in place on the Land as of January 1, 2015, as determined solely by Tarrant Appraisal District or the appraisal district having jurisdiction over the Land at the time and reflected in the certified appraisal roll received by the City from such appraisal district in such year (the "Phase I Personal Property Commitment"). The Phase I Personal Property Commitment is an obligation of Company only, and AT7 shall not have any responsibility to ensure that the Phase I Personal Property Commitment is met. Notwithstanding anything to the contrary herein, if (i) by the Completion Date AT7 and Company have not expended or caused to be expended at least Five Million Dollars (\$5,000,000.00) in Construction Costs for the Required Improvements, including at least Three Million Seven Hundred Thousand Dollars (\$3,700,000.00) in Hard Construction Costs; (ii) the Completion Date for the Required Improvements does not occur by the Completion Deadline; or (iii) the Phase I Personal Property Commitment is not met, an Event of Default shall occur, as set forth in Section 8.1 of this Agreement.

4.2. **Phase II.**

New Taxable Tangible Personal Property having a value of at least Sixteen Million Dollars (\$16,000,000.00), excluding any New Taxable Tangible Personal Property that was counted for purposes of ascertaining attainment of the Phase I Personal Property Commitment, must be in place on the Land as of January 1, 2019, as determined solely by Tarrant Appraisal District or the appraisal district having jurisdiction over the Land at the time and reflected in the certified appraisal roll received by the City from such appraisal district in such year (the "Phase II



**Personal Property Commitment**”). The Phase II Personal Property Commitment is an obligation of Company only, and AT7 shall not have any responsibility to ensure that the Phase II Personal Property Commitment is met. Notwithstanding anything to the contrary herein, if the Phase II Personal Property Commitment is not met, an Event of Default shall not occur, but no Abatement shall be granted for the 2019 tax year and this Agreement shall expire on December 31, 2019 in accordance with Section 3.

**4.3. Construction Spending Commitment for Fort Worth Companies.**

By the Completion Date, AT7 and Company shall have expended or caused to be expended with Fort Worth Companies the greater of at least (i) One Million Four Hundred Eighty Thousand Dollars (\$1,480,000.00) in Hard Construction Costs for the Required Improvements or (ii) forty percent (40%) of all Hard Construction Costs for the Required Improvements, regardless of the total amount of such Hard Construction Costs (the **“Fort Worth Construction Commitment”**). The Fort Worth Construction Commitment is an obligation of Company only, and AT7 shall not have any responsibility to ensure that the Fort Worth Construction Commitment is met.

**4.4. Construction Spending Commitment for Fort Worth Certified M/WBE Companies.**

By the Completion Date, AT7 and Company shall have expended or caused to be expended with Fort Worth Certified M/WBE Companies the greater of at least (i) Nine Hundred Twenty-five Thousand Dollars (\$925,000.00) in Hard Construction Costs for the Required Improvements or (ii) twenty-five percent (25%) of all Hard Construction Costs for the Required Improvements, regardless of the total amount of such Hard Construction Costs (the **“M/WBE Construction Commitment”**). Dollars spent with Fort Worth Certified M/WBE Companies for purposes of measuring the M/WBE Construction Commitment shall also be counted for purposes of measuring the Fort Worth Construction Commitment, as set forth in Section 4.3. The M/WBE Construction Commitment is an obligation of Company only, and AT7 shall not have any responsibility to ensure that the M/WBE Construction Commitment is met.

**4.5. Annual Overall Employment Commitment.**

Company hereby commits to provide and fill a minimum number of Full-time Jobs collectively on the Land, as set forth in this Section 4.5 (the **“Overall Employment Commitment”**). Compliance with the Overall Employment Commitment in any given year shall be determined on the basis of Company’s employment data as of December 31 of that year (or such other date in that year that is mutually agreeable to the City and Company). The Overall Employment Commitment is an obligation of Company only, and AT7 shall not have any responsibility to ensure that the Overall Employment Commitment is met.

**4.5.1. From January 1 following Completion Date until December 31, 2015.**

From January 1 of the first calendar year following the year in which the Completion Date occurs until December 31, 2015, Company shall provide and fill at least 60 Full-time Jobs on the Land.

**4.5.2. From January 1, 2016 until December 31, 2017.**

From January 1, 2016 until December 31, 2017, Company shall provide and fill at least 120 Full-time Jobs on the Land.

**4.5.3. After December 31, 2017.**

From January 1, 2018 through the remainder of the Compliance Auditing Term, Company shall provide and fill at least 225 Full-time Jobs on the Land.

**4.6. Annual Employment Commitment for Fort Worth Residents.**

Company hereby commits to provide and fill with Fort Worth Residents a minimum number of Full-time Jobs on the Land, as set forth in this Section 4.6 (the "Fort Worth Employment Commitment"). Compliance with the Fort Worth Employment Commitment in any given year shall be determined on the basis of Company's employment data as of December 31 of that year (or such other date in that year that is mutually agreeable to the City and Company). The Fort Worth Employment Commitment is an obligation of Company only, and AT7 shall not have any responsibility to ensure that the Fort Worth Employment Commitment is met.

**4.6.1. From January 1 following Completion Date until December 31, 2015.**

From January 1 of the first calendar year following the year in which the Completion Date occurs until December 31, 2015, Company shall provide and fill with Fort Worth Residents at least the greater of (i) 21 Full-time Jobs on the Land or (ii) thirty-five percent (35%) of all Full-time Jobs on the Land, regardless of the total number of such Full-time Jobs.

**4.6.2. From January 1, 2016 until December 31, 2017.**

From January 1, 2016 until December 31, 2017, Company shall provide and fill with Fort Worth Residents at least the greater of (i) 42 Full-time Jobs on the Land or (ii) thirty-five percent (35%) of all Full-time Jobs on the Land, regardless of the total number of such Full-time Jobs.

**4.6.3. After December 31, 2017.**

From January 1, 2018 through the remainder of the Compliance Auditing Term, Company shall provide and fill with Fort Worth Residents at least the greater of (i) 79 Full-time Jobs on the Land or (ii) thirty-five percent (35%) of all Full-time Jobs on the Land, regardless of the total number of such Full-time Jobs.

**4.6.4. Counts Toward Overall Employment Commitment.**

Full-time Jobs held by Fort Worth Residents shall also count as Full-time Jobs for purposes of measuring the Overall Employment Commitment outlined in Section 4.5.

**4.7. Annual Employment Commitment for Central City Residents.**

Company hereby commits to provide and fill with Central City Residents a minimum number of Full-time Jobs on the Land, as set forth in this Section 4.7 (the "Central City Employment Commitment"). Compliance with the Central City Employment Commitment in any given year shall be determined on the basis of Company's employment data as of December 31 of that year (or such other date in that year that is mutually agreeable to the City and Company). The Central City Employment Commitment is an obligation of Company only, and AT7 shall not have any responsibility to ensure that the Central City Employment Commitment is met.

**4.7.1. From January 1 following Completion Date until December 31, 2015.**

From January 1 of the first calendar year following the year in which the Completion Date occurs until December 31, 2015, Company shall provide and fill with Central City Residents at least the greater of (i) 3 Full-time Jobs on the Land or (ii) five percent (5%) of all Full-time Jobs on the Land, regardless of the total number of such Full-time Jobs.

**4.7.2. From January 1, 2016 until December 31, 2017.**

From January 1, 2016 until December 31, 2017, Company shall provide and fill with Central City Residents at least the greater of (i) 6

Full-time Jobs on the Land or (ii) five percent (5%) of all Full-time Jobs on the Land, regardless of the total number of such Full-time Jobs.

**4.7.3. After December 31, 2017.**

From January 1, 2018 through the remainder of the Compliance Auditing Term, Company shall provide and fill with Central City Residents at least the greater of (i) 11 Full-time Jobs on the Land or (ii) five percent (5%) of all Full-time Jobs on the Land, regardless of the total number of such Full-time Jobs.

**4.7.4. Counts Toward Overall and Fort Worth Employment Commitments.**

Full-time Jobs held by Central City Residents shall also count as Full-time Jobs for purposes of measuring the Overall Employment Commitment outlined in Section 4.5 and the Fort Worth Employment Commitment outlined in Section 4.6.

**4.8. Annual Supply and Service Spending Commitment for Fort Worth Companies.**

Beginning in the first calendar year following the year in which the Completion Date occurs, and in each year thereafter throughout the Compliance Auditing Term, Company hereby commits to expend annually with Fort Worth Companies at least the greater of (i) Three Hundred Sixty Thousand Dollars (\$360,000.00) in Supply and Service Expenditures or (ii) thirty percent (30%) of annual Supply and Service Expenditures, regardless of the total amount of such Supply and Service Expenditures (the "**Fort Worth Supply and Service Spending Commitment**"). The Fort Worth Supply and Service Spending Commitment is an obligation of Company only, and AT7 shall not have any responsibility to ensure that the Fort Worth Supply and Service Spending Commitment is met.

**4.9. Annual Supply and Service Spending Commitment for Fort Worth Certified M/WBE Companies.**

Beginning in the first calendar year following the year in which the Completion Date occurs, and in each year thereafter throughout the Compliance Auditing Term, Company hereby commits to expend annually with Fort Worth Certified M/WBE Companies at least the greater of (i) Three Hundred Thousand Dollars (\$300,000.00) in Supply and Service Expenditures or (ii) twenty-five percent (25%) of annual Supply and Service Expenditures, regardless of the total amount of such Supply and Service Expenditures (the "**M/WBE Supply and Service Spending Commitment**"). Dollars spent with Fort Worth Certified M/WBE Companies for purposes of measuring the M/WBE Supply and Service

Spending Commitment shall also be counted for purposes of measuring the Fort Worth Supply and Service Spending Commitment, as set forth in Section 4.8. The M/WBE Supply and Service Spending Commitment is an obligation of Company only, and AT7 shall not have any responsibility to ensure that the M/WBE Supply and Service Spending Commitment is met.

**4.10. Reports and Filings.**

**4.10.1. Construction Spending Reports.**

**4.10.1.1. Monthly Reports.**

From the Effective Date until the Completion Date, Company will provide the Director with a monthly report in a form reasonably acceptable to the City that specifically outlines (i) the then-current aggregate Construction Costs expended by AT7 and Company for the Required Improvements; (ii) the then-current aggregate Hard Construction Costs expended by AT7 and Company for the Required Improvements; (iii) the then-current aggregate Hard Construction Costs for the Required Improvements expended by AT7 and Company with Fort Worth Companies; and (iv) the then-current aggregate Hard Construction Costs for the Required Improvements expended by AT7 and Company with Fort Worth Certified M/WBE Companies. AT7 and Company agree to meet with the City's M/WBE Office as reasonably necessary for assistance in meeting or exceeding M/WBE Construction Commitment and to address any related concerns that the City may have.

**4.10.1.2. Final Construction Reports.**

Within sixty (60) calendar days following the Completion Date, in order for the City to assess whether AT7 and Company expended or caused to be expended at least Five Million Dollars (\$5,000,000.00) in Construction Costs for the Required Improvements, including at least Three Million Seven Hundred Thousand Dollars (\$3,700,000.00) in Hard Construction Costs, and the extent to which AT7 and Company met the Fort Worth Construction Commitment and the M/WBE Construction Commitment, Company will provide the Director with a report in a form reasonably acceptable to the City that specifically outlines (i) the total Construction Costs expended by AT7 and Company for the Required Improvements; (ii) the total Hard Construction Costs expended by AT7 and Company for the Required Improvements; (iii) the total Hard Construction Costs expended with Fort Worth Companies by AT7 and Company for the Required Improvements,

and (iv) the total Hard Construction Costs expended with Fort Worth Certified M/WBE Companies by AT7 and Company for the Required Improvements, together with supporting invoices and other documents necessary to demonstrate that such amounts were actually paid by Company, including, without limitation, final lien waivers signed by Company's general contractor.

**4.10.2. Annual Employment Report.**

On or before February 1 of the second full calendar year following the year in which the Completion Date occurs, and of each year thereafter for the next nine (9) years, in order for the City to assess the degree to which Company met in the previous year the Overall Employment Commitment, the Fort Worth Employment Commitment and the Central City Employment Commitment, Company shall provide the Director with a report in a form reasonably acceptable to the City that sets forth the total number of individuals, the total number of Fort Worth Residents, and the total number of Central City Residents who held Full-time Jobs on the Land, each as of December 31 of the previous calendar year (or such other date in that year that is mutually agreeable to the City and Company), together with reasonable supporting documentation.

**4.10.3. Annual Supply and Service Spending Report.**

On or before February 1 of the second full calendar year following the year in which the Completion Date occurs, and of each year thereafter for the next nine (9) years, in order for the City to assess the degree to which Company met the Fort Worth Supply and Service Spending Commitment and the M/WBE Supply and Service Spending Commitment in the previous calendar year, Company shall provide the City with a report in a form reasonably acceptable to the City that sets forth the aggregate Supply and Service Expenditures made during such year with Fort Worth Companies and Fort Worth Certified M/WBE Companies, together with reasonable supporting documentation.

**4.10.4. General.**

Company will supply any additional information reasonably requested by the City that is pertinent to the City's evaluation of compliance with each of the terms and conditions of this Agreement.

**4.11. Inspection of Property and the Lease.**

At any time during Company's normal business hours throughout the Term and following reasonable notice to Company, the City shall have the right to inspect and evaluate the Land and any improvements thereon, including the

Required Improvements, and Company will provide full access to the same, in order for the City to monitor compliance with the terms and conditions of this Agreement. Company will cooperate fully with the City during any such inspection and evaluation. Notwithstanding the foregoing, Company shall have the right to require that any representative of the City be escorted by a representative or security personnel of Company during any such inspection and evaluation. In addition, upon request of the City at any time during the Term and the year following the Term and following reasonable advance notice, AT7 and Company, as the case may be, will make available a copy of the Lease in effect at the time for review by the City to ensure compliance under this Agreement by both AT7 and Company.

#### **4.12. Audits.**

The City will have the right throughout the Term to audit (i) the financial and business records of AT7 that relate to any Construction Costs expended by AT7, including, but not limited to, construction documents and invoices, and (ii) the financial and business records of Company that relate to the Required Improvements and the Land and any other documents necessary to evaluate compliance with this Agreement or with the commitments set forth in this Agreement, including, but not limited to construction documents and invoices (collectively "Records"). AT7 and Company shall make all Records available to the City on the Land or at another location in the City acceptable to both parties following reasonable advance notice by the City and shall otherwise cooperate fully with the City during any audit.

#### **4.13. Use of Land.**

The Land and any improvements thereon, including, but not limited to, the Required Improvements, must be used at all times during the Term of this Agreement for Company's lawful business operations, as set forth in this Agreement, and otherwise in a manner that is consistent with the general purposes of encouraging development or redevelopment of the Zone.

### **5. CERTIFICATE OF COMPLETION.**

Within ninety (90) calendar days following receipt by the City of the final construction spending report for the Required Improvements submitted in accordance with Section 4.10.1.2, and assessment by the City of the information contained therein pursuant to Sections 4.11 and 4.12, if the City is able to verify that AT7 and Company expended or caused to be expended at least Five Million Dollars (\$5,000,000.00) in Construction Costs for the Required Improvements by the Completion Date, of which at least Three Million Seven Hundred Thousand Dollars (\$3,700,000.00) were Hard Construction Costs, and that the Completion Date occurred on or before Completion Deadline, the Director will issue AT7 and Company a certificate stating the amount of

Construction Costs expended for the Required Improvements, the amount of Hard Construction Costs expended for the Required Improvements, and the amount of such Hard Construction Costs expended specifically with Fort Worth Companies and Fort Worth Certified M/WBE Companies (the "Certificate of Completion"). The Certificate of Completion will also serve as the basis for determining the extent to which the Fort Worth Construction Commitment and the M/WBE Construction Commitment were met.

**6. TAX ABATEMENT.**

**6.1. Duration and Prerequisites.**

**6.1.1. From First Year of Abatement Term until 2018.**

Provided that (i) AT7 and Company expended or caused to be expended at least Five Million Dollars (\$5,000,000.00) in Construction Costs for the Required Improvements by the Completion Date, of which at least Three Million Seven Hundred Thousand Dollars (3,700,000.00) were Hard Construction Costs, both as confirmed in the Certificate of Completion issued by the Director in accordance with Section 5; (ii) the Completion Date occurred on or before the Completion Deadline, as confirmed in the Certificate of Completion issued for by the Director in accordance with Section 5; and (iii) New Taxable Tangible Personal Property having a value of at least Twenty Million Dollars (\$20,000,000.00) was in place on the Land by January 1 of the year following the year in which the Completion Date occurred, as determined solely by the appraisal district having jurisdiction over the Land at that time and reflected in the certified appraisal roll received by the City from such appraisal district in such year, an Abatement will be granted for the first year of the Abatement Term and in each year thereafter until, and including, 2018.

**6.1.2. From 2019 until Expiration of Abatement Term.**

Provided that (i) AT7 and Company were entitled to receive an Abatement hereunder pursuant to Section 6.1.1 and (ii) New Taxable Tangible Personal Property having a value of at least Sixteen Million Dollars (\$16,000,000.00), excluding any New Taxable Tangible Personal Property that was counted for purposes of ascertaining attainment of the Phase I Personal Property Commitment, was in place on the Land by January 1, 2019, as determined solely by the appraisal district having jurisdiction over the Land at that time and reflected in the certified appraisal roll received by the City from such appraisal district in such year, an Abatement will be granted for 2019 and each year thereafter throughout the remainder of the Abatement Term.



**6.2. Amount.**

The amount of each Abatement that will be granted during the years covered by Section 6.1.1 and, if applicable, by Section 6.1.2, will be a percentage of the City's ad valorem taxes on the increase in value of any improvements located on the Land (but not on the Land itself, which taxes are not subject to Abatement hereunder) and of New Taxable Tangible Personal Property located on Land over their values for the 2013 tax year (which is the year in which this Agreement was entered into), which percentage shall equal the sum of the Overall Construction Percentage, the Fort Worth Construction Percentage, the M/WBE Construction Percentage, the Overall Employment Percentage, the Fort Worth Employment Percentage, the Central City Employment Percentage, the Fort Worth Supply and Service Percentage, and the M/WBE Supply and Service Percentage, as defined in Sections 6.2.1 through 6.2.8 (not to exceed seventy percent (70%), as follows:

**6.2.1. Completion of Required Improvements (10%).**

A percentage equal to ten percent (10%) (the "Overall Improvement Percentage") will be granted for each annual Abatement on account of all requirements having been met in accordance with Section 4.1 for completion of the Required Improvements and on account of the Phase I Personal Property Commitment having been met (and in addition, for each Abatement due for the 2019 tax year and each tax year thereafter for the remainder of the Abatement Term, on account of the Phase II Personal Property Commitment having been met).

**6.2.2. Fort Worth Construction Cost Spending (Up to 5%).**

A percentage of each annual Abatement will be based on the extent to which the Fort Worth Construction Commitment, as outlined in Section 4.3, was met (the "Fort Worth Construction Percentage"). The Fort Worth Construction Percentage shall equal the product of five percent (5%) multiplied by the percentage by which the Fort Worth Construction Commitment was met, which will be calculated by dividing the actual Hard Construction Costs expended for the Required Improvements by the Completion Date with Fort Worth Companies by the number of dollars comprising the Fort Worth Construction Commitment, as determined in accordance with Section 4.3. For example, if the Fort Worth Construction Commitment is \$1,480,000.00 and only \$1,036,000.00 in Hard Construction Costs were expended with Fort Worth Companies by the Completion Date, the Fort Worth Construction Percentage would be 3.5% instead of 5% (or  $.05 \times [\$1,036,000/\$1,480,000]$ , or  $.05 \times .70$ , or  $.035$ ). If the Fort Worth Construction Commitment was met or exceeded, the Fort Worth Construction Percentage will be five percent (5%).

### **6.2.3. Fort Worth M/WBE Construction Cost Spending (Up to 5%).**

A percentage of each annual Abatement will be based on the extent to which the M/WBE Construction Commitment, as outlined in Section 4.4 was met (the "M/WBE Construction Percentage"). The M/WBE Construction Percentage shall equal the product of five percent (5%) multiplied by the percentage by which the M/WBE Construction Commitment was met, which will be calculated by dividing the actual Hard Construction Costs expended for the Required Improvements by the Completion Date with Fort Worth Certified M/WBE Companies by the number of dollars comprising the M/WBE Construction Commitment, as determined in accordance with Section 4.4. If the M/WBE Construction Commitment was met or exceeded, the M/WBE Construction Percentage will be five percent (5%).

### **6.2.4. Overall Employment (Up to 20%).**

A percentage of each annual Abatement will be based on the extent to which the Overall Employment Commitment was met in a given year, as outlined in Section 4.5, (the "Overall Employment Percentage"). The Overall Employment Percentage for a given year shall equal the product of twenty percent (20%) multiplied by the percentage by which the Overall Employment Commitment was met in the previous calendar year, which will be calculated by dividing the actual number of Full-time Jobs provided by Company on the Land in the previous year by the number of Full-time Jobs constituting the Overall Employment Commitment in such year, as set forth in Section 4.5. For example, the Overall Employment Commitment for the first full calendar year following the Completion Date will be 60 Full-time Jobs. If in that year only 45 Full-time Jobs were provided on the Land, the Overall Employment Percentage for the following year would be 15% instead of 20% (or  $.20 \times [45/60]$ ), or  $.20 \times .75$ , or  $.15$ . If the Overall Employment Commitment is met or exceeded in a given year, the Overall Employment Percentage for the following year will be twenty percent (20%).

### **6.2.5. Fort Worth Employment (Up to 10%).**

A percentage of each annual Abatement will be based on the extent to which the Fort Worth Employment Commitment was met in a given year, as outlined in Section 4.6 (the "Fort Worth Employment Percentage"). The Fort Worth Employment Percentage for a given year shall equal the product of ten percent (10%) multiplied by the percentage by which the Fort Worth Employment Commitment was met in the previous calendar year, which will be calculated by dividing the actual number of Full-time Jobs provided on the Land to Fort Worth Residents in the previous year by the number of Full-time Jobs constituting the Fort

Worth Employment Commitment in that year, as set forth in Section 4.6. For example, if Company provides and fills 72 Full-time Jobs on the Land in the first full calendar year following the Completion Date, the Fort Worth Employment Commitment for that year will be 25 Full-time Jobs (35% of 72 Full-time Jobs). If in that year only 61 Full-time Jobs on the Land were provided to Fort Worth Residents, the Fort Worth Employment Percentage for the following year would be 8.47% instead of 10% (or  $.10 \times [61/72]$ ), or  $.10 \times .84722$ , or  $.0847$ . If the Fort Worth Employment Commitment is met or exceeded in a given year, the Fort Worth Employment Percentage for the following year will be ten percent (10%).

**6.2.6. Central City Employment (Up to 10%).**

A percentage of each annual Abatement will be based on the extent to which the Central City Employment Commitment was met in a given year, as outlined in Section 4.7 (the “**Central City Employment Percentage**”). The Central City Employment Percentage for a given year shall equal the product of ten percent (10%) multiplied by the percentage by which the Central City Employment Commitment was met in the previous calendar year, which will be calculated by dividing the actual number of Full-time Jobs provided on the Land to Central City Residents in the previous year by the number of Full-time Jobs constituting the Central City Employment Commitment in that year, as set forth in Section 4.7. If the Central City Employment Commitment is met or exceeded in a given year, the Central City Employment Percentage for the following year will be ten percent (10%).

**6.2.7. Fort Worth Supply and Service Spending (Up to 5%).**

A percentage of each annual Abatement will be based on the extent to which the Fort Worth Supply and Service Spending Commitment, as outlined in Section 4.8, was met (the “**Fort Worth Supply and Service Percentage**”). The Fort Worth Supply and Service Percentage for a given year shall equal the product of five percent (5%) multiplied by the percentage by which the Fort Worth Supply and Service Spending Commitment was met in the previous calendar year, which will be calculated by dividing the actual Supply and Service Expenditures made in the previous calendar year with Fort Worth Companies by the Fort Worth Supply and Service Spending Commitment for that year. For example, if Company makes \$1,300,000.00 in Supply and Service Expenditures in a given year, the Fort Worth Supply and Service Spending Commitment for that year will be \$390,000.00 (30% of \$1,300,000.00). If only \$312,000.00 in Supply and Service Expenditures were made with Fort Worth Companies in that year, the Fort Worth Supply and Service Percentage for the following year would be 4% instead of 5% (or  $.05 \times [\$312,000/\$390,000]$ ), or  $.05 \times .80$ , or  $.04$ ). If the Fort Worth Supply and

Spending Commitment is met or exceeded in any given year, the Fort Worth Supply and Service Percentage for the following year will be five percent (5%).

**6.2.8. Fort Worth M/WBE Supply and Service Spending (Up to 5%).**

A percentage of each annual Abatement will be based on the extent to which the M/WBE Supply and Service Spending Commitment, as outlined in Section 4.9, was met (the "M/WBE Supply and Service Percentage"). The M/WBE Supply and Service Percentage for a given year shall equal the product of five percent (5%) multiplied by the percentage by which the M/WBE Supply and Service Spending Commitment was met in the previous year, which will be calculated by dividing the actual Supply and Service Expenditures made in the previous calendar year with Fort Worth Certified M/WBE Companies by the M/WBE Supply and Service Spending Commitment for that year. If the M/WBE Supply and Spending Commitment is met or exceeded in any given year, the M/WBE Supply and Service Percentage for the following year will be five percent (5%).

**6.3. No Offsets.**

A deficiency in attainment of one commitment may not be offset by the exceeding attainment in another commitment. For example, if Company failed to meet the M/WBE Supply and Service Spending Commitment by \$5,000.00, but exceeded the Fort Worth Supply and Service Spending Commitment by \$5,000.00, the percentage of Abatement available hereunder would still be reduced in accordance with Section 6.2.8 on account of the failure to meet the M/WBE Supply and Service Spending Commitment.

**6.4. Abatement Limitations.**

In accordance with Section 11.5 of the Policy and notwithstanding anything to the contrary herein, the Abatement in any given year of ad valorem taxes on improvements located on the Land shall be based on the increase in the value of those improvements over their value as of January 1, 2013, up to a maximum increase of Seven Million Five Hundred Thousand Dollars (\$7,500,000.00). In other words, in any year in which the taxable value of improvements on the Land exceeds (i) the value of improvements on the Land as of January 1, 2013 plus (ii) \$7,500,000.00, the Abatement of ad valorem taxes on improvements located on the Land for that year shall be capped and calculated as if the increase in the value of those improvements since January 1, 2013 had only been \$7,500,000.00. For example, and as an example only, if in a given year of the Abatement Term the value of improvements on the Land is \$10,000,000.00 over their value as of January 1, 2013, the maximum Abatement of ad valorem taxes on improvements located on the Land for that year would be seventy

percent (70%) of \$7,500,000.00 in valuation, and full taxes on the \$2,500,000.00 difference in value over that cap would remain owing and payable to the City.

Likewise, the Abatement in any given year of ad valorem taxes on New Taxable Tangible Personal Property shall be based on the increase in value of those improvements up to a maximum value of Fifty-four Million Dollars (\$54,000,000.00). In other words, in any year in which the taxable value of New Taxable Tangible Personal Property exceeds \$54,000,000.00, the Abatement of ad valorem taxes on New Taxable Tangible Personal Property for that year shall be capped and calculated as if the value of such New Taxable Tangible Personal Property had only been \$54,000,000.00. For example, and as an example only, if in a given year of the Abatement Term the value of New Taxable Tangible Personal Property is \$60,000,000.00, the maximum Abatement of ad valorem taxes on such New Taxable Tangible Personal Property for that year would be seventy percent (70%) of \$54,000,000.00 in valuation, and full taxes on the \$6,000,000.00 difference in value over that cap would remain owing and payable to the City.

## **7. FEE WAIVERS AND CREDITS.**

Company and its contractors will be required to apply for and receive all permits and other licenses and certificates required by the City with respect to construction of the Required Improvements. However, the City agrees to grant Company certain waivers or credits for City fees associated with construction of the Required Improvements, as follows:

### **7.1. Specific Fee Waivers.**

The City Council has found that the proposed use of the Required Improvements will help achieve the public purpose of assisting in the development and diversification of the economy and the elimination of unemployment consistent with Article 3, Section 52-a of the Texas Constitution. As a result, the City hereby agrees to waive the following fees related to the Required Improvements that would otherwise be charged by the City at any time prior to the Completion Deadline: (i) all building permit, demolition permit, plan review, inspection and re-inspection fees; (ii) all zoning fees; (iii) all temporary encroachment fees; (iv) all platting fees; and (v) all fire, sprinkler and alarm permit fees.

### **7.2. Limited Fee Credits.**

The City acknowledges receipt of the required Application fee of Five Thousand Dollars (\$5,000.00). Of such amount, Two Thousand Dollars (\$2,000.00) is nonrefundable and shall be used by the City for the purposes set forth in the Policy. If construction work on the Required Improvements begins by

March 26, 2014, the remaining Three Thousand Dollars (\$3,000.00) of such fee shall be credited to AT7's and Company's benefit against any permit, impact, inspection or other lawful fee required by the City in connection with the Required Improvements that is not waived pursuant to Section 7.1. If construction work for the Required Improvements does not begin by March 26, 2014, no portion of the Application fee will be credited or refunded.

**8. DEFAULT, TERMINATION AND FAILURE BY COMPANY TO MEET VARIOUS DEADLINES AND COMMITMENTS.**

**8.1. Failure to Complete Improvements or to Meet Phase I Personal Property Commitment.**

Notwithstanding anything to the contrary herein, if (i) AT7 and Company failed to expend or cause to be expended at least Five Million Dollars (\$5,000,000.00) in Construction Costs for the Required Improvements by the Completion Date; (ii) of the Construction Costs expended for the Required Improvements by the Completion Date, AT7 and Company fail to expend or cause to be expended at least Three Million Seven Hundred Thousand (\$3,700,000.00) in Hard Construction Costs; (iii) the Completion Date did not occur on or before the Completion Deadline; or (iv) New Taxable Tangible Personal Property having a value of at least Twenty Million Dollars (\$20,000,000.00) was not in place on the Land by January 1 of the first year following the year in which the Completion Date occurred, as determined solely by Tarrant Appraisal District or the appraisal district having jurisdiction over the Land at that time and reflected in the certified appraisal roll received by the City from such appraisal district in such year, an Event of Default shall occur and the City shall have the right to terminate this Agreement, effective immediately, by providing written notice to AT7 and Company without further obligation to AT7 and Company hereunder.

**8.2. Lease Expiration, Termination or Amendment.**

Notwithstanding anything to the contrary herein, an Event of Default shall occur (i) contemporaneously upon the expiration or termination of the Lease or (ii) if (a) the Lease is amended or (b) Company and AT7 or a successor owner of the Land enter into another agreement, so that in the case of either (a) or (b) above Company is not required to pay all real property taxes on the Land and any improvements thereon, including the Required Improvements. In this event, the City will have the right to terminate this Agreement immediately by providing written notice to AT7 and Company without further obligation to AT7 and Company hereunder.

**8.3. Failure to Meet Phase II Personal Property Commitment.**

Notwithstanding anything to the contrary herein, if New Taxable Tangible Personal Property having a value of at least Sixteen Million Dollars (\$16,000,000.00), excluding any New Taxable Tangible Personal Property that was counted for purposes of ascertaining attainment of the Phase I Personal Property Commitment, was not in place on the Land by January 1, 2019, as determined solely by Tarrant Appraisal District or the appraisal district having jurisdiction over the Land at that time and reflected in the certified appraisal roll received by the City from such appraisal district in such year, an Event of Default will not occur and Section 8.7 shall not apply, but no Abatement will be granted for the 2019 tax year and this Agreement will expire on December 31, 2019 in accordance with Section 3.

**8.4. Failure to Meet Certain Construction Cost Spending, Employment, and Supply and Service Spending Commitments.**

If the Fort Worth Construction Commitment or the M/WBE Construction Commitment are not met, or the Overall Employment Commitment, the Fort Worth Employment Commitment, the Central City Employment Commitment, the Fort Worth Supply and Service Spending Commitment, or the M/WBE Supply and Service Spending Commitment are not met in any given year, such event shall not constitute an Event of Default hereunder or provide the City with the right to terminate this Agreement, but, rather, shall only cause the percentage of Abatement available to AT7 and Company pursuant to this Agreement to be reduced in accordance with this Agreement.

**8.5. Knowing Employment of Undocumented Workers.**

Company acknowledges that effective September 1, 2007, the City 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):*

- *if such conviction occurs during the Term of this Agreement, this Agreement shall terminate contemporaneously upon such conviction (subject to any appellate rights that may lawfully be available to and exercised by Company) and Company shall repay, within one hundred twenty (120) calendar days following receipt of written demand from the City, the aggregate amount of Abatement received by Company*

*hereunder, if any, plus Simple Interest at a rate of four percent (4%) per annum based on the amount of Abatement received in each previous year as of December 31 of the tax year for which the Abatement was received; or*

- if such conviction occurs after expiration or termination of this Agreement, 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 City, the aggregate amount of Abatement received by Company hereunder, if any, plus Simple Interest at a rate of four percent (4%) per annum based on the amount of Abatement received in each previous year as of December 31 of the tax year for which the Abatement was received.*

For the purposes of this Section 8.5, "Simple Interest" is defined as a rate of interest applied only to an original value, in this case the aggregate amount of Abatement. This rate of interest can be applied each year, but will only apply to the aggregate amount of Abatement and is not applied to interest calculated. For example, if the aggregate amount of Abatement is \$10,000 and it is required to be paid back with four percent (4%) interest five years later, the total amount would be  $\$10,000 + [5 \times (\$10,000 \times 0.04)]$ , which is \$12,000. This Section 8.5 does not apply to convictions of any subsidiary or affiliate entity of Company, by any franchisees of Company, or by a person or entity with whom Company contracts. Notwithstanding anything to the contrary herein, the parties agree that the Abatement is a "public subsidy" (as that term is defined in Section 2264.001, Texas Government Code) for the benefit of Company and that, accordingly, this Section 8.5 does not apply to AT7. This Section 8.5 shall survive the expiration or termination of this Agreement.

**8.6. Failure to Pay Taxes; Non-Compliance with Legal Requirements; General Breach.**

An Event of Default shall occur if any ad valorem taxes owed to the City by Company or a Company Affiliate become delinquent and Company or the Company Affiliate, as the case may be, does not timely and properly follow the legal procedures for protest and/or contest of any such ad valorem taxes, or Company or a Company Affiliate is in violation of any material Legal Requirement due to any act or omission connected with Company's or a Company Affiliate's operations on the Land. In addition to Sections 8.1, 8.2 and 8.5, an Event of Default under this Agreement shall occur if either party breaches any term or condition of this Agreement, in which case the non-defaulting party shall provide the defaulting party with written notice specifying the nature of the Default. Subject to Sections 8.1, 8.2 and 8.5, if any Event of Default hereunder remains uncured after thirty (30) calendar days following receipt of such written notice (or, if the defaulting party has diligently and continuously attempted to cure following receipt of such written notice but reasonably requires more than thirty



(30) calendar days to cure, then such additional amount of time as is reasonably necessary to effect cure, as determined by both parties mutually and in good faith), the non-defaulting party shall have the right to terminate this Agreement, effective immediately, by providing written notice to the defaulting party.

#### **8.7. Liquidated Damages.**

Company acknowledges and agrees that termination of this Agreement due to an Event of Default will (i) harm the City's economic development and redevelopment efforts on the Land and in the vicinity of the Land and the Zone; (ii) require unplanned and expensive additional administrative oversight and involvement by the City; and (iii) be detrimental to the City's general economic development programs, both in the eyes of the general public and by other business entities and corporate relocation professionals, and Company agrees that the exact amounts of actual damages sustained by the City therefrom will be difficult or impossible to ascertain. Therefore, upon termination of this Agreement for any Event of Default, and to the extent authorized by Section 312.205(b)(6) of the Code, but without duplication of any other remedies available to the City under this Agreement, Company shall pay the City, as liquidated damages, all taxes that were abated in accordance with this Agreement for each year in which an Event of Default existed and which otherwise would have been paid to the City in the absence of this Agreement. The City and Company agree that this amount is a reasonable approximation of actual damages that the City will incur as a result of an uncured Event of Default and that this Section 8.7 is intended to provide the City with compensation for actual damages and is not a penalty. This amount may be recovered by the City through adjustments made to Company's business personal property tax appraisal by the appraisal district that has jurisdiction over the Land and over any taxable tangible personal property located thereon. Otherwise, this amount shall be due, owing and paid by Company to the City within sixty (60) days following the effective date of termination of this Agreement. In the event that all or any portion of this amount is not paid to the City within sixty (60) days following the effective date of termination of this Agreement, Company shall also be liable for all penalties and interest on any outstanding amount at the statutory rate for delinquent taxes, as determined by the Code at the time of the payment of such penalties and interest (currently, Section 33.01 of the Code).

#### **9. INDEPENDENT CONTRACTOR.**

It is expressly understood and agreed that AT7 and Company shall operate as independent contractors in each and every respect hereunder and not as agents, representatives or employees of the City. As to the City, AT7 and Company shall have the exclusive right to control all details and day-to-day operations relative to the Land and the Required Improvements and shall be solely responsible for the acts and omissions of their respective officers, agents, servants, employees, contractors, subcontractors, licensees and invitees. AT7 and Company acknowledge that the doctrine of *respondeat*

*superior* will not apply as between the City and AT7 or Company, and their respective officers, agents, servants, employees, contractors, subcontractors, licensees, and invitees. Company further agrees that nothing in this Agreement will be construed as the creation of a partnership or joint enterprise between the City and AT7 or Company.

**10. INDEMNIFICATION.**

***COMPANY, AT NO COST TO THE CITY OR AT7, AGREES TO DEFEND, INDEMNIFY AND HOLD THE CITY AND AT7 AND THEIR RESPECTIVE OFFICERS, AGENTS SERVANTS AND EMPLOYEES, HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, ACTIONS, COSTS AND EXPENSES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, THOSE FOR PROPERTY DAMAGE OR LOSS (INCLUDING ALLEGED DAMAGE OR LOSS TO COMPANY'S BUSINESS AND ANY RESULTING LOST PROFITS) AND/OR PERSONAL INJURY, INCLUDING DEATH, THAT MAY RELATE TO, ARISE OUT OF OR BE OCCASIONED BY (i) COMPANY'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR (ii) ANY NEGLIGENT ACT OR OMISSION OR INTENTIONAL MISCONDUCT OF AT7 OR COMPANY AND THEIR RESPECTIVE OFFICERS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS (OTHER THAN THE CITY) OR SUBCONTRACTORS, RELATED TO THE REQUIRED IMPROVEMENTS; THE LAND AND ANY OPERATIONS AND ACTIVITIES THEREON; OR THE PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT OTHERWISE. THIS SECTION SHALL SURVIVE ANY TERMINATION OR EXPIRATION OF THIS AGREEMENT.***

**11. NOTICES.**

All written 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:

**City:**

City of Fort Worth  
Attn: City Manager  
1000 Throckmorton  
Fort Worth, TX 76102

**Company:**

Carolina Beverage Group, LLC  
Attn: Harry Barto  
P.O. Box 1183  
110 Barley Park Lane  
Mooresville, NC 28115

*with copies to:*

the City Attorney and  
Housing/Economic Development Dept.  
Director at the same address

**AT7:**

AT Industrial Owner 7 LLC  
c/o Hillwood Alliance Services, LLC  
13600 Heritage Parkway, Suite 200  
Fort Worth, TX 76177  
Attn: Property Manager – Gateway 18

*with copies to:*

AT Industrial Owner 7 LLC  
c/o JPMorgan Asset Management, LLC  
Global Real Assets  
NY1-K150  
270 Park Avenue, 7th Floor  
New York, NY 10017  
Attn: Dan Minkoff

**12. EFFECT OF SALE OF LAND AND/OR REQUIRED IMPROVEMENTS;  
ASSIGNMENT AND SUCCESSORS.**

AT7 may assign this Agreement without the consent of the City Council, provided that AT7 shall give written notice to the City of the name and contact information for AT7's assignee or successor in interest. Any lawful assignee or successor in interest of AT7 of its rights under this Agreement shall be deemed "AT7" for all purposes under this Agreement.

Company may assign this Agreement and all or any of the benefits provided hereunder to a Company Affiliate that leases the Land and owns or leases any New Taxable Tangible Personal Property only if (i) prior to or contemporaneously with the effectiveness of such assignment, Company provides the City with written notice of such assignment, which notice shall include the name of the Company Affiliate and a contact name, address and telephone number for the Company Affiliate, and (ii) the Company Affiliate agrees in writing to assume all terms and conditions of Company under this Agreement. Otherwise, Company may not assign, transfer or otherwise convey any of its rights or obligations under this Agreement to any other person or entity without the prior consent of the City Council, which consent shall not be unreasonably withheld, conditioned on (i) the proposed assignee or successor leases or agrees to lease the Land and owns or leases any New Taxable Tangible Personal Property; (ii) the prior approval of the assignee

or successor and a finding by the City Council that the proposed assignee or successor is financially capable of meeting the terms and conditions of this Agreement; and (iii) prior execution by the proposed assignee or successor of a written agreement with the City under which the proposed assignee or successor agrees to assume and be bound by all covenants and obligations of Company under this Agreement. Any attempted assignment without the City Council's prior consent shall constitute an Event of Default under this Agreement. Any lawful assignee or successor in interest of Company of its rights under this Agreement shall be deemed "Company" for all purposes under this Agreement.

13. **COMPLIANCE WITH LAWS, ORDINANCES, RULES AND REGULATIONS.**

This Agreement will be subject to all applicable Legal Requirements.

14. **GOVERNMENTAL POWERS.**

It is understood that by execution of this Agreement, the City does not waive or surrender any of its governmental powers or immunities.

15. **SEVERABILITY.**

If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

16. **NO WAIVER.**

The failure of a party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder shall not constitute a waiver of that party's right to insist upon appropriate performance or to assert any such right on any future occasion.

17. **VENUE AND JURISDICTION.**

If any action, whether real or asserted, at law or in equity, arises on the basis of any provision of this Agreement, venue for such action shall lie in state courts located in Tarrant County, Texas or the United States District Court for the Northern District of Texas – Fort Worth Division. This Agreement shall be construed in accordance with the laws of the State of Texas.

**18. NO THIRD PARTY RIGHTS.**

The provisions and conditions of this Agreement are solely for the benefit of the City, AT7 and Company, and any lawful assigns or successors of AT7 or Company, and are not intended to create any rights, contractual or otherwise, to any other person or entity.

**19. INTERPRETATION.**

In the event of any dispute over the meaning or application of any provision of this Agreement, this Agreement shall be interpreted fairly and reasonably, and neither more strongly for or against any party, regardless of the actual drafter of this Agreement. In the event of any conflict between the body of this Agreement and the Application, the body of this Agreement shall control.

**20. CAPTIONS.**

Captions and headings used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

**21. ENTIRETY OF AGREEMENT.**

This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the City, AT7 and Company as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement. Notwithstanding anything to the contrary herein, this Agreement shall not be amended unless executed in writing by both parties and approved by the City Council of the City in an open meeting held in accordance with Chapter 551 of the Texas Government Code.

**22. COUNTERPARTS.**

This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

**23. BONDHOLDER RIGHTS.**

The Required Improvements will not be financed by tax increment bonds. This Agreement is subject to the rights of holders of outstanding bonds of the City.

**24. CONFLICTS OF INTEREST.**

Neither the Land nor any improvements thereon are owned or leased by any member of the City Council, any member of the City Plan or Zoning Commission or any member of the governing body of any taxing unit with jurisdiction in the Zone.

**25. OBLIGATIONS AND COMMITMENTS.**

With respect to all references in this Agreement to AT7 and Company expending or causing to be expended certain funds, such obligation shall be satisfied by either Company and/or AT7 expending or causing to be expended such funds, in the aggregate (e.g. for purposes of Section 4.1, either AT7 or Company must expend or cause to be expended, in the aggregate, at least Five Million Dollars (\$5,000,000.00) in Construction Costs for the Required Improvements.

**26. FORCE MAJEURE.**

Whenever a period of time is herein prescribed for action to be taken by any party hereto, such party shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, terrorist acts or activities, governmental laws, regulations, or restrictions, or any other causes of any kind whatsoever which are beyond the control of such party.

**27. NO LIABILITY.**

AT7 is consenting to the provisions of this Agreement as an accommodation to, and at the request of, the Company. Accordingly, notwithstanding anything to the contrary contained herein, in no event shall AT7 be responsible for any damages, clawbacks, fees, penalties, interest or increase in ad valorem taxes as a result of any default under this Agreement.

**EXECUTED** as of the last date indicated below:

[SIGNATURES IMMEDIATELY FOLLOW ON NEXT THREE (3) PAGES]

**CITY OF FORT WORTH:**

By: *Fernando Costa*  
Fernando Costa  
Assistant City Manager

Attested by: *Mary J. Kayser*  
Mary J. Kayser, City Secretary

Date: 11/5/13

**APPROVED AS TO FORM AND LEGALITY:**

By: *Peter Vaky*  
Peter Vaky  
Deputy City Attorney



M&C: C-26238 05-07-13

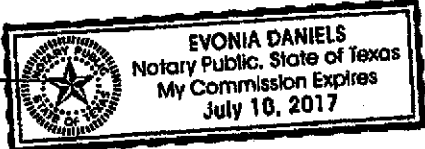
**STATE OF TEXAS §**

**COUNTY OF TARRANT §**

BEFORE ME, the undersigned authority, on this day personally appeared **Fernando Costa**, Assistant City Manager of the **CITY OF FORT WORTH**, a municipal corporation organized under the laws of the State of Texas, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the **CITY OF FORT WORTH**, that he was duly authorized to perform the same by appropriate resolution of the City Council of the City of Fort Worth and that he executed the same as the act of the **CITY OF FORT WORTH** for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 5 day of November, 2013.

*Evonia Daniels*  
Notary Public in and for  
the State of Texas



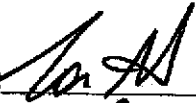
EVONIA DANIELS  
Notary's Printed Name

**AT INDUSTRIAL OWNER 7 LLC,**  
a Delaware limited liability company:

By: AT Industrial Owner Acquisition, LLC, a  
Delaware limited liability company, its  
sole member

By: Commingled Pension Trust Fund  
(Strategic Property) of JPMorgan  
Chase Bank, N.A., its sole member

By: JPMorgan Chase Bank, N.A.,  
not individually, but solely in  
its capacity as trustee


By:   
Name: DANIEL MINKOFF  
Title: Vice president

Date: 11/1/13

STATE OF New York  
COUNTY OF New York

BEFORE ME, the undersigned authority, on this day personally appeared Daniel Minkoff, Vice President of AT INDUSTRIAL OWNER 7 LLC, a Delaware limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of AT INDUSTRIAL OWNER 7 LLC.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this  
First day of November, 2013.

  
Notary Public in and for  
the State of New York

ESTHER MARY KRIVDA  
Notary Public, State of New York  
Qualified in Bronx County  
Reg. No. 01KR6051251  
My Commission Expires Nov. 20, 2014

Notary's Printed Name



**CAROLINA BEVERAGE GROUP, LLC,**  
a North Carolina limited liability company:

By: 

Name: ANDY KERNEY  
Title: MANAGER


Date: 10/30/13

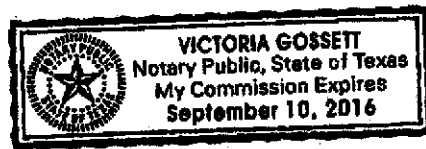
STATE OF TEXAS §

COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared ANDY KERNEY of **CAROLINA BEVERAGE GROUP, LLC**, a North Carolina limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of **CAROLINA BEVERAGE GROUP, LLC**.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 30 day of OCTOBER, 2013.

  
Notary Public in and for  
the State of TX



\_\_\_\_\_  
Notary's Printed Name

**EXHIBITS**

**“A” – Description and Map Depicting the Land**

**“B” – General Lease Terms**

**“C” – Description of the Required Improvements**

**“D” – AT7’s Tax Abatement Application**

**“E” – Company’s Tax Abatement Application**

**“F” – Map of Central City**

# LEGAL DESCRIPTION EXHIBIT "A"

## LEGAL DESCRIPTION

BEING A TRACT OF LAND SITUATED IN THE JOSE CHIRINO SURVEY, ABSTRACT NUMBER 265, TARRANT COUNTY, TEXAS, AND BEING THAT CERTAIN TRACT OF LAND DESCRIBED BY DEED TO ALLIANCE GATEWAY NO. 18, LTD., AS RECORDED IN COUNTY CLERK'S FILE NUMBER D207146924, DEED RECORDS, TARRANT COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF LOT 3, BLOCK 2, ALLIANCE GATEWAY SOUTH ADDITION, AS RECORDED IN CABINET A, SLIDE 6208, PLAT RECORDS, TARRANT COUNTY, TEXAS, FROM WHICH A 1/2 INCH IRON ROD WITH PLASTIC CAP STAMPED "HALFF & ASSOC." BEARS N 10° 45' 02" W, 0.31 FEET, SAID POINT BEING IN THE NORTH RIGHT-OF-WAY LINE OF WESTPORT PARKWAY (A 120' RIGHT-OF-WAY);

THENCE N 89° 38' 48" W, 130.02 FEET ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID WESTPORT PARKWAY TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR THE POINT OF BEGINNING;

THENCE N 89° 38' 48" W, 574.44 FEET CONTINUING ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID WESTPORT PARKWAY TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET AT THE BEGINNING OF A CURVE TO THE RIGHT;

THENCE CONTINUING ALONG SAID RIGHT-OF-WAY LINE AND WITH SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 121.33 FEET, THROUGH A CENTRAL ANGLE OF 07° 01' 18" HAVING A RADIUS OF 990.00 FEET, THE LONG CHORD OF WHICH BEARS N 86° 08' 09" W, 121.25 FEET TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET AT A REVERSE CURVE TO THE LEFT;

THENCE CONTINUING ALONG SAID RIGHT-OF-WAY LINE AND WITH SAID REVERSE CURVE TO THE LEFT, AN ARC DISTANCE OF 74.76 FEET, THROUGH A CENTRAL ANGLE OF 07° 01' 18" HAVING A RADIUS OF 610.00 FEET, THE LONG CHORD OF WHICH BEARS N 86° 08' 09" W, 74.71 FEET TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET;

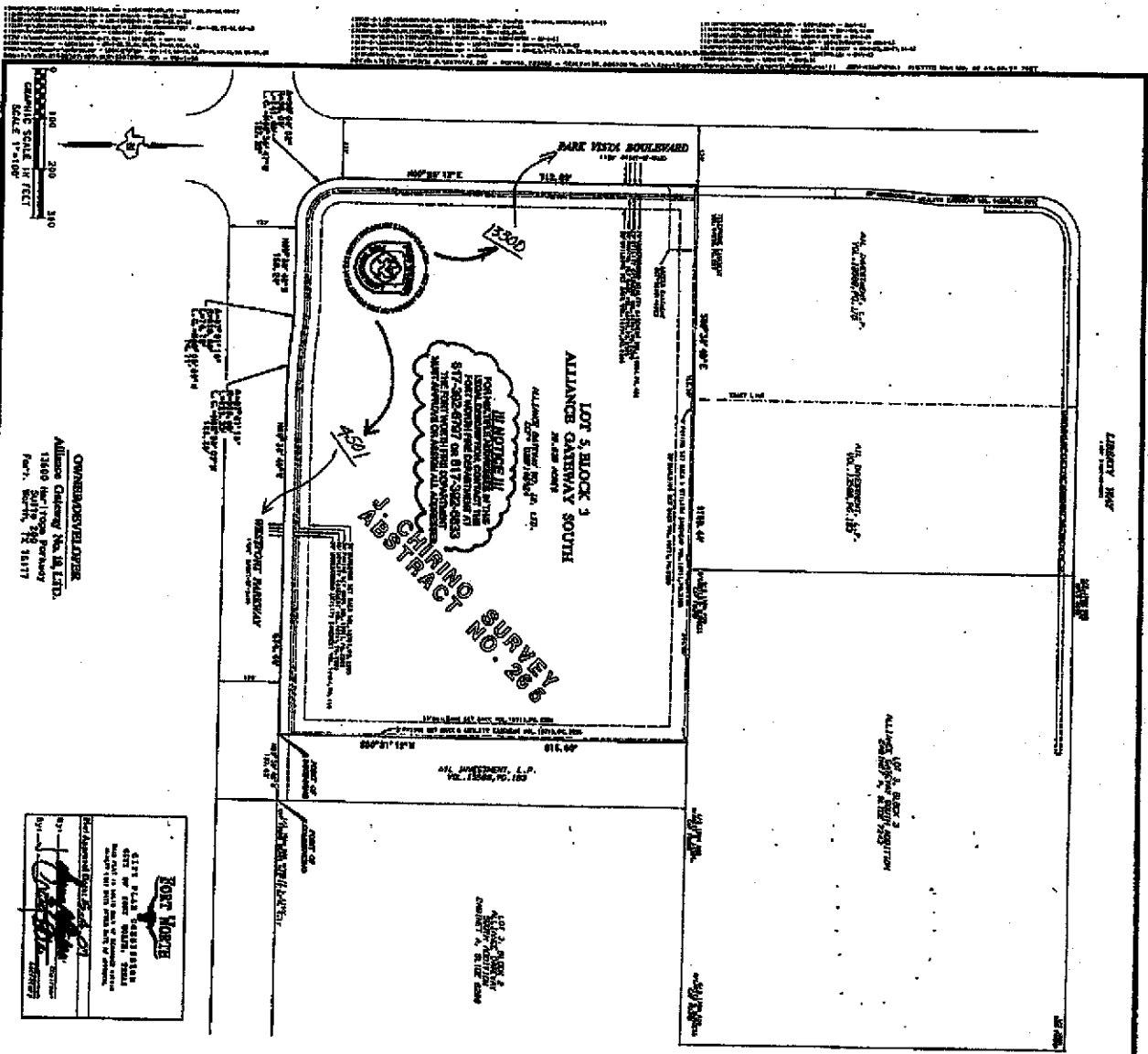
THENCE N 89° 38' 48" W, 150.24 FEET CONTINUING ALONG SAID RIGHT-OF-WAY LINE TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET AT THE BEGINNING OF A CURVE TO THE RIGHT, BEING THE SOUTHERLY END OF A CORNER CLIP FOUND AT THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF SAID WESTPORT PARKWAY AND THE EAST RIGHT-OF-WAY LINE OF PARK VISTA BOULEVARD (A 120' RIGHT-OF-WAY);

THENCE ALONG SAID CORNER CLIP AND WITH SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 141.48 FEET, THROUGH A CENTRAL ANGLE OF 90° 04' 02" HAVING A RADIUS OF 90.00 FEET, THE LONG CHORD OF WHICH BEARS N 44° 36' 47" W, 127.35 FEET TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET, BEING IN THE EAST RIGHT-OF-WAY LINE OF SAID PARK VISTA BOULEVARD;

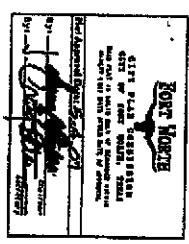
THENCE N 00° 26' 13" E, 712.89 FEET ALONG THE EAST RIGHT-OF-WAY LINE OF SAID PARK VISTA BOULEVARD TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET;

THENCE S 89° 38' 48" E, AT 765.38 FEET PASS THE SOUTHWEST CORNER OF LOT 3, BLOCK 3, ALLIANCE GATEWAY SOUTH ADDITION, AS RECORDED IN CABINET A, SLIDE 7242, AND THEN ALONG THE SOUTH LINE OF SAID LOT 3, BLOCK 3, ALLIANCE GATEWAY SOUTH ADDITION, IN ALL 1109.44 FEET TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET;

THENCE S 00° 21' 12" W, 815.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 898,871 SQUARE FEET OR 20.635 ACRES OF LAND MORE OR LESS.



OWNER/DESIGNER  
 Alliance Gateway No. 18, LTD.  
 13600 Northway Parkway  
 P.O. Box 18  
 Fort Worth, TX 76187



1. THE CITY OF FORT WORTH, TEXAS, HAS ADOPTED ORDINANCE NO. 517-202-0707 ON 017-202-0283 AND AMENDED ORDINANCE NO. 517-202-0707 ON 017-202-0283. THE PORT WORTH CITY COMMISSION HAS APPROVED THE PLAN HEREON FOR RECORD.

2. THE CITY OF FORT WORTH, TEXAS, HAS ADOPTED ORDINANCE NO. 517-202-0707 ON 017-202-0283 AND AMENDED ORDINANCE NO. 517-202-0707 ON 017-202-0283. THE PORT WORTH CITY COMMISSION HAS APPROVED THE PLAN HEREON FOR RECORD.

3. THE CITY OF FORT WORTH, TEXAS, HAS ADOPTED ORDINANCE NO. 517-202-0707 ON 017-202-0283 AND AMENDED ORDINANCE NO. 517-202-0707 ON 017-202-0283. THE PORT WORTH CITY COMMISSION HAS APPROVED THE PLAN HEREON FOR RECORD.

4. THE CITY OF FORT WORTH, TEXAS, HAS ADOPTED ORDINANCE NO. 517-202-0707 ON 017-202-0283 AND AMENDED ORDINANCE NO. 517-202-0707 ON 017-202-0283. THE PORT WORTH CITY COMMISSION HAS APPROVED THE PLAN HEREON FOR RECORD.

5. THE CITY OF FORT WORTH, TEXAS, HAS ADOPTED ORDINANCE NO. 517-202-0707 ON 017-202-0283 AND AMENDED ORDINANCE NO. 517-202-0707 ON 017-202-0283. THE PORT WORTH CITY COMMISSION HAS APPROVED THE PLAN HEREON FOR RECORD.

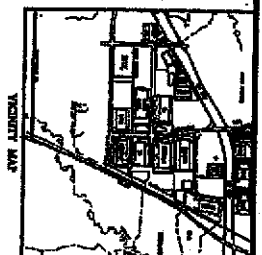
6. THE CITY OF FORT WORTH, TEXAS, HAS ADOPTED ORDINANCE NO. 517-202-0707 ON 017-202-0283 AND AMENDED ORDINANCE NO. 517-202-0707 ON 017-202-0283. THE PORT WORTH CITY COMMISSION HAS APPROVED THE PLAN HEREON FOR RECORD.

7. THE CITY OF FORT WORTH, TEXAS, HAS ADOPTED ORDINANCE NO. 517-202-0707 ON 017-202-0283 AND AMENDED ORDINANCE NO. 517-202-0707 ON 017-202-0283. THE PORT WORTH CITY COMMISSION HAS APPROVED THE PLAN HEREON FOR RECORD.

8. THE CITY OF FORT WORTH, TEXAS, HAS ADOPTED ORDINANCE NO. 517-202-0707 ON 017-202-0283 AND AMENDED ORDINANCE NO. 517-202-0707 ON 017-202-0283. THE PORT WORTH CITY COMMISSION HAS APPROVED THE PLAN HEREON FOR RECORD.

9. THE CITY OF FORT WORTH, TEXAS, HAS ADOPTED ORDINANCE NO. 517-202-0707 ON 017-202-0283 AND AMENDED ORDINANCE NO. 517-202-0707 ON 017-202-0283. THE PORT WORTH CITY COMMISSION HAS APPROVED THE PLAN HEREON FOR RECORD.

10. THE CITY OF FORT WORTH, TEXAS, HAS ADOPTED ORDINANCE NO. 517-202-0707 ON 017-202-0283 AND AMENDED ORDINANCE NO. 517-202-0707 ON 017-202-0283. THE PORT WORTH CITY COMMISSION HAS APPROVED THE PLAN HEREON FOR RECORD.



THIS PLAT FILED IN DISTRICT A, SLIDE NO. 15021, DATE 4/21/11.  
 A PERM. PLAT OF  
 LOT 5, BLOCK 3  
 ALLIANCE GATEWAY SOUTH  
 IN ACCORDANCE WITH THE CITY OF FORT WORTH, TEXAS, CHARTER AND THE TEXAS CONSTITUTION, 1892.  
 CASE # 27-000000-001-000-000  
 APR 22 2011

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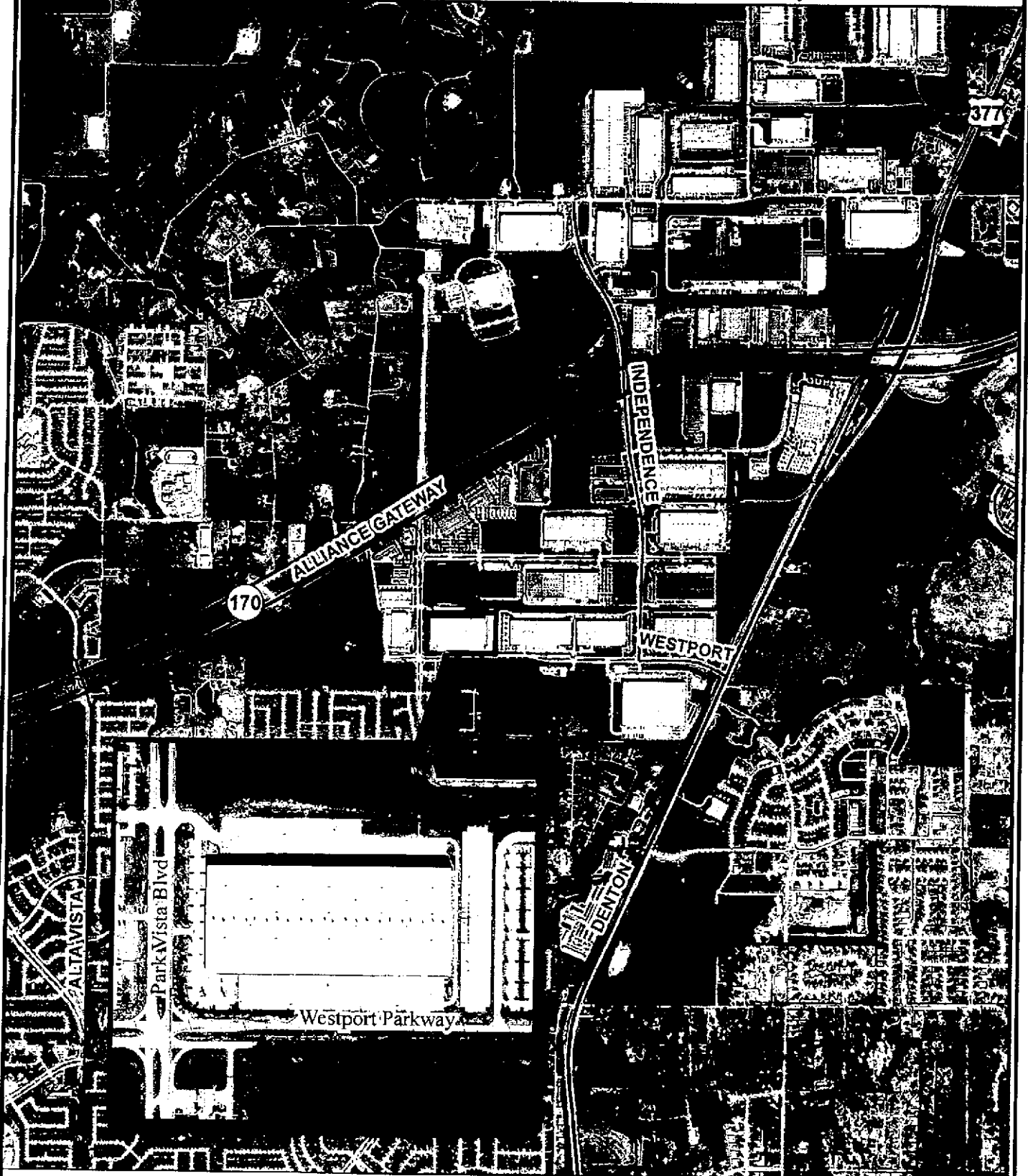
**Carter-Burgess**  
 Surveyors & Engineers, Inc.  
 1000 North Main Street  
 Fort Worth, Texas 76102  
 Phone: 817.335.1111  
 Fax: 817.335.1112  
 www.carter-burgess.com

PROJECT NO.	DATE	REVISION
ISSUED BY	IN	
APPROVED BY	DATE	
DATE		

**FORT WORTH.**



Carolina Beverage Group, LLC  
13300 Park Vista Blvd, Fort Worth, TX 76177



Copyright 2013 City of Fort Worth. Unauthorized reproduction is a violation of applicable laws. 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. The City of Fort Worth assumes no responsibility for the accuracy of said data.



## EXHIBIT "B"

### Lease Abstract

Lease:	Lease Agreement between AT Industrial Owner 7 LLC and Carolina Beverage Group, LLC dated as of May 20, 2013
Lessor:	AT Industrial Owner 7 LLC, a Delaware limited liability company
Lessee:	Carolina Beverage Group, LLC, a North Carolina limited liability company
Premises:	Approximately 399,000 square feet of building used for manufacturing and distribution space located at Gateway 18, 13330 Park Vista Blvd, Fort Worth, Texas 76177
Lease Term:	186 months (15.5 years)
Lease Commencement Date:	Upon completion of Landlord's construction of tenant improvements, but no earlier than October 1, 2013.
Options to Extend:	(2) 10-year renewal options
Real Estate Taxes:	All taxes paid by Tenant

## **EXHIBIT "C"**

### **DESCRIPTION OF THE REQUIRED IMPROVEMENTS**

CBG will launch two high speed manufacturing lines and a distribution facility by the end of Year 2 and plans to grow its manufacturing capabilities to four lines by the end of Year 5. This scale of manufacturing and distribution operation will cost approximately \$40 - \$50 million in capital for equipment and building modifications, in addition to the facility lease.

#### **BUSINESS PERSONAL PROPERTY IMPROVEMENTS**

The personal property improvements will consist primarily of state-of-the art high speed can lines and the latest in blending, filling and packaging equipment.

#### **REAL PROPERTY IMPROVEMENTS**

Building modifications include but are not limited to

- 1) Electrical modifications: augmentation of electrical service to building, installation of switchgear and motor controls for beverage manufacturing lines, and distributing power to serve manufacturing equipment
- 2) Water and sewer upgrades: enhanced water service and capacity, enhanced sewer capacity, and waste water pretreatment systems
- 3) Increased infrastructure: reinforcement of floor and potential reinforcement of roof framing to support hanging piping and equipment
- 4) Food grade flooring modifications: installation of floor drains, no-skid flooring surfaces, sloping and curbing of floors in some areas for water drainage
- 5) Installation of additional office space.

Total investment will include at least \$5,000,000 for building construction/modifications (which includes labor costs) and \$36,000,000 - \$40,000,000 for equipment and installation. A projected \$195,000 will also be spent on infrastructure improvements, including waste treatment, road improvements, split incoming city water, and gas lines. CBG's projections for total capital investment solely account for equipment and facility construction/modifications and infrastructure improvements that will transform the facility to meet CBG's business needs and equipment.

# FORT WORTH



**City of Fort Worth**

**Economic Development  
Incentive Application**

Housing and Economic Development Department  
1000 Throckmorton Street  
Fort Worth, Texas 76102  
(817) 392-7540



## *Incentive Application*

### **1. COMPANY INFORMATION:**

Company Name: AT Industrial Owner 7 LLC c/o Hillwood Alliance Services, LLC

Company Address: 13600 Heritage Parkway, Suite 200

City, State, Zip Code: Fort Worth, TX, 76177

Contact Person (include title/position): Steve Aldrich, Vice President

Telephone Number: (817) 224-6084

Mobile Telephone Number (214) 668-4700

Fax Number (817) 224-6061

E-mail address: steve.aldrich@hillwood.com

Company Ownership (check one): Public Traded Stock    Privately Hold

Form of Business (check one):  Corporation     Joint Venture

Partnership     Sole Proprietorship

How long has the company been in operation (years)? 20+ years (Hillwood, building manager)

Describe the company's principal business (attach additional sheets as necessary):

Owned by institutional investors advised by JP Morgan Asset Management- Global Real Assets and professionally managed by Hillwood Properties with more than two decades of development experience. Hillwood has developed one of the most successful large scale, master-planned communities in North America. Alliance Texas is a 17,000 acre development that has become home to 290 of the nation's leading employers, including more than 50 from the Fortune 500, Global 500 or Forbes List of Top Private Firms. In excess of 32 million square feet has been developed which has generated more than 30,000 jobs.

### **2. PROJECT INFORMATION:**

For real estate projects, please include below the project concept, project benefits and how the project relates to existing community plans. A real estate project is one that involves the construction or renovation of real property that will be either for lease or for sale. Any incentives given by the City should be considered only "gap" financing and should not be considered a substitute for debt and equity. However, the City is under no obligation to provide gap financing just because a gap exists. In order for a property owner/developer to be eligible to receive incentives and/or tax abatement for a project, the property owner/developer:

- A. Must complete and submit this application and the application fee to the City;
- B. Owner/developer or owner/developer's principals must not be delinquent in paying property taxes for any property owned in Fort Worth;
- C. Owner/developer or owner/developer's principals must not have ever been subject to the City of Fort Worth's Building Standards Commission's Review;
- D. Owner/developer or owner/developer's principals must not have any City of Fort Worth liens filed against any other property owned by the applicant property owner/developer. "Liens" includes, but is not limited to, weed liens, demolition liens, board-up/open structure liens and paving liens.

For business expansion projects, please include below services provided or products manufactured, major customers and locations, etc. For business expansion project involving the purchase and/or construction of real estate, please answer all that apply.

Type of Project:  Residential  Commercial/Industrial  Mixed-Use

Describe the company's plans for expanding or locating in Fort Worth (attach additional sheets as necessary):

Carolina Beverage Group is evaluating establishing a manufacturing facility in North Texas in 2013, to begin operations in Q1 2014. CBG will launch two high speed manufacturing lines and a distribution facility in year one and plans to grow its manufacturing capabilities to four lines over the next three to five years. This scale of manufacturing and distribution operation will cost approximately \$40 - 50 million in capital for equipment and building modifications, in addition to the facility lease. It is expected that the new manufacturing and distribution facility will produce upwards of 250 jobs and approximately \$16 million in wages annually to the local economy.

Describe the specific operations to be performed at the proposed Fort Worth facility (attach additional sheets as necessary):

CBG will be manufacturing and distributing functional beverages in the Fort Worth facility. Services include but are not limited to the following:

- Product certification
- Ingredient procurement
- Blending and filling
- Quality control testing
- Packaging
- Warehousing and product consolidating
- Delivery and freight forwarding services

Area (Square Feet) Requirements:

(a) Office	<u>+/- 2,327 SF</u>
(b) Manufacturing	<u>+/- 150,000 SF</u>
(c) Warehouse	<u>+/- 246,673 SF</u>
(d) Showroom/Retail	<u>  </u>
(e) Other	<u>  </u>
Total Area (a+b+c+d+e)	<u>+/- 399,000 SF</u>

Is the company expanding its existing local operations or relocating its operations from somewhere else to our area?  Expansion  Relocation

If relocation, where is the company currently located? New to Ft. Worth; will continue ops in NC as well.

Does the company plan to lease or own the facility in Fort Worth?  Lease  Own

If the company is planning to lease space in Fort Worth, what is the lease term? 15 years w/  
Options

Will the facility be built or does the facility already exist?  New  Existing

If the company is occupying an existing facility, what is the address: 13300 Park Vista Blvd, Ft  
Worth, TX 76177

~~If the company is constructing a new facility, what is the approximate location or address of the  
site? N/A~~

~~If the company is construction a new facility, what is the anticipated date for commencement of  
construction? N/A~~

Anticipated date for company to move into the facility:

10/1/2013

**Development requests that will be sought for the project (select all that apply):**

- Replat: \_\_\_\_\_
- Rezoning: \_\_\_\_\_ Current zoning: K Requested zoning: N/A
- Variances: \_\_\_\_\_ If yes, please describe: \_\_\_\_\_
- Downtown Design Review Board
- Landmark Commission e

**Real Estate Development**

1. Current Assessed Valuation of: Land \$2,696,582<sup>\*</sup> Improvements: \$7,278,418<sup>\*</sup>

Total Size of Project: +/- 399,00 SF

<sup>\*</sup> 2012 Valuation

~~Total Capital Investment: \$ 5,000,000~~

Hard Construction Costs: \$ 3,700,000

2. For mixed-use projects, please list square footage for each use: N/A

~~Personal Property & Inventory~~

1. Personal Property

Cost of equipment, machinery, furnishing, etc: \$40,000,000  Lease  Purchase

2. Inventory & Supplies:

Value of: Inventory \$300,000      Supplies \$ 1,000,000

Percent of inventory eligible for Freeport Exemption (inventory, exported from Texas within 175 days) 100%

3. EMPLOYMENT AND JOB CREATION

From Development

1. How many persons are currently employed? 0
2. What percent of current employees above are Fort Worth residents? 0 %
3. What percent of current employees above are Fort Worth Central City residents? 0 %
4. Please complete the following table for new jobs to be created from direct hire by applicant.

	First Year	By Fifth Year	By Tenth Year
Total Jobs to be Created	69	250	288
Less Transfers*	6	3	3
Net Jobs	63	247	285
% of Net Jobs to be filled by Fort Worth Residents	35	35%	35%
* If any % of Net Jobs to be filled by Central City Residents	5	5	5

employees will be transferring, please describe from where they will be transferring.

North Carolina

Please attach a description of the jobs to be created, tasks to be performed for each and wage rate for each classification.

5. Does the applicant provide the following benefits:

Retirement     Health     Dental    Domestic Partner

6. Average wage paid to employees to be located at the Fort Worth facility: \$17.00

~~4. INCENTIVE(S) REQUEST~~ e

~~Incentive(s) Requested:  Tax Abatement Chapter 380 Eco. Dev. Program Grant~~  
Do you intend to pursue abatement of County Taxes?  Yes  No  
What level of abatement will you request: Years? 10 Percentage? 70 %

5. LOCAL COMMITMENTS

During Construction

What percent of the construction costs described in question 11 above will be committed to:

- Fort Worth businesses? 40 %
- Fort Worth Certified Minority and Women Business Enterprises?  
25 %

For Annual Supply & Service Needs

Regarding discretionary supply and service expenses (i.e. landscaping, office or manufacturing supplies, janitorial services, etc.):

1. What is the annual amount of discretionary supply and service expenses? \$  
\$1,200,000
2. What percentage will be committed to Fort Worth businesses? 30 %
3. What percentage will be committed to Fort Worth Certified Minority and Women Business Enterprises? 25 %

~~OHL will make a conscientious and committed effort to seek FW business and FW minority certified to fill the stated percentages. However, although a best effort will be made, these number may vary.~~

**DISCLOSURES**

Is any person or firm receiving any form of compensation, commission or other monetary benefit based on the level of incentive obtained by the applicant from the City of Fort Worth? If yes, please explain and/or attach details. N/A

These documents must be submitted prior to City Staff review of the application:

- a) Attach a site plan of the project. **\* ALL ITEMS TO BE PROVIDED ARE RESPONSIBILITY OF CBG.**
- b) Explain why incentives are necessary for the success of this project. Include a business pro-forma or other documentation to substantiate your request.
- c) Describe any environmental impacts associated with this project.
- d) Describe the infrastructure improvements (water, sewer, streets, etc.) that will be constructed as part of this project.
- e) Describe any direct benefits to the City of Fort Worth as a result of this project.
- f) Attach a legal description or surveyor's certified metes & bounds description.

- g) Attach a copy of the most recent property tax statement from the appropriate appraisal district for all parcels involved in the project.
- h) Attach a description of the jobs to be created (technician, engineer, manager, etc.), tasks to be performed for each, and wage rate for each classification.
- i) Attach a brief description of the employee benefit package(s) offered (i.e. health insurance, retirement, public transportation assistance, day care provisions, etc.) including portion paid by employee and employer respectively.
- j) Attach a plan for the utilization of Fort Worth Certified M/WBE companies.
- k) Attach a listing of the applicant's Board of Directors, if applicable.
- l) Attach a copy of Incorporation Papers noting all principals, partners, and agents and all Fort Worth properties owned by each.

*which will be paid by C86.*

The company is responsible for paying \$5,000 as an application fee. If the application is withdrawn before the project is presented to City Council in Executive Session, the fee is refunded. Upon presentation to City Council in Open Session, \$2,000 is non-refundable and is applied to offset costs incurred by the Housing and Economic Development Department. Upon approval by City Council, the balance of \$3,000 can be credited towards required building permits, inspections fees, replatting fees, and other costs of doing business with the City related to the development. Any unused credit balance upon completion of the project will be refunded upon request from the company.

On behalf of the applicant, I certify the information contained in this application, including all ~~attachments~~ to be true and correct. ~~I further certify that, on behalf of the applicant, I have read the current Incentive Policy and all other pertinent City of Fort Worth policies and I agree to comply with the guidelines and criteria stated therein.~~

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Fee Owner is submitting this Application as an accommodation to, and at the request of, Carolina Beverage Group. Accordingly, notwithstanding anything to the contrary contained herein, in no event shall Fee Owner be responsible for any damages, clawbacks, fees, penalties or interest in connection with any default under any tax abatement agreement with Carolina Beverage Group.

**FEE OWNER:**

**AT INDUSTRIAL OWNER 7 LLC**, a Delaware limited liability company

By: **AT Industrial Owner Acquisition LLC**, a Delaware limited liability company, its sole member

By: **Commingled Pension Trust Fund (Strategic Property)** of JPMorgan Chase Bank, N.A., its sole member

By: **JPMorgan Chase Bank, N.A.**, not individually, but solely in its capacity as trustee

By: 

Name: DOMINGUEZ

Title: VICE PRESIDENT

**FORT WORTH**



# **Economic Development Incentive Application**

Housing and Economic Development  
1000 Throckmorton Street  
Fort Worth, Texas 76102  
(817) 392-7540



# Incentive Application

## **1. COMPANY INFORMATION**

Date: 3/22/2013

Company Name: Carolina Beverage Group

Company Address: 110 Barley Park Ln

City: Mooreville

State: NC

Zip: 28115

Contact Person: Andy Kerner

Title/Position: Manager

Telephone Number: 217-306-5337

Mobile Telephone Number: 214-668-4418

Fax Number: \_\_\_\_\_

E-Mail Address: Akerner@sunbx.com

Company Ownership (check one):  Public Traded Stock  Privately Held

Form of Business (choose one): Corporation

How long has the company been in operation (Years)? 16 years

Describe the company's principal business (attach additional sheets as necessary):  
Please see Answer #1 on Attachment 1.

## **2. PROJECT INFORMATION**

*For real estate projects, please include below the project concept, project benefits and how the project relates to existing community plans. A real estate project is one that involves the construction or renovation of real property that will be either for lease or for sale. Any incentives given by the City should be considered only "gap" financing and should not be considered a substitute for debt and equity.*

*However, the City is under no obligation to provide gap financing just because a gap exists. In order for a property owner/developer to be eligible to receive incentives and/or tax abatement for a project, the property owner/developer:*

- A. Must complete and submit this application and the application fee to the City;*
- B. Owner/developer or owner/developer's principals must not be delinquent in paying property taxes for any property owned in Fort Worth;*
- C. Owner/developer or owner/developer's principals must not have ever been subject to the City of Fort Worth's Building Standards Commission's Review;*
- D. Owner/developer or owner/developer's principals must not have any City of Fort Worth liens files against any other property owned by the applicant property owner/developer. "Liens" including, but not limited to, weed liens, demolition liens, board-up/open structure liens and paving liens.*

*For business expansion projects, please include below services provided or products manufactured, major customers and locations, etc. For business expansion project involving the purchase and/or construction of real estate, please answer all that apply.*

Type of Project (choose one): Commercial/Industrial

Describe the company's plans for expanding or locating in Fort Worth ( attach additional sheets as necessary):

Please see Answer #2 on Attachment 1.

Describe the specific operations to be performed at the proposed Fort Worth facility (attach additional sheets as necessary):

Please see Answer #3 on Attachment 1.

Area (Square Feet) Requirements:

(a) Office	<u>2,327 SF</u>
(b) Manufacturing	<u>150,000</u>
(c) Warehouse	<u>246,673</u>
(d) Showroom/Retail	<u>                    </u>
(e) Other	<u>                    </u>
Total Area (a+b+c+d+e):	<u>399,000</u> SF

Is the company expanding its existing local operations or relocating its operations from somewhere else to our area?

Expansion

Relocation If relocation, where is the company currently located? New to Fort Worth; will continue ops in NC as well.

Does the company plan to lease or own the facility in Fort Worth?  Lease  Own

If the company is planning to lease space in Fort Worth, what is the lease term? 15 (+2 10yr rnw)

Will the facility be built or does the facility already exist?  New  Existing

If the company is occupying an existing facility, what is the address? 13300 Park Vista Boulevard, Fort Worth, Texas

If the company is constructing a new facility, what is the approximate location or address of the site? N/A  
N/A

If the company is constructing a new facility, what is the anticipated date for commencement of construction? N/A

Anticipated date for company to move into the facility: Oct 1, 2013

Development requests that will be sought for the project (select all that apply):

Replat

Rezoning Current Zoning: K Requested Zoning: N/A

Variances If yes, please describe: N/A

Downtown Design Review Board

Landmark Commission

Real Estate Development

1. Current Assessed Valuation of: Land \$ 2,696,582 Improvements \$ 7,278,418

Total Size of Project: 399,000 SF

Total Capital Investment: \$ 5,000,000

Hard Construction Costs: \$ 3,700,000

2. For mixed-use projects, please list square footage for each use: N/A

**Personal Property and Inventory**

- 1. Personal Property  
Cost of equipment, machinery, furnishing, etc.: \$40,000,000  Lease  Purchase
- 2. Inventory and Supplies  
Value of Inventory: \$300,000 Value of Supplies: \$1,000,000  
Percent of Inventory eligible for Freeport Exemption (inventory, exported from Texas within 175 days) 100 %

**3. EMPLOYMENT AND JOB CREATION**

**From Development**

- 1. How many persons are currently employed? 0
- 2. What percent of current employees above are Fort Worth residents? 0 %
- 3. What percent of current employees above are Central City residents? 0 %
- 4. Please complete the following table for new jobs to be created from direct hire by applicant.

	First Year	By Fifth Year	By Tenth Year
Total Jobs to be Created	69	250	288
Less Transfers*	6	3	3
Net Jobs	63	247	285
% of Net Jobs to be filled by Fort Worth Residents	35	35	35
% of Net Jobs to be filled by Central City residents	5	5	5

\* If any employees will be transferring, please describe from where they will be transferring.

The employees will be transferring from North Carolina.

Please attach a description of the jobs to be created, tasks to be performed for each and wage rate for each classification.

- 5. Does the company provide the following benefits:  Retirement  Health  Dental  Domestic Partner
- 6. Average wage paid to employees to be located at Fort Worth facility: \$17

**4. INCENTIVES REQUEST**

- Incentive(s) Requested:  Tax Abatement  Chapter 380 Economic Development Program Grant
- Do you intend to pursue abatement of County taxes?  Yes  No
- What level of abatement will you request: Years? 10 Percentage? 70 %

**5. LOCAL COMMITMENTS**

**During Construction**

- What percent of the construction costs described under Real Estate Development will be committed to:  
Fort Worth businesses? 40 %  
Fort Worth Certified Minority and Women Business Enterprises? 25 %

**For Annual Supply and Service Needs**

Regarding discretionary supply and service expenses (i.e landscaping, office or manufacturing supplies, janitorial services, etc.):

1. What is the annual amount of discretionary supply and service expenses? \$ 1,200,000
2. What percentage will be committed to Fort Worth businesses? 30 %
3. What percentage will be committed to Fort Worth Certified Minority and Women Business Enterprises? 25 %

**DISCLOSURES**

Is any person or firm receiving any form of compensation, commission or other monetary benefit based on the level of incentive obtained by the applicant from the City of Fort Worth? If yes, please explain and/or attach details.

N/A

---

These documents must be submitted with the application, otherwise the application will be deemed incomplete and will not be reviewed:

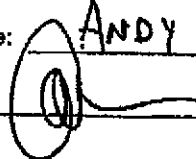
- a.) Attach a site plan of the project.
- b.) Explain why incentives are necessary for the success of this project. Include a business pro-forma or other documentation to substantiate your request.
- c.) Describe any environmental impacts associated with this project.
- d.) Describe the infrastructure improvements (water, sewer, streets, etc.) that will be constructed as part of this project.
- e.) Describe any direct benefits to the City of Fort Worth as a result of this project.
- f.) Attach a legal description or surveyor's certified metes and bounds description.
- g.) Attach a copy of the most recent property tax statement from the appropriate appraisal district for all parcels involved in the project.
- h.) Attach a description of the jobs to be created (technician, engineer, manager, etc.), tasks to be performed for each, and wage rate for each classification.
- i.) Attach a brief description of the employee benefit package(s) offered (i.e. health insurance, retirement, public transportation assistance, day care provisions, etc.) including portion paid by employee and employer respectively.
- j.) Attach a plan for the utilization of Fort Worth Certified M/WBE companies.
- k.) Attach a listing of the applicant's Board of Director's, if applicable.
- l.) Attach a copy of Incorporation Papers noting all principals, partners, and agents and all Fort Worth properties owned by each.

The company is responsible for paying \$5,000 as an application fee. If the application is withdrawn before the project is presented to City Council in Executive Session, the fee is refunded. Upon presentation to City Council in Open Session, \$2,000 is non-refundable and is applied to offset costs incurred by the Housing and Economic Development Department. Upon approval by City Council, the balance of \$3,000 can be credited towards required building permits, inspections fees, replatting fees, and other costs of doing business with the City related to the development. Any unused credit balance upon completion of the project will be refunded upon request from the company.

On behalf of the applicant, I certify the information contained in this application, including all attachments to be true and correct. I further certify that, on behalf of the applicant, I have read the current Incentive Policy and all other pertinent City of Fort Worth policies and I agree with the guidelines and criteria state therein.

Printed Name: ANDY KERNER

Title: MANAGER

Signature: 

Date: 3/26/13

**Fort Worth  
Economic Development Incentive Application  
Carolina Beverage Group**

**CONTINUED ANSWERS FROM APPLICATION:**

**1. Describe the company's principal business:**

Carolina Beverage Group (CBG) is the leading, best-in-class, specialty manufacturer of functional beverages in the United States. CBG maintains longstanding relationships with the leading beverage brands of the world and its industry leading manufacturing capabilities and technical product expertise enable it to offer customers the widest array of blending, filling, and packaging options available in the industry. CBG's value-added service model includes product certification, broad blending and filling experience, flexible packaging capabilities, superior product quality standards, reliable on-time delivery, bulk ingredient procurement, warehousing and product consolidating, and freight forwarding services. CBG's customers do not have comparable production capabilities and rely heavily on the company as a "one-stop shop" supply chain, packaging development, production, and distribution solution.

**2. Describe the company's plans for expanding or locating in Fort Worth:**

CBG has grown case volume and revenues at approximately 20% annually over the past three years and is poised for continued substantial growth in the future. Due to this growth, the Company has reached its maximum capacity at its North Carolina manufacturing plant. Through requests and discussions with customers, and primary due diligence by an industry expert consultant, CBG has determined that North Texas is the prime location for geographic expansion. As such, CBG has reserved the name "Texas Specialty Beverage", and intends to establish a manufacturing facility in North Texas in 2013, to begin operations in Q1 2014. CBG will launch two high speed manufacturing lines and a distribution facility in year one and plans to grow its manufacturing capabilities to four lines over the next three to five years. This scale of manufacturing and distribution operation will cost approximately \$40 - 50 million in capital for equipment and building modifications, in addition to the facility lease. It is expected that the new manufacturing and distribution facility will produce upwards of 250 jobs and approximately \$16 million in wages annually to the local economy.

**3. Describe the specific operation to be performed at the proposed Fort Worth Facility:**

CBG will be manufacturing and distributing functional beverages in the Fort Worth facility. Our services include but are not limited to the following:

- Product certification
- Ingredient procurement
- Blending and filling
- Quality control testing
- Packaging
- Warehousing and product consolidating
- Delivery and freight forwarding services

**REQUESTED ATTACHMENTS:**

**a) Attach a site plan of the project**

*See attached document: A) Site Plan - AllianceGateway 18 - Project Contrail.pdf*

- b) Explain why incentives are necessary for the success of this project. Include a business pro-forma or other documentation to substantiate your request

CBG has gone through a multi-state property selection process to analyze the total project costs for its manufacturing and distribution operation. Analysis included but was not limited to real estate costs, infrastructure, build-out costs, total tax impact, utility costs, labor costs, and any offsets through incentives. CBG must make the most financially compelling decision in its ultimate property selection.

Alliance presents several challenges in comparison to other property alternatives, including higher property taxes and real estate costs. Additionally, "Quality Jobs Incentives" and investment tax credits offered by neighboring states present financial advantages, which would aid in offsetting some of the capital improvements required for this project. As a result, the property tax abatement would help to alleviate these substantial expenses and deficiencies.

- c) Describe any environmental impacts associated with this project.

There are no anticipated environmental impacts associated with this project that are cause for concern.

- d) Describe the infrastructure improvements (water, sewer, streets, etc.) that will be constructed as part of this project.

Building Improvements	Equipment	Construction Cost
Waste Treatment	\$50,500	\$10,000
Road Improvements		\$20,000
Split Incoming City Water	\$15,000	\$65,000
Gas Lines	\$9,800	\$25,000
<i>Total</i>	<i>\$75,300</i>	<i>\$120,000</i>
<i>Grand Total = \$195,300</i>		

- e) Describe any direct benefits to the City of Fort Worth as a result of this project.

The CBG project will bring tremendous capital investment of approximately \$50,000,000 in capital improvements and equipment, which will substantially increase the property's tax base. In addition, CBG projects the creation of 288 new jobs within the first 10 years. Finally, this project will encourage employees to take up residence in the Fort Worth area, and in turn, stimulate to the local economy.

- f) Attach a legal description or surveyor's certified metes and bounds description.

**LEGAL DESCRIPTION:** Being Lot 5, in Block 3, of ALLIANCE GATEWAY SOUTH ADDITION, an Addition to the City of Fort Worth, Tarrant County, Texas, according to the Plat thereof recorded in Cabinet A, Slide 11907, of the Plat Records of Tarrant County, Texas.

- g) Attach a copy of the most recent property tax statement from the appropriate appraisal district for all parcels involved in the project.

*See attached document: G) 2012 Tax Statement - AllianceGateway 18 - Project Contrail.pdf*

- b) **Attach a description of the jobs to be created (technician, engineer, manager, etc.), tasks to be performed for each, and wage rate for each classification.**

This project will generate approximately 244 jobs. Below are the projected annual salaries/wages by job type:

- Admin & MGMT: Average Salary for Exempt \$67K  
Average hourly rate Non-Exempt \$14.18
- Maintenance: Average Salary for Exempt \$83K  
Average hourly rate Non-Exempt \$18.89
- Operators: Average hourly rate Non-Exempt \$12.85
- Quality Assurance: Average hourly rate Non-Exempt \$14.18
- Warehouse: Average hourly rate Non-Exempt \$13.06
- Blending: Average hourly rate Non-Exempt \$13.68

- l) **Attach a brief description of the employee benefit package(s) offered (i.e. health insurance, retirement, public transportation assistance, day care provisions, etc.) including portion paid by employee and employer respectively.**

After the 90 calendar day introductory period, all full-time employees and part time employees with benefits (more than 32 hours) will be eligible for the following benefits according to the additional waiting periods established below:

At 90 calendar days:

- You are eligible for Health Insurance, Dental Insurance, Vision Insurance, and Supplemental Insurance Options. Employees have a choice of medical insurance plans through Blue Cross Blue Shield. CBG covers approximately 90% of the monthly costs of basic health insurance for our employees (we do not contribute to the insurance costs of spouses, children, or families). Employees are also eligible for a non-tobacco user discount on their insurance premiums if they qualify. The bi-weekly premium is deducted pre-tax from each week's paycheck, with the exception of supplemental term life insurance, accidental death & dismemberment insurance, short-term disability, and long-term disability. Please see the HR Department for plan choices, details and exact costs.
- You will be issued a company provided uniform service, including laundering which includes pants, shirts, and a jacket
- You are eligible for the nine paid company holidays (see section on holidays).

At Six Months:

- You will begin to accrue PTO hours on a monthly basis. Monthly accruals equal 2 weeks (80 hours) for years 1 through 5 and then 3 weeks (120 hours) for employees who reach 5 plus years of service.

At One Year:

- You are eligible to join CBG's 401K plan. CBG matches up to 4% of your income that you invest in the 401k plan. You may enroll on the enrollment date following one year of employment with CBG. Enrollment dates are: January 1, April 1, July 1, and October 1. Please see the HR Department for details and enrollment information.

j) **Attach a plan for the utilization of Fort Worth Certified M/WBE companies.**  
Carolina Beverage Group welcomes diversity. As an Equal Opportunity Employer, CBG plans to leverage the talent of Fort Worth M/WBEs through both construction and supply & service contracts. CBG plans to utilize M/WBEs for at least 25% of such projects.

k) **Attach a listing of the applicant's Board of Director's, if applicable.**

**Mark Matteson**  
Board Member / Manager  
SunTx Capital Partners  
Two Lincoln Centre  
5420 LBJ Freeway Suite 1000  
Dallas, TX 75240

**Andy Kerner**  
Board Member / Manager  
SunTx Capital Partners  
Two Lincoln Centre  
5420 LBJ Freeway Suite 1000  
Dallas, TX 75240

**Michael Ilagan**  
Board Member / Manager  
SunTx Capital Partners  
Two Lincoln Centre  
5420 LBJ Freeway, Suite 1000  
Dallas, TX 75240

**Harry Barto**  
Board Member / President  
Carolina Beverage Group  
110 Barley Park Ln  
Mooresville, NC 28115

**Mike Smith**  
Board Member / CEO  
Carolina Beverage Group  
110 Barley Park Ln  
Mooresville, NC 28115

l) **Attach a copy of Incorporation Papers noting all principals, partners, and agents and all Fort Worth properties owned by each.**

*See attached documents (3):*



- L i) CBB\_Amendment of Articles of Organization\_9-2011 - PROJECT CONTRAIL.pdf*
- L ii) CBB\_Articles of Organization\_9-29-1997 - PROJECT CONTRAIL.pdf*
- L iii) CBB\_Certificate of Existence\_7-22-2010 - PROJECT CONTRAIL.pdf*

292 Car Parks/  
Future Truck Court

28 Future Trailer Parks

44 Trailer Parks

20 Dock Door Locations  
33 Future Dock Door Locations  
1 Future Oversize Door and Ramp

Existing Dock Door locations  
Future Dock Door locations

399,000 S.F. Available

Existing  
2,327 S.F.  
Office

20 Dock Door Locations  
27 Future Dock Door Locations  
1 Future Oversize Door and Ramp

Westport Parkway

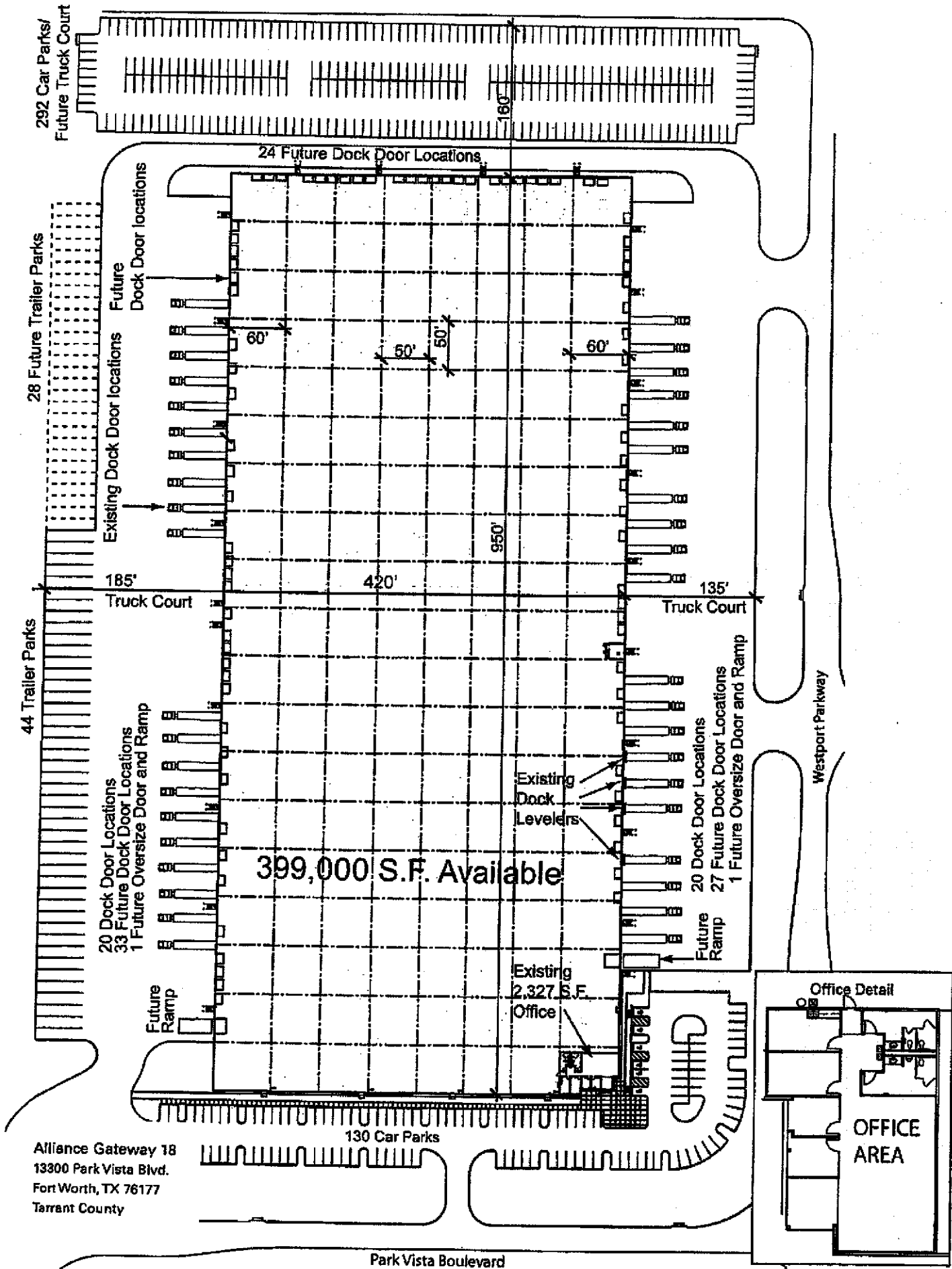
Alliance Gateway 18  
13300 Park Vista Blvd.  
Fort Worth, TX 76177  
Tarrant County

130 Car Parks

Park Vista Boulevard

Office Detail

OFFICE  
AREA





**RON WRIGHT**  
TARRANT COUNTY  
TAX ASSESSOR-COLLECTOR

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

**2012 TAX STATEMENT**

DATE: 10/17/2012  
ACCOUNT: 00041294181  
LEGAL: ALLIANCE GATEWAY SOUTH ADDN  
BLK 3 LOT 6

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

OWNER: AT INDUSTRIAL OWNER 7 LLC  
PARCEL ADDRESS: 0004501 WESTPORT PKWY  
EXEMPTIONS:

13064

LAND VALUE	IMPRV VALUE	APPRAISED VAL			656000320	
TAXING ENTITIES	APPRAISED VALUE	EXEMPTION AMOUNT	TAXABLE VALUE	TAX RATE PER \$100	BASE TAX	TAXES DUE CURRENTLY
FT WORTH CITY	9,975,000	0	9,975,000	0.855000	85,286.25	85,286.25
TARRANT COUNTY	9,975,000	0	9,975,000	0.264000	26,334.00	26,334.00
REG WATER DIST	9,975,000	0	9,975,000	0.020000	1,995.00	1,995.00
T C HOSPITAL	9,975,000	0	9,975,000	0.227897	22,732.73	22,732.73
T C COLLEGE	9,975,000	0	9,975,000	0.148970	14,859.78	14,859.78
<b>TOTAL TAXES</b>					<b>151,207.74</b>	<b>151,207.74</b>

Pay by Credit Card or eCheck



In person only

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

**TOTAL AMOUNT DUE** 151,207.74  
**INCLUDES PAYMENTS RECEIVED**

\*THIS OFFICE DOES NOT COLLECT TAXES FOR NORTHWEST.ISD.

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

AT INDUSTRIAL OWNER 7 LLC  
556000320

285508

RETURN WITH PAYMENT

00041294181 2012



AT INDUSTRIAL OWNER 7 LLC  
13600 HERITAGE PKWY STE 200  
FORT WORTH TX 76177-5398



**PAY THIS AMOUNT**  
**\$151,207.74**  
DELINQUENT AFTER: 01/31/2013

1175603.87

IF PAID IN	AMOUNT DUE
FEB	161,792.29
MAR	164,816.44

EBILL VERIFICATION CODE 0004129418132

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

PO BOX 961018  
FORT WORTH TX 76161-0018

00041294181

0015120774

0016179229

0016481644

1017201200000



STEVE MOSSMAN  
DENTON COUNTY  
TAX ASSESSOR COLLECTOR  
PO BOX 90223  
DENTON, TEXAS 76202  
940-349-3500



2012 ORIGINAL TAX STATEMENT

PROPERTY ACCOUNT NUMBER  
**41294181TAR**

PROPERTY OWNER  
7-1  
AT INDUSTRIAL OWNER 7 LLC  
13600 HERITAGE PKWY STE 200  
FORT WORTH TX 76177-4320

PROPERTY LEGAL DESCRIPTION  
ALLIANCE GATEWAY SOUTH ADDN BLK 3 LOT 5  
**AG18**  
SITUS: 4501 WESTPORT PKWY  
EXEMPTIONS:  
ASSESSMENT RATIO: 100%

PROPERTY VALUES			
IMPROVEMENT VALUE	7,278,418	MINERAL VALUE	
NON HOMESITE IMPROVEMENT		PERSONAL PROPERTY	
LAND MARKET VALUE	2,696,582	AG VALUE	
		TOTAL MARKET VALUE	9,975,000

TAXING ENTITY	EXEMPTIONS	TAXABLE VALUE	TAX RATE	BASE TAX
NORTHWEST ISD	0	9,975,000	1.375000	137,156.25

TOTAL AMOUNT DUE IF PAID ON OR BEFORE JANUARY 31, 2013 **\$137,156.25**

PENALTY AND INTEREST WILL BE DUE ON FEB 1ST IF ACCOUNT IS NOT PAID IN FULL. LEGAL FEES MAY BECOME DUE AT ANY TIME AFTER DELINQUENCY. PAYMENTS WILL BE POSTED ACCORDING TO THE USPS CANCELLATION MARK, OR IF NO CANCELLATION MARK THE DATE OF DELIVERY TO THE TAX OFFICE. PLEASE SEE PROPERTY TAX INFORMATION INSERT FOR ADDITIONAL INFORMATION.



VISIT OUR WEBSITE FOR eCHECK OR CREDIT/DEBIT CARD PAYMENTS  
<http://tax.dentoncounty.com>  
PAYMENT BY PHONE IS AVAILABLE AT 1-866-549-1010  
USE DENTON COUNTY BUREAU CODE 3368661  
CONVENIENCE FEE WILL APPLY: eCHECK \$1.50 Credit/Debit 2.4%

Make Checks payable to: Denton County Tax Office

Over 65/Disabled Quarter Pay Request  
\*Please sign and send in with first 1/4 payment before 1/31/2013.  
I am currently receiving an Over 65/Disability exemption and request the 1/4 payment option on my 2012 property taxes.

X

PROPERTY ACCOUNT NUMBER  
**41294181TAR**

AMOUNT DUE  
\* IF PAID ON OR BEFORE  
**JANUARY 31, 2013 \$137,156.25**

PENALTY AND INTEREST WILL BE DUE ON FEBRUARY 1, 2013 IF ACCOUNT IS NOT PAID IN FULL. THE PENALTY AND INTEREST RATES WILL INCREASE ON THE FIRST DAY OF EACH MONTH.

IF PAID IN	P & I RATE	AMOUNT DUE
FEB 2013	7%	146,757.19
MAR 2013	9%	149,500.32
APR 2013	11%	152,243.44

WHEN PAYING BY CHECK YOU AUTHORIZE A ONE TIME ELECTRONIC FUNDS TRANSFER TO DENTON COUNTY TAX OFFICE





**NORTH CAROLINA**  
**Department of The Secretary of State**

To all whom these presents shall come, Greetings:

I, Elaine F. Marshall, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

**ARTICLES OF ORGANIZATION**

**OF**

**CAROLINA BEER & BEVERAGE, LLC**

the original of which was filed in this office on the 29th day of September, 1997.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 5th day of August, 2010.

*Elaine F. Marshall*

Secretary of State

87 272 5092

ARTICLES OF ORGANIZATION  
OF

CAROLINA BEER & BEVERAGE, LLC

A North Carolina Limited Liability Company

0-04288799  
FILED  
428 pm

SEP 29 1999

EFFECTIVE  
ELAINE F. MARSHALL  
SECRETARY OF STATE  
NORTH CAROLINA

Pursuant to Section 57C-2-20 of the General Statutes of North Carolina, the undersigned does hereby submit these Articles of Organization for the purpose of forming a limited liability company.

1. The name of the limited liability company is CAROLINA BEER & BEVERAGE, LLC.
2. The latest date on which the limited liability company is to dissolve is December 31, 2047.
3. The name and address of each organizer executing these articles of organization is as follows:  
  
James Michael Smith  
18900 Halyard Pt.  
Cornelius, North Carolina 280312  
  
John T. Stritch  
398 Catalina Dr.  
Mooresville, North Carolina 28115
4. The street address and county of the initial registered office of the limited liability company is: 18900 Halyard Pt., Cornelius, North Carolina 28031, Mecklenburg County.
5. The mailing address of the initial registered office is 18900 Halyard Pt., Cornelius, North Carolina 28031.
6. The name of the initial registered agent is James Michael Smith.

7. Check one of the following:

- (i) Member-managed LLC: all of the members by virtue of their status as members shall be managers of this limited liability company.
- (ii) Manager-managed LLC: except as provided by N.C.G.S. Section 57C-3-20(a), the members of this limited liability company shall not be managers by virtue of their status as members.

8. Any other provisions which the limited liability company elects to include are:  
None.

9. These articles will be effective upon filing.

This the 24<sup>th</sup> day of September, 1997.

  
James Michael Smith, Organizer

  
John T. Stritch, Organizer





**NORTH CAROLINA**  
**Department of The Secretary of State**

**CERTIFICATE OF EXISTENCE**  
**(Limited Liability Company)**

I, Elaine F. Marshall, Secretary of State of the State of North Carolina, do hereby certify that

**CAROLINA BEER & BEVERAGE, LLC**

is a limited liability company duly formed under the laws of the State of North Carolina, having been formed on the 29th day of September, 1997, with its period of duration being DEC 2047.

I FURTHER certify that the said limited liability company's articles of organization are not suspended for failure to comply with the Revenue Act of the State of North Carolina; that the said limited liability company is not administratively dissolved for failure to comply with the provisions of the North Carolina Limited Liability Company Act; and that the said limited liability company has not filed articles of dissolution as of this date of this certificate.



IN WITNESS WHEREOF, I have hereunto set  
my hand and affixed my official seal at the City  
of Raleigh, this 22nd day of July, 2010.

*Elaine F. Marshall*

Secretary of State

# STATE OF GEORGIA

## Secretary of State

Corporations Division  
315 West Tower  
#2 Martin Luther King, Jr. Dr.  
Atlanta, Georgia 30334-1530

### CERTIFICATE OF EXISTENCE

I, Brian P. Kemp, Secretary of State and the Corporations Commissioner of the state of Georgia, hereby certify under the seal of my office that

#### CAROLINA BEER & BEVERAGE, LLC

##### Foreign Limited Liability Company

was formed or was authorized to transact business on 05/03/2000 in Georgia. Said entity is in compliance with the applicable filing and annual registration provisions of Title 14 of the Official Code of Georgia Annotated and has not filed articles of dissolution, certificate of cancellation or any other similar document with the office of the Secretary of State.

This certificate relates only to the legal existence of the above-named entity as of the date issued. It does not certify whether or not a notice of intent to dissolve, an application for withdrawal, a statement of commencement of winding up or any other similar document has been filed or is pending with the Secretary of State.

This certificate is issued pursuant to Title 14 of the Official Code of Georgia Annotated and is prima-facie evidence that said entity is in existence or is authorized to transact business in this state.



WITNESS my hand and official seal of the City of Atlanta and the State of Georgia on 22nd day of July, 2010

Brian P. Kemp  
Secretary of State

State of New York  
Department of State } ss:

I hereby certify, that CAROLINA BEER BEVERAGE, LLC a NORTH CAROLINA Limited Liability Company filed an Application for Authority pursuant to the Limited Liability Company Law on 10/27/2004. I further certify that so far as shown by the records of this Department, such Limited Liability Company is still authorized to do business in the State of New York.



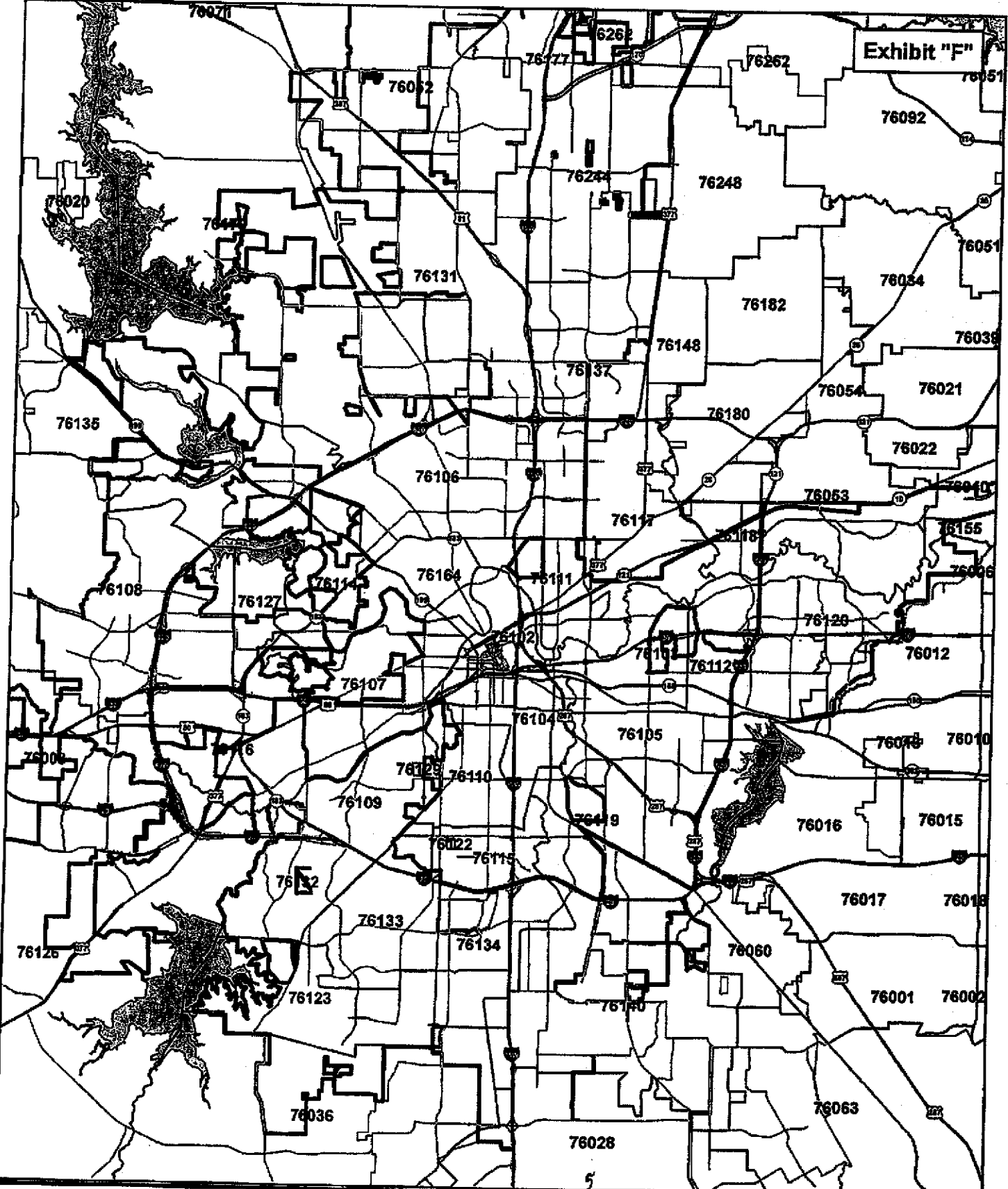
\*\*\*





*Witness my hand and the official seal  
of the Department of State at the City  
of Albany, this 20th day of July  
two thousand and ten.*

A handwritten signature in black ink, appearing to read "Daniel Shapiro".

Daniel Shapiro  
First Deputy Secretary of State

Exhibit "F"



- Legend**
-  Zip Codes
  -  Central City Boundary
  -  CDBG Eligible Area
  -  City Limit



Updated 08/23/2013

Housing and Economic Development  
**CDBG Eligible Areas & Central City**



STATE OF TEXAS        §  
COUNTY OF TARRANT §

**AMENDMENT NO. 1 TO  
CITY SECRETARY CONTRACT NO. 45085**

TAX ABATEMENT AGREEMENT BETWEEN  
CITY OF FORT WORTH,  
AT INDUSTRIAL OWNER 7 LLC, AND  
CAROLINA BEVERAGE GROUP, LLC

This **AMENDMENT NO. 1 TO CITY SECRETARY CONTRACT NO. 45085** ("Amendment") is entered into by and between the **CITY OF FORT WORTH** (the "City"), a home rule municipality organized under the laws of the State of Texas; **AT INDUSTRIAL OWNER 7 LLC**, a Delaware limited liability company ("AT7"); and **CAROLINA BEVERAGE GROUP, LLC**, a North Carolina limited liability company ("Company").

The City, AT7 and Company hereby agree that the following statements are true and correct and constitute the basis upon which the City, AT7 and Company have entered into this Amendment:

A. The City, AT7 and Company previously entered into that certain Tax Abatement Agreement on file in the City Secretary's Office as City Secretary Contract No. 45085 (the "Agreement"). Under the Agreement, the City agreed to abate certain ad valorem real property taxes on improvements constructed on property owned by AT7 and leased by Company (identified in Exhibit "A" of the Agreement and defined as the "Land") and on certain ad valorem personal property taxes on New Taxable Tangible Personal Property located on the Land in return for AT7's and Company's commitment to redevelop the Land for use as one of Company's manufacturing and distribution centers (defined in the Agreement as the "Required Improvements").

B. The Agreement provides for redevelopment of the Land to occur in two (2) phases. Phase I consists of (i) real property improvements to the Land requiring a minimum expenditure of Five Million Dollars (\$5,000,000.00), of which Three Million Seven Hundred Thousand Dollars (\$3,700,000.00) must be Hard Construction Costs, all of which must be completed by December 31, 2014, and (ii) the installation on the Land of New Taxable Tangible Personal Property having a value of at least Twenty Million Dollars (\$20,000,000.00) as of January 1, 2015 (the latter being the "Phase I Personal Property Commitment"). Phase II consists of the installation on the Land of additional New Taxable Tangible Personal Property having a value of at least Sixteen Million Dollars (\$16,000,000.00) as of January 1, 2019 (the **Phase II Personal Property**

RECEIVED MAR 28 2014      RECEIVED APR - 3 2014

**Commitment”).** If the Phase I Personal Property Commitment is not met, a default will occur and the City will have the right to terminate the Agreement. If the Phase II Personal Property Commitment is not met, AT7 and Company will not be eligible for Abatement in the 2019 tax year and the Agreement will expire.

C. Company has informed the City that an anticipated delay in the installation of a second beverage production line on the Land will affect the timing of the rollout for the installation of equipment at the site. As a result, Company has requested that the Agreement be amended to adjust the Phase I Personal Property Commitment and the Phase II Personal Property Commitment, with the understanding that the overall value of New Taxable Tangible Personal Property that Company will be required to install on the Land will not be reduced.

D. This Amendment is authorized under § 312.208 of the Texas Tax Code because (i) the provisions of this Amendment could have been included in the original Agreement and (ii) this Amendment has been entered into following the same procedure in which the Agreement was approved and executed.

**NOW, THEREFORE,** the City, AT7 and Company, for and in consideration of the terms and conditions set forth herein, do hereby contract, covenant and agree as follows:

1. The third sentence of Section 4.1 of the Agreement (Phase I) is hereby amended to read as follows:

In addition, New Taxable Tangible Personal Property having a value of at least Seventeen Million Dollars (\$17,000,000.00) must be in place on the Land as of January 1, 2015, as determined solely by Tarrant Appraisal District or the appraisal district having jurisdiction over the Land at the time and reflected in the certified appraisal roll received by the City from such appraisal district in such year (the “Phase I Personal Property Commitment”)

2. The first sentence of Section 4.2 of the Agreement (Phase II) is hereby amended to read as follows:

New Taxable Tangible Personal Property having a value of at least Nineteen Million Dollars (\$19,000,000.00), excluding any New Taxable Tangible Personal Property that was counted for purposes of ascertaining attainment of the Phase I Personal Property Commitment, must be in place on the Land as of January 1, 2019, as determined solely by Tarrant Appraisal District or the appraisal district having jurisdiction over the Land at the time and reflected in the certified appraisal roll received by the City

from such appraisal district in such year (the "Phase II Personal Property Commitment").

3. Section 6.1 of the Agreement is hereby amended to read as follows:

**6.1. Duration and Prerequisites.**

**6.1.1. From First Year of Abatement Term until 2018.**

Provided that (i) AT7 and Company expended or caused to be expended at least Five Million Dollars (\$5,000,000.00) in Construction Costs for the Required Improvements by the Completion Date, of which at least Three Million Seven Hundred Thousand Dollars (3,700,000.00) were Hard Construction Costs, both as confirmed in the Certificate of Completion issued by the Director in accordance with Section 5; (ii) the Completion Date occurred on or before the Completion Deadline, as confirmed in the Certificate of Completion issued for by the Director in accordance with Section 5; and (iii) New Taxable Tangible Personal Property having a value of at least Seventeen Million Dollars (\$17,000,000.00) was in place on the Land as of January 1, 2015, as determined solely by the appraisal district having jurisdiction over the Land at that time and reflected in the certified appraisal roll received by the City from such appraisal district in such year, an Abatement will be granted for the first year of the Abatement Term and in each year thereafter until, and including, 2018.

**6.1.2. From 2019 until Expiration of Abatement Term.**

Provided that (i) AT7 and Company were entitled to receive an Abatement hereunder pursuant to Section 6.1.1 and (ii) New Taxable Tangible Personal Property having a value of at least Nineteen Million Dollars (\$19,000,000.00), excluding any New Taxable Tangible Personal Property that was counted for purposes of ascertaining attainment of the Phase I Personal Property Commitment, was in place on the Land as of January 1, 2019, as determined solely by the appraisal district having jurisdiction over the Land at that time and reflected in the certified appraisal roll received by the City from such appraisal district in such year, an Abatement will be granted for 2019 and each year thereafter throughout the remainder of the Abatement Term.

4. Section 8.1 of the Agreement is hereby amended to read as follows:

**8.1. Failure to Complete Improvements or to Meet Phase I Personal Property Commitment.**

Notwithstanding anything to the contrary herein, if (i) AT7 and Company failed to expend or cause to be expended at least Five Million Dollars (\$5,000,000.00) in Construction Costs for the Required Improvements by the Completion Date; (ii) of the Construction Costs expended for the Required Improvements by the Completion Date, AT7 and Company fail to expend or cause to be expended at least Three Million Seven Hundred Thousand (\$3,700,000.00) in Hard Construction Costs; (iii) the Completion Date did not occur on or before the Completion Deadline; or (iv) New Taxable Tangible Personal Property having a value of at least Seventeen Million Dollars (\$17,000,000.00) was not in place on the Land as of January 1, 2015, as determined solely by Tarrant Appraisal District or the appraisal district having jurisdiction over the Land at that time and reflected in the certified appraisal roll received by the City from such appraisal district in such year, an Event of Default shall occur and the City shall have the right to terminate this Agreement, effective immediately, by providing written notice to AT7 and Company without further obligation to AT7 and Company hereunder.

5. Section 8.3 of the Agreement is hereby amended to read as follows:

**8.3. Failure to Meet Phase II Personal Property Commitment.**

Notwithstanding anything to the contrary herein, if New Taxable Tangible Personal Property having a value of at least Nineteen Million Dollars (\$19,000,000.00), excluding any New Taxable Tangible Personal Property that was counted for purposes of ascertaining attainment of the Phase I Personal Property Commitment, was not in place on the Land as of January 1, 2019, as determined solely by Tarrant Appraisal District or the appraisal district having jurisdiction over the Land at that time and reflected in the certified appraisal roll received by the City from such appraisal district in such year, an Event of Default will not occur and Section 8.7 shall not apply, but no Abatement will be granted for the 2019 tax year and this Agreement will expire on December 31, 2019 in accordance with Section 3.

6. Capitalized terms used but not identified in this Amendment shall have the same meanings assigned to them in the Agreement.



7. Except as otherwise specifically amended in this Amendment, the Agreement shall remain in full force and effect.

8. This Amendment contains the final written expression of the City and Company with respect to the subject matter hereof. This Amendment may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

**EXECUTED** as of the last date indicated below:

[SIGNATURES IMMEDIATELY FOLLOW ON NEXT PAGE]

**CITY OF FORT WORTH:**

By: Fernando Costa  
Fernando Costa  
Assistant City Manager

Date: 3/27/14

**ATTEST:**

By: Mary J. Klauer  
Name: Mary J. Klauer  
Title: City Secretary

Date: 4/3/14

**APPROVED AS TO FORM AND LEGALITY:**

By: Peter Vaky  
Peter Vaky  
Deputy City Attorney

M&C: C-26675 2-18-14



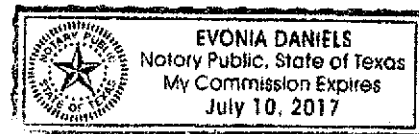
**STATE OF TEXAS §**

**COUNTY OF TARRANT §**

BEFORE ME, the undersigned authority, on this day personally appeared **Fernando Costa**, Assistant City Manager of the **CITY OF FORT WORTH**, a municipality organized under the laws of the State of Texas, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the **CITY OF FORT WORTH**, that he was duly authorized to perform the and that he executed the same as the act of the **CITY OF FORT WORTH** for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 27 day of March, 2014.

Evonia Daniels  
Notary Public in and for  
the State of Texas  
EVONIA DANIELS  
Notary's Printed Name



**AT INDUSTRIAL OWNER 7 LLC,**  
a Delaware limited liability company:

By: AT Industrial Owner Acquisition, LLC, a  
Delaware limited liability company, its  
sole member

By: Commingled Pension Trust Fund  
(Strategic Property) of JPMorgan  
Chase Bank, N.A., its sole member

By: JPMorgan Chase Bank, N.A.,  
not individually, but solely in  
its capacity as trustee

By: *[Signature]*  
Name: DANIEL HINKOFF  
Title: VICE PRESIDENT  
Date: 3/20/14

STATE OF *[Signature]*  
COUNTY OF *[Signature]*

BEFORE ME, the undersigned authority, on this day personally appeared *[Signature]*  
*[Signature]*, Vice President of **AT INDUSTRIAL OWNER  
7 LLC, a Delaware limited liability company**, known to me to be the person whose name  
is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the  
same for the purposes and consideration therein expressed, in the capacity therein stated  
and as the act and deed of **AT INDUSTRIAL OWNER 7 LLC**.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this  
20 day of March, 2014.

*[Signature]*  
Notary Public in and for the State of \_\_\_\_\_  
ESTHER MARY KRIVDA  
Notary Public, State of New York  
Qualified in Bronx County  
Reg. No. 01KR8051251  
My Commission Expires Nov. 20, 2014

Notary's Printed Name

**CAROLINA BEVERAGE GROUP, LLC,**  
a North Carolina limited liability company:

By: [Signature]  
Name: MARK R MATTESON  
Title:

Date: 3-21-2014

STATE OF Texas §

COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared MARK MATTESON of **CAROLINA BEVERAGE GROUP, LLC**, a North Carolina limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of **CAROLINA BEVERAGE GROUP, LLC**.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 21 day of MARCH, 2014.

Victoria Gossett

Notary Public in and for  
the State of \_\_\_\_\_



\_\_\_\_\_  
Notary's Printed Name

**EXHIBIT "C"**

**APPLICATION FOR TAX ABATEMENT**



# Tarrant County

## Application for Tax Abatement/Reinvestment Zone

### I. APPLICANT INFORMATION

**Applicant/Property Owner:** Carolina Beverage Group / Hillwod Properties

**Company/Project Name:** Carolina Beverage Group / "Project Contrail"

**Mailing Address:** 110 Barley Park Lane, Mooresville, NC 28115

**Telephone:** See Below      **Fax:** N/A

**Applicant's Representative for contact regarding abatement request:**

**Name and Title:** Andy Kerner, Manager

**Mailing Address:** SunTx Capital Partners, Two Lincoln Centre, 5420 LBJ Freeway Suite 1000, Dallas, TX 75240

**Telephone:** 214-306-5337      **Fax:** N/A      **E-mail:** akerner@suntx.com

### II. PROPERTY AND PROJECT DESCRIPTION

**Address and legal description of property to be considered for Tax Abatement/Reinvestment Zone:**

13300 Park Vista Blvd., Fort Worth, TX

**LEGAL DESCRIPTION:**

See attachment.

**Project Description:** CBG has grown case volume and revenues at approximately 20% annually over the past three years and is poised for continued substantial growth in the future. Due to this growth, the Company has reached its maximum capacity at its North Carolina manufacturing plant. Through requests and discussions with customers, and primary due diligence by an industry expert consultant, CBG has determined that North Texas is the prime location for geographic expansion. As such, CBG has reserved the name "Texas Specialty Beverage", and intends to establish a manufacturing facility in North Texas in 2013, to begin operations in Q1 2014. CBG will launch two high speed manufacturing lines and a distribution facility in year one and plans to grow its manufacturing capabilities to four lines over the next three to five years. This scale of manufacturing and distribution operation will cost approximately \$40 – 50 million in capital for equipment and building modifications, in addition to the facility lease. It is expected that the new manufacturing and distribution facility will produce upwards of 250 jobs and approximately \$16 million in wages annually to the local economy once at full production capacity.

**Description of activities, products, or services produced and/or provided at project location:** CBG will be manufacturing and distributing functional beverages in the +/-399,000 SF Fort Worth facility. Our services include but are not limited to the following: product certification; ingredient procurement; blending and filling; quality control testing; packaging; warehousing and product consolidating; and delivery and freight forwarding services.

**Current Assessed Value:** \$9,975,000 (total value with land and improvements) **Real Property:** \$ 7,278,418

**Personal Property:** \$0.00 (current value as unoccupied facility)

**Estimated start date of construction/site improvements:** As early as May 1, 2013

**Projected date of occupancy/commencement of operations at project site:** October 1, 2013

**Please indicate dates for phases if applicable:** Please see the Project Time Schedule (item #4) in the attachments section.

**Location of existing company facilities:** Carolina Beverage Group currently has four facilities in Mooresville, North Carolina, which will continue to operate. The facility addresses are located at:

- 1) 110 Barley Park Lane, Mooresville, NC 28115
- 2) 346 Plaza Drive Mooresville, NC 28115
- 3) 313 Mooresville Blvd Mooresville, NC 28115
- 4) 217 Selma Drive Mooresville, NC 28115

**Requested level of Tax Abatement:** 50% of eligible property for 10 years.

**Explain why tax abatement is necessary for the success of this project. Include business pro-formas or other information to substantiate your request:** CBG has completed a multi-state property selection process to analyze the total project costs for its manufacturing and distribution operation. Analysis included but was not limited to real estate costs, infrastructure, build-out costs, total tax impact, utility costs, labor costs, and any offsets through incentives. CBG must make the most financially compelling decision in its ultimate property selection. Alliance presents several challenges in comparison to other property alternatives, including higher property taxes and real estate costs. Additionally, "Quality Jobs Incentives" and investment tax credits offered by neighboring states present financial advantages, which would aid in offsetting some of the capital improvements required for this project. As a result, the property tax abatement would help to alleviate these substantial expenses and deficiencies.

### III. PROJECTED VALUE OF IMPROVEMENTS

**Estimated Value of Real Property Improvements** \$ 5,000,000 (+/- \$3,700,000 to be completed by Carolina Beverage Group and +/- \$1,300,000 to be completed by Hillwood)

**Estimated Value of Personal Property Improvements** \$36,000,000 - \$40,000,000

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

Yes  No

**If yes, describe requested infrastructure improvements:**

The following infrastructure improvements will be constructed as part of the scope of work for this project:

Building Improvements	Equipment	Construction Cost
Waste Treatment	\$50,500	\$10,000
Road Improvements		\$20,000
Split Incoming City Water	\$15,000	\$65,000
Gas Lines	\$9,800	\$25,000
<i>Total</i>	<i>\$75,300</i>	<i>\$120,000</i>

<b>Grand Total = \$195,300</b>		
--------------------------------	--	--

**Detail any direct benefits to Tarrant County as a result of this project (i.e., inventory tax, etc.):** The CBG project will bring tremendous capital investment of approximately \$40,000,000 - \$50,000,000 in capital improvements and equipment, which will substantially increase the property's tax base. In addition, CBG projects the creation of 250 new jobs within the first 10 years. Finally, this project will encourage employees to take up residence in Tarrant County and, in turn, stimulate to the local economy.

**IV. EMPLOYMENT IMPACT AT PROJECT LOCATION**

**A. NEW EMPLOYMENT**

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

**Full-time:** 250 by end of tenth year in operation; 60 by end of first year in operation

**Part-Time:** 0

**Provide types of jobs created and average salary levels:**

This project will generate approximately 250 jobs. Below are the projected annual salaries/wages by job type:

Admin & MGMT: Average Salary for Exempt \$67K

Average hourly rate Non-Exempt \$14.18

Maintenance: Average Salary for Exempt \$83K

Average hourly rate Non-Exempt \$18.89

Operators: Average hourly rate Non-Exempt \$12.85

Quality Assurance: Average hourly rate Non-Exempt \$14.18

Warehouse: Average hourly rate Non-Exempt \$13.06

Blending: Average hourly rate Non-Exempt \$13.68

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

	Dec 31, 2014	Dec 31, 2018	Dec 31, 2023
Total Jobs	60	225	250

\*Some key employees will be hired in late 2013 for training, most line employees will be hired in Dec 2013/Jan 2014 for Feb start up.

**Percentage of new jobs to be filled by Tarrant County residents:** 35%

**Number of employees transferring from other company locations:** 6 employee transfers in Year One; 6 more transfers projected by end of tenth year



**B. CONSTRUCTION RELATED EMPLOYMENTS**

**Projected number of construction related jobs:** 30

**Estimated total construction payroll:** \$ 2,000,000 (Carolina Beverage Group has not yet received contractor bids.

Number of construction jobs and payroll projections are approximate.

**Commitment as to percentage of construction dollars to be spent with Tarrant County contractors or subcontractors:** Greater of 40% or \$1,480,000.

**Commitment as to percentage & total dollars of construction contracts to be awarded to DBE:** Greater of 25% or \$925,000.

**C. CURRENT COMPANY/PROJECT LOCATION EMPLOYMENT**

The below numbers pertain to CBG's current Mooresville, NC operations:

**Current Number of Employees:** 285 Full-time 285 Part-time 0

**Average annual payroll:** Confidential

**Detail on workforce diversity – percentage breakdown of current employees by gender and ethnicity:** Gender and ethnicity statistics for Carolina Beverage Group's North Carolina operations are not currently tracked and are, therefore, unavailable. Carolina Beverage Group is an equal opportunity employer. The company plans to work actively with the County in order to promote workforce diversity.

**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: \$33 Family: \$500

**Other employee benefits provided or offered:** Health Insurance, Dental Insurance, Vision Insurance, and Supplemental Insurance Options; uniform service; paid company holidays/PTO; 401K plan

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

**Estimated amount of annual supply and services expenses:** \$1,200,000

**Detail any supply/services expenses that are sole source:** [REDACTED]

**Percentage of total supplier/services expenses committed to Tarrant County businesses:** The greater of 30% or \$360,000

**Percentage of total supplier and services expenses committed to DBE:** The greater of 25% or \$300,000

**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:

No adverse environmental impacts are projected.

Air Quality  Water Quality  Solid Waste Disposal  Storm/Water Runoff

Floodplain/Wetlands  Noise levels  Other (specify)

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

**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.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
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](mailto: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**

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\*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.

**Tarrant County  
Economic Development Incentive Application  
Carolina Beverage Group**

**VII. ADDITIONAL INFORMATION (TO BE ATTACHED)**

1.  Letter addressing Economic Qualifications and additional criteria for abatement, Section III (h) and (i) of Tarrant County Tax Abatement Policy

Carolina Beverage Group (CBG), currently operating in Mooresville, NC is the leading, best-in-class, specialty manufacturer of functional beverages in the United States. CBG maintains longstanding relationships with the leading beverage brands of the world, and its industry leading manufacturing capabilities and technical product expertise enable it to offer customers the widest array of blending, filling, and packaging options available in the industry. CBG's value-added service model includes product certification, broad blending and filling experience, flexible packaging capabilities, superior product quality standards, reliable on-time delivery, bulk ingredient procurement, warehousing and product consolidating, and freight forwarding services. CBG's customers do not have comparable production capabilities and rely heavily on the company as a "one-stop shop" supply chain, packaging development, production, and distribution solution.


CBG has grown case volume and revenues at approximately 20% annually over the past three years and is poised for continued substantial growth in the future. Due to this growth, the Company has reached its maximum capacity at its North Carolina manufacturing plant. Through requests and discussions with customers, and primary due diligence by an industry expert consultant, CBG has determined that North Texas is the prime location for geographic expansion. As such, CBG has reserved the name "Texas Specialty Beverage", and intends to establish a manufacturing facility in North Texas in 2013, to begin operations in Q1 2014. CBG will launch two high speed manufacturing lines and a distribution facility in Year One and plans to grow its manufacturing capabilities to four lines over the next three to five years. This scale of manufacturing and distribution operation will cost approximately \$40 – 50 million in capital for equipment and building modifications, in addition to the facility lease. It is expected that the new manufacturing and distribution facility will produce upwards of 250 jobs and approximately \$16 million in wages annually to the local economy.

Within the first year of production, CBG plans to employ approximately 60 workers, of whom approximately 6 will relocate from North Carolina. By the end of the tenth year, employment is projected to reach at least 250.

Through the combined work of Hillwood Properties and Carolina Beverage Group, projected construction costs should be in excess of \$5,000,000, with at least \$1,300,000 of work to be performed by Hillwood and at least \$3,700,000 of work to be performed by CBG. In addition, personal property will have an estimated value of \$36,000,000 - 40,000,000.

Carolina Beverage Group welcomes diversity. As an Equal Opportunity Employer, CBG plans to leverage the talent of Tarrant County Disadvantaged Business Enterprises (DBEs) for the greater of 25% or \$925,000 of the total costs for construction and the greater of 25% or \$300,000 of costs for annual supply & service contracts. Additionally, CBG will use Tarrant County businesses for the greater of 40% or \$1,480,000 of all construction contracts and the greater of 30% or \$360,000 of all annual supply service contracts. Finally, CBG intends to hire at least 35% of its in-house full-time employees from the pool of Tarrant County residents.

There are no anticipated adverse environmental impacts associated with this project. Carolina Beverage Group plans to work with the County to ensure that the project is environmentally safe. With the help of the County, the company will work toward creating a policy and plan that promotes air quality mitigation and environmentally friendly initiatives.

  
CBG offers extensive benefits to its employees. After the 90 calendar day introductory employment period, all full-time employees and part time employees with benefits (more than 32 hours) will be eligible for the following benefits according to the additional waiting periods established below:

At 90 calendar days:

- You are eligible for Health Insurance, Dental Insurance, Vision Insurance, and Supplemental Insurance Options. Employees have a choice of medical insurance plans through Blue Cross Blue Shield. CBG covers approximately 90% of the monthly costs of basic health insurance for our employees (we do not contribute to the insurance costs of spouses, children, or families). Employees are also eligible for

a non-tobacco user discount on their insurance premiums if they qualify. The bi-weekly premium is deducted pre-tax from each week's paycheck, with the exception of supplemental term life insurance, accidental death & dismemberment insurance, short-term disability, and long-term disability. Please see the HR Department for plan choices, details and exact costs.

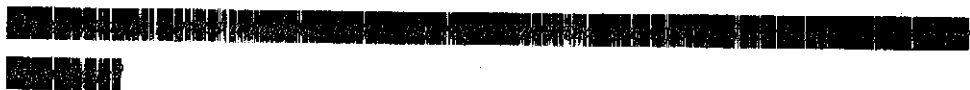
- You will be issued a company provided uniform service, including laundering which includes pants, shirts, and a jacket
- You are eligible for the nine paid company holidays (see section on holidays).

**At Six Months:**

- You will begin to accrue PTO hours on a monthly basis. Monthly accruals equal 2 weeks (80 hours) for years 1 through 5 and then 3 weeks (120 hours) for employees who reach 5 plus years of service.

**At One Year:**

- You are eligible to join CBG's 401K plan. CBG matches up to 4% of your income that you invest in the 401K plan. You may enroll on the enrollment date following one year of employment with CBG. Enrollment dates are: January 1, April 1, July 1, and October 1. Please see the HR Department for details and enrollment information.



2.  **Descriptive list and value of real and personal property improvements**

The personal property improvements outlined above will consist primarily of state-of-the art high speed can lines and the latest in blending, filling and packaging equipment. Real estate build-out drawings are still in progress and will be available at a later date.

3.  **Plat/Map of Project Location**

Please see the attached plat, site plan, legal description, and maps of the location.

4.  **Project Time Schedule**

- Construction may begin as early as May 1, 2013, depending on lease negotiations.
- Carolina Beverage will tentatively occupy October 1, 2013.
- Major hiring will occur throughout the fall of 2013.
- Full production will commence around February 2014.
- Employment will reach +/-60 by the end of 2014.
- By ~2016, CBG will have added two new production lines, doubling capacity.
- Employment will reach +/-250 by the end of 2023.

5.  **Owner's policy regarding use of disadvantaged Business Enterprises**

Addressed in #1.

6.  **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**

Addressed in #1.

7.  **Tax Certificate showing property taxes paid for most recent year**

Please see attached tax certificate.

**LEGAL DESCRIPTION**

BEING A TRACT OF LAND SITUATED IN THE JOSE CHIRINO SURVEY, ABSTRACT NUMBER 265, TARRANT COUNTY, TEXAS, AND BEING THAT CERTAIN TRACT OF LAND DESCRIBED BY DEED TO ALLIANCE GATEWAY NO. 18, LTD., AS RECORDED IN COUNTY CLERK'S FILE NUMBER D20T146924, DEED RECORDS, TARRANT COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF LOT 3, BLOCK 2, ALLIANCE GATEWAY SOUTH ADDITION, AS RECORDED IN CABINET A, SLIDE 6208, PLAT RECORDS, TARRANT COUNTY, TEXAS, FROM WHICH A 1/2 INCH IRON ROD WITH PLASTIC CAP STAMPED "HALFF & ASSOC." BEARS N 10° 45' 02"W, 0.31 FEET, SAID POINT BEING IN THE NORTH RIGHT-OF-WAY LINE OF WESTPORT PARKWAY (A 120' RIGHT-OF-WAY),

THENCE N 89° 38' 48"W, 130.02 FEET ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID WESTPORT PARKWAY TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR THE POINT OF BEGINNING,

THENCE N 89° 38' 48"W, 674.44 FEET CONTINUING ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID WESTPORT PARKWAY TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET AT THE BEGINNING OF A CURVE TO THE RIGHT,

THENCE CONTINUING ALONG SAID RIGHT-OF-WAY LINE AND WITH SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 121.33 FEET, THROUGH A CENTRAL ANGLE OF 07° 01' 18" HAVING A RADIUS OF 990.00 FEET, THE LONG CHORD OF WHICH BEARS N 86° 08' 09"W, 121.25 FEET TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET AT A REVERSE CURVE TO THE LEFT,

THENCE CONTINUING ALONG SAID RIGHT-OF-WAY LINE AND WITH SAID REVERSE CURVE TO THE LEFT, AN ARC DISTANCE OF 74.76 FEET, THROUGH A CENTRAL ANGLE OF 07° 01' 18" HAVING A RADIUS OF 610.00 FEET, THE LONG CHORD OF WHICH BEARS N 86° 08' 09"W, 74.71 FEET TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET,

THENCE N 89° 38' 48"W, 150.24 FEET CONTINUING ALONG SAID RIGHT-OF-WAY LINE TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET AT THE BEGINNING OF A CURVE TO THE RIGHT, BEING THE SOUTHERLY END OF A CORNER CLIP FOUND AT THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF SAID WESTPORT PARKWAY AND THE EAST RIGHT-OF-WAY LINE OF PARK VISTA BOULEVARD (A 120' RIGHT-OF-WAY),

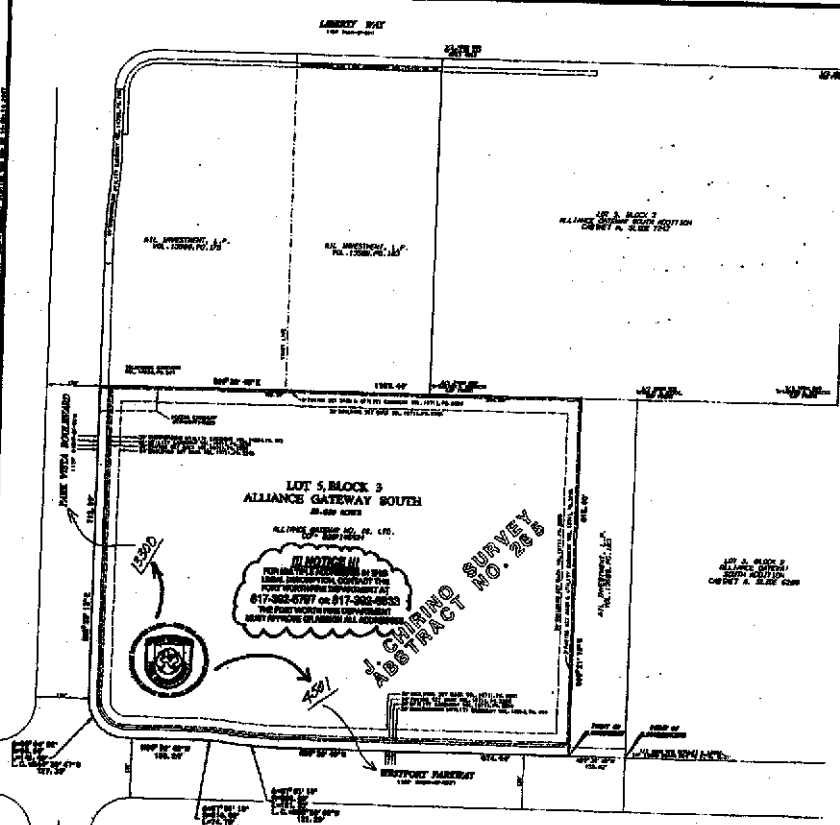
THENCE ALONG SAID CORNER CLIP AND WITH SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 141.48 FEET, THROUGH A CENTRAL ANGLE OF 90° 04' 02" HAVING A RADIUS OF 90.00 FEET, THE LONG CHORD OF WHICH BEARS N 44° 36' 47"W, 127.35 FEET TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET, BEING IN THE EAST RIGHT-OF-WAY LINE OF SAID PARK VISTA BOULEVARD,

THENCE N 00° 25' 13"E, 712.89 FEET ALONG THE EAST RIGHT-OF-WAY LINE OF SAID PARK VISTA BOULEVARD TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET,

THENCE S 89° 38' 48"E, AT 765.38 FEET PASS THE SOUTHWEST CORNER OF LOT 3, BLOCK 3, ALLIANCE GATEWAY SOUTH ADDITION, AS RECORDED IN CABINET A, SLIDE 7242, AND THEN ALONG THE SOUTH LINE OF SAID LOT 3, BLOCK 3, ALLIANCE GATEWAY SOUTH ADDITION, IN ALL 1109.44 FEET TO A 5/8 INCH IRON ROD WITH PLASTIC CAP STAMPED "CARTER & BURGESS" SET,

THENCE S 00° 21' 12"W, 815.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 898,871 SQUARE FEET OR 20.635 ACRES OF LAND MORE OR LESS.





**WARRANTY**

THE SURVEYOR HEREBY WARRANTS THAT THE ABOVE REPRESENTS THE TRUE AND CORRECT POSITION OF THE CORNERS AND BOUNDARIES OF THE LAND DESCRIBED IN THE FOREGOING AND THAT THE SAME ARE CORRECTLY LOCATED AND MEASURED AND THAT THE AREA THEREIN SHOWN IS CORRECTLY DESCRIBED AND ACCURATELY DIVIDED INTO ALIENS.

**COVENANTS**

THE LANDS SHOWN ON THIS SURVEY ARE HEREBY OFFERED FOR SALE SUBJECT TO THE COVENANTS AND CONDITIONS HEREIN SET FORTH. THE COVENANTS AND CONDITIONS ARE AS FOLLOWS: THE LANDS SHOWN ON THIS SURVEY SHALL BE CONVEYED TO THE BUYER FREE AND CLEAR OF ALL ENCUMBRANCES, INCLUDING BUT NOT LIMITED TO, EASEMENTS, RIGHTS OF WAY, AND INTERESTS OF ANY KIND, EXCEPT AS SET FORTH IN THIS INSTRUMENT. THE BUYER SHALL BE RESPONSIBLE FOR OBTAINING TITLE INSURANCE TO PROTECT HIS INTEREST IN THE LANDS SHOWN ON THIS SURVEY.

**EXEMPTION FROM DEFERRED PAYMENT**

THE LANDS SHOWN ON THIS SURVEY ARE OFFERED FOR SALE ON A CASH BASIS. THE BUYER SHALL PAY THE PURCHASE PRICE IN FULL AT THE TIME OF CLOSING. DEFERRED PAYMENT IS NOT AVAILABLE FOR THIS SALE.

**ASSUMPTION OF RISK**

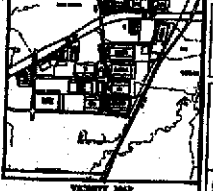
THE BUYER SHALL ASSUME ALL RISKS OF LOSS OR DAMAGE TO THE LANDS SHOWN ON THIS SURVEY FROM ANY CAUSE WHATSOEVER, INCLUDING BUT NOT LIMITED TO, FIRE, FLOODING, AND OTHER NATURAL OR MAN-MADE DISASTERS, FROM THE DATE OF CLOSING UNTIL THE LANDS ARE CONVEYED TO THE BUYER.

**SEVERABILITY**

IF ANY PROVISION OF THIS INSTRUMENT IS HELD BY A COURT OF COMPETENT JURISDICTION TO BE UNLAWFUL OR UNENFORCEABLE FOR ANY REASON, THE REMAINDER OF THIS INSTRUMENT SHALL REMAIN IN FULL FORCE AND EFFECT, AND THE INVALID OR UNENFORCEABLE PROVISIONS SHALL BE CONSIDERED AS SEVERED FROM THE INSTRUMENT.

**ENTIRE INSTRUMENT**

THIS INSTRUMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES HERETO AND SUPERSEDES ANY AND ALL PREVIOUS WRITINGS, AGREEMENTS, OR UNDERSTANDINGS BETWEEN THE PARTIES.




**LOT 5, BLOCK 3  
ALLIANCE GATEWAY SOUTH  
26.89 ACRES**

ALIAS: SURVEY NO. 2925  
CHAINING SURVEY NO. 2925

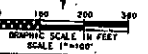
**FOR INFORMATION:**  
FOR MORE INFORMATION ON THIS  
LAND, CONTACT THE  
PROPERTY DEPARTMENT AT  
817-392-8787 or 817-392-8833  
THE FORT WORTH DEVELOPMENT  
DEPARTMENT HAS ALL ANSWERS.

**Fort Worth**

SEAL OF THE CITY OF FORT WORTH, TEXAS

1995

**OWNER/DEVELOPER**  
Alliance Gateway No. 2, L.P.D.  
13800 York Road, Fort Worth  
Suite 300  
Fort Worth, TX 76117



THIS PLAT FILED IN COUNTY A, MAP NO. 11827 - 2015-11-17

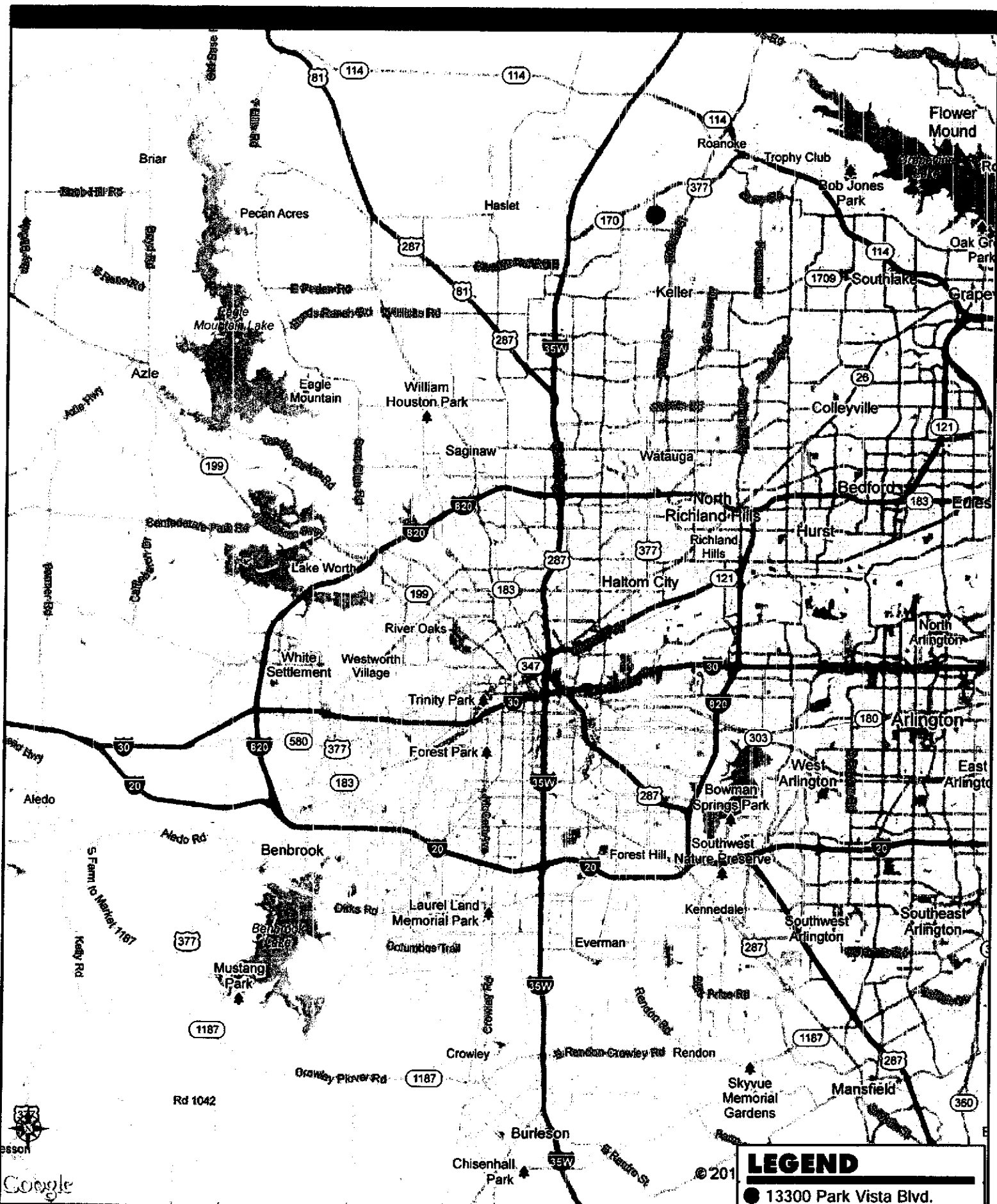
A FINAL PLAT OF  
**LOT 5, BLOCK 3**  
**ALLIANCE GATEWAY SOUTH**

AS SHOWN TO THE CITY OF FORT WORTH, SITUATED IN THE P. 546628, ABSTRACT  
NO. 107 AND THE 2. SOUTH QUARTER, ABSTRACT NO. 106, TARRANT COUNTY, TEXAS

Copyright © 2017 by Carter & Burgess, Inc.

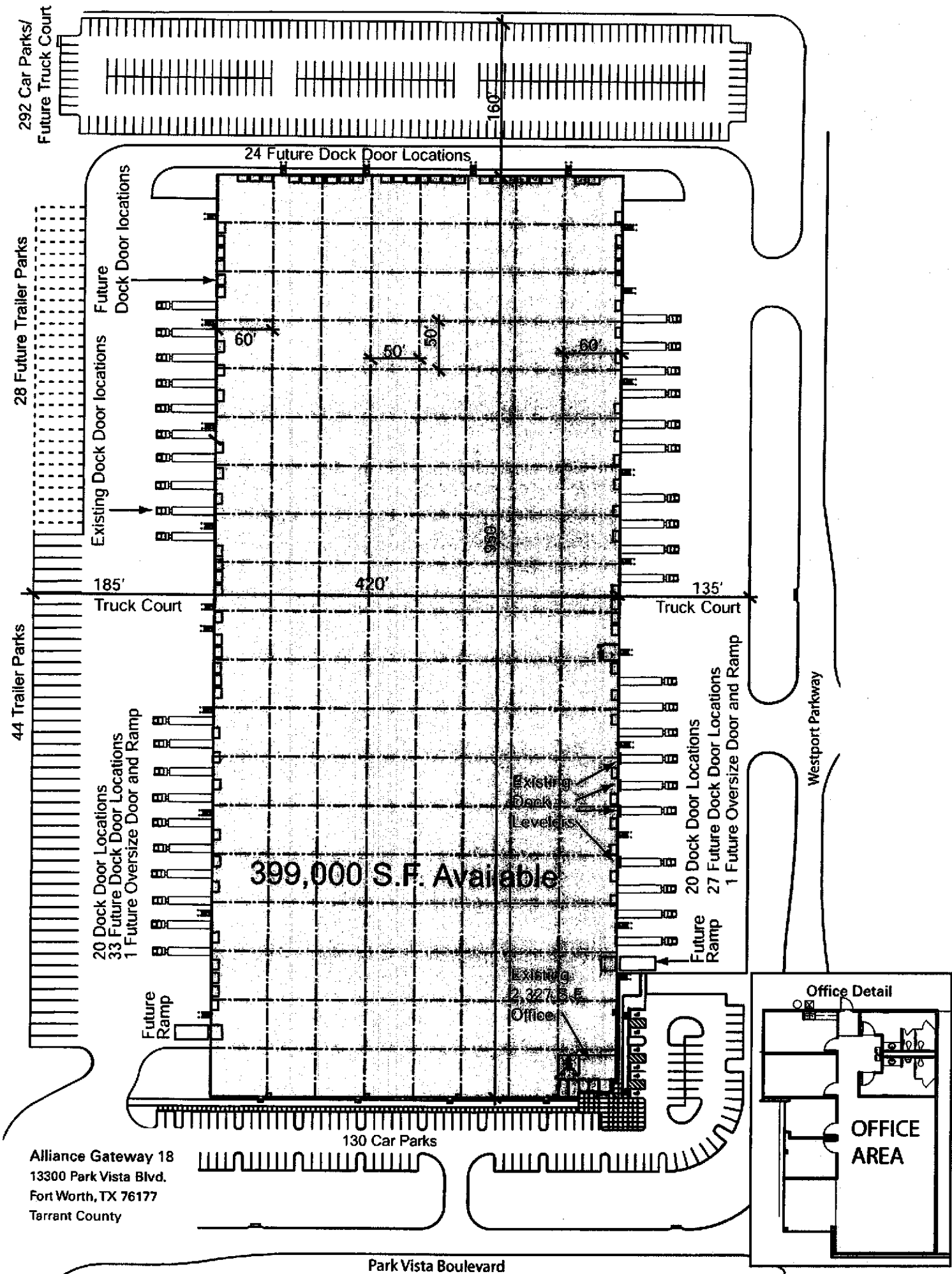


**LEGEND**  
 ★ 13300 Park Vista Blvd.



**LEGEND**  
 ● 1330 Park Vista Blvd.





292 Car Parks/  
Future Truck Court

28 Future Trailer Parks

44 Trailer Parks

24 Future Dock Door Locations

Future  
Dock Door locations

Existing Dock Door locations

20 Dock Door Locations  
33 Future Dock Door Locations  
1 Future Oversize Door and Ramp

Future Ramp

20 Dock Door Locations  
27 Future Dock Door Locations  
1 Future Oversize Door and Ramp

Existing Dock  
Levelers

**399,000 S.F. Available**

Existing  
2,327 S.F.  
Office

Westport Parkway

Office Detail

**OFFICE AREA**

Alliance Gateway 18  
13300 Park Vista Blvd.  
Fort Worth, TX 76177  
Tarrant County

130 Car Parks

Park Vista Boulevard



**RON WRIGHT**  
**TARRANT COUNTY**  
**TAX ASSESSOR-COLLECTOR**

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

**DATE: 10/17/2012**  
**ACCOUNT: 00041294181**  
 LEGAL: ALLIANCE GATEWAY SOUTH ADDN  
 BLK 3 LOT 5

**2012 TAX STATEMENT**

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

OWNER: AT INDUSTRIAL OWNER 7 LLC  
 PARCEL ADDRESS: 0004501 WESTPORT PKWY  
 EXEMPTIONS:

13064

555000320

LAND VALUE	IMPRV VALUE	APPRAISED VAL				
2,696,582	7,278,418	9,975,000				
TAXING ENTITIES	APPRAISED VALUE	EXEMPTION AMOUNT	TAXABLE VALUE	TAX RATE PER \$100	BASE TAX	TAXES DUE CURRENTLY
FT WORTH CITY	9,975,000	0	9,975,000	0.855000	85,286.25	85,286.25
TARRANT COUNTY	9,975,000	0	9,975,000	0.264000	26,334.00	26,334.00
REG WATER DIST	9,975,000	0	9,975,000	0.020000	1,995.00	1,995.00
T C HOSPITAL	9,975,000	0	9,975,000	0.227897	22,732.73	22,732.73
T C COLLEGE	9,975,000	0	9,975,000	0.148970	14,859.76	14,859.76
				<b>TOTAL TAXES</b>	<b>151,207.74</b>	<b>151,207.74</b>

Pay by Credit Card or eCheck



In person only



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

**TOTAL AMOUNT DUE 151,207.74**  
**INCLUDES PAYMENTS RECEIVED**

\*THIS OFFICE DOES NOT COLLECT TAXES FOR NORTHWEST ISD.

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

265508

AT INDUSTRIAL OWNER 7 LLC  
 555000320

00041294181 2012



AT INDUSTRIAL OWNER 7 LLC  
 13600 HERITAGE PKWY STE 200  
 FORT WORTH TX 76177-5398



**PAY THIS AMOUNT**  
**\$151,207.74**  
 DELINQUENT AFTER: 01/31/2013

H 75803.97

**PAID IN** **AMOUNT DUE**  
 FEB 151,702.20  
 MAR 16,505.44

EBILL VERIFICATION CODE 0004129418132

Make check payable to:  
**RON WRIGHT, TAX ASSESSOR-COLLECTOR**

PO BOX 961018  
 FORT WORTH TX 76161-0018

00041294181 0015120774 0016175229 0016481644 1017201200000



**STEVE MOSSMAN**  
 DENTON COUNTY  
 TAX ASSESSOR COLLECTOR  
 PO BOX 90223  
 DENTON, TEXAS 76202  
 940-349-3500



**2012 ORIGINAL TAX STATEMENT**

PROPERTY ACCOUNT NUMBER  
**41294181TAR**

<b>PROPERTY OWNER</b>	<b>PROPERTY LOCATION</b>
7-1 AT INDUSTRIAL OWNER 7 LLC 13600 HERITAGE PKWY STE 200 FORT WORTH TX 76177-4320 	ALLIANCE GATEWAY SOUTH ADDN BLK 3 LOT 5  <b>AG18</b>
	<b>SITUS:</b> 4501 WESTPORT PKWY
	<b>EXEMPTIONS:</b>
	<b>ASSESSMENT RATIO:</b> 100%

PROPERTY VALUES		PROPERTY CLASSIFICATION	
IMPROVEMENT VALUE	7,278,418	MINERAL VALUE	
NON HOMESITE IMPROVEMENT		PERSONAL PROPERTY	
LAND MARKET VALUE	2,696,582	AG VALUE	
		TOTAL MARKET VALUE	9,975,000

TAXING ENTITY	EXEMPTIONS	TAXABLE VALUE	RATE	BASE TAX
NORTHWEST ISD	0	9,975,000	1.375000	137,156.25

**PLEASE PAY THE TOTAL AMOUNT DUE IF PAID ON OR BEFORE JANUARY 31, 2013 \$137,156.25**

PENALTY AND INTEREST WILL BE DUE ON FEB 1ST IF ACCOUNT IS NOT PAID IN FULL. LEGAL FEES MAY BECOME DUE AT ANY TIME AFTER DELINQUENCY. PAYMENTS WILL BE POSTED ACCORDING TO THE USPS CANCELLATION MARK, OR IF NO CANCELLATION MARK THE DATE OF DELIVERY TO THE TAX OFFICE. PLEASE SEE PROPERTY TAX INFORMATION INSERT FOR ADDITIONAL INFORMATION.



VISIT OUR WEBSITE FOR eCHECK OR CREDIT/DEBIT CARD PAYMENTS  
<http://tax.dentoncounty.com>  
 PAYMENT BY PHONE IS AVAILABLE AT 1-866-549-1010  
 USE DENTON COUNTY BUREAU CODE 3368661  
 CONVENIENCE FEE WILL APPLY: eCHECK \$1.50 Credit/Debit 2.4%

**Make Checks payable to: Denton County Tax Office**

**Over 65/Disabled Quarter Pay Request**  
 \*Please sign and send in with first ¼ payment before 1/31/2013.  
 I am currently receiving an Over 65/Disability exemption and request the ¼ payment option on my 2012 property taxes.

X

PROPERTY ACCOUNT NUMBER  
**41294181TAR**

**\* IF PAID ON OR BEFORE JANUARY 31, 2013 \$137,156.25**

PENALTY AND INTEREST WILL BE DUE ON FEBRUARY 1, 2013 IF ACCOUNT IS NOT PAID IN FULL. THE PENALTY AND INTEREST RATES WILL INCREASE ON THE FIRST DAY OF EACH MONTH.

IF PAID IN	P & I RATE	AMOUNT DUE
FEB 2013	7%	146,757.19
MAR 2013	9%	149,500.32
APR 2013	11%	152,243.44

WHEN PAYING BY CHECK YOU AUTHORIZE A ONE TIME ELECTRONIC FUNDS TRANSFER TO DENTON COUNTY TAX OFFICE

**EXHIBIT "D"**

**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 part 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.