

102918



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER

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83

DATE

4/22/2008

10

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

COMMISSIONERS COURT ACTION REQUESTED:

It is requested that the Commissioners Court consider action as follows on the request for tax abatement from Deloitte LLP for construction of a new state-of-the-art center for training, leadership development and innovation for Deloitte employees and clients in the Town of Westlake:

1. Approve participation with the Town of Westlake in the abatement of County ad valorem taxes on the eligible real and personal property improvements made by Deloitte LLP for construction of a new facility, for a period of ten (10) years, at a maximum rate of seventy-five (75) percent, as set forth in the attached agreement.
2. Approve the attached resolution certifying Tarrant County's agreement to participate in the abatement of ad valorem taxes for Deloitte LLP and authorize the County Judge, or his designee, to execute the County tax abatement agreement.

BACKGROUND:

Deloitte LLP is considering the location of a new training center and corporate hotel - referred to as Deloitte University (DU) - on approximately 100 acres south of State Highway 114 in the Town of Westlake. The 750,000 square foot facility will include 800 guest rooms, 3 dining venues, a ballroom, recreational facilities and a spa/fitness center, multiple conference spaces and a business center. DU will serve as a central training/leadership development/innovation center for new hires, senior leadership and key public/private leaders. DU is expected to host approximately 40,000 visitors per year. Deloitte projects spending at DU to exceed \$200 million, with an expected added real property value of \$145,000,000 for the building and a personal property value of \$30,000,000 for furniture, fixtures and equipment.

Employment at the site is projected at 100 full-time Deloitte employees (Managers, Trainers/Instructors, Planning/Logistics, Systems Analysts, Technology and Administrative Support) at an average salary of \$75,000 per year. An additional 300-400 support personnel will be working on-site in hospitality-related positions, security and maintenance and will be employed by a contracted management company. Healthcare benefits are available to all full-time Deloitte employees and it is expected that the type of hotel management company contracted to manage and operate the facility will

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



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also provide healthcare for a majority of the anticipated support personnel who will be full-time employees.

As proposed, construction of the facility would commence in October 2008 with planned completion in June of 2010. Under Deloitte's "Greening the Dot" program, the company will look to build the new facility in accordance with LEED standards.

The Town of Westlake currently does not levy a property tax. However, Westlake has approved an incentive package that includes the abatement of 75% of property taxes for 10 years should the Town enact a property tax and grants in the form of rebates of 50% of hotel taxes and sales taxes generated from the situs construction sales and 75% from a Procurement Company for a 10-year period. Deloitte has requested a County property tax abatement at 75% for 10 years. The Hospital District is not being requested to participate in tax incentives for this project.

The attached tax abatement agreement provides for County participation in tax abatement at a maximum of 75% of new real and personal property value for a period of 10 years, beginning with a base abatement of 55% and providing for up to 20% bonus abatement for additional performance-based criteria. To receive a base 55% abatement, the company will be required to meet a minimum investment of \$145,000,000 in construction costs, add a minimum of \$30,000,000 in personal property to the site and add 100 full-time jobs. The company will have several performance opportunities for earning bonus abatement up to 20%: (1) up to an additional 15% abatement can be incrementally earned for added full-time employment and Tarrant County resident employment; (2) up to an additional 10% abatement can be earned for DBE construction and supply/services company spending above the minimum requirements; and (3) an additional 5% can be earned for certification that at least 50% of all non-Deloitte support personnel are provided healthcare benefits. Should the company not reach its goals in terms of DBE/Tarrant County contracting or Tarrant County resident hiring, the abatement value may be reduced according to the specific deficiencies. The total cumulative percentage of ad valorem tax abatement that may be received in any one year is capped at 75%.

FISCAL IMPACT:

Total new real and property value added from this development is estimated at over \$175,000,000 (\$145,000,000 for real property and \$30,000,000 for personal property). Based on current tax rates, should the company earn the maximum tax abatement of 75% for all 10 years on real and personal property values of \$175 million, the project could receive a total 10-year tax abatement of approximately \$3.5 million from the County. Over that same period, the County could receive tax revenues from the unabated portion of the improvements and the base value of the land of approximately \$1.2 million.

Because Deloitte is not requesting Hospital District tax abatement, new tax revenues to the Hospital District from the full value of the project investment are estimated at approximately \$403,000 per year, or over \$4 million over the 10-year abatement term.



RESOLUTION

PARTICIPATION IN TAX ABATEMENT DELOITTE LLP

WHEREAS, Deloitte LLP, a Delaware limited liability partnership duly authorized to do business in the State of Texas, acting by and through its officers (hereafter referred to collectively as "Owner"), plans to construct a new training center and corporate dormitory on certain real property it owns or plans to own, more particularly described in the Abatement Agreement attached hereto and incorporated herein by reference ("Premises"); and

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

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

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

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

WHEREAS, the Tax Abatement Agreement (the "Agreement") between Tarrant County and Owner, attached hereto, calls for the construction of a new 750,000 square foot facility for training, leadership development and innovation with an estimated cost upon completion of more than \$145,000,000 and added personal property of \$30,000,000, to be completed by December 31, 2010; and

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

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

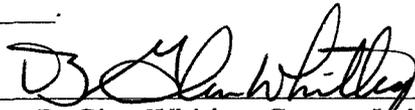
WHEREAS, the County has approved the Tarrant County Tax Abatement Policy Statement

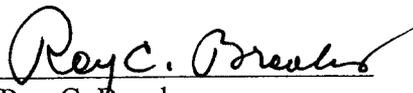
Guidelines and Criteria for granting tax abatement in reinvestment zones in Tarrant County;

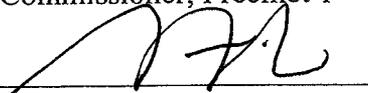
NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Commissioners Court of Tarrant County, Texas:

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

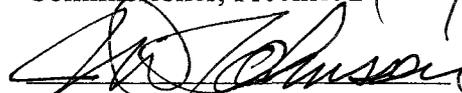
PASSED AND APPROVED, IN OPEN COURT, this 22nd day of April, 2008, through Court Order No. 102918.


B. Glen Whitley, County Judge


Roy C. Brooks
Commissioner, Precinct 1


Gary Fickes
Commissioner, Precinct 3


Marti Van Ravenswaay
Commissioner, Precinct 2


J.D. Johnson
Commissioner, Precinct 4

ATTEST:


Brenda Logan, Deputy
County Clerk

APPROVED AS TO FORM:


District Attorney

**TARRANT COUNTY TAX ABATEMENT
PROPOSED TERMS FOR
DELOITTE UNIVERSITY PROJECT
(As of April 8, 2008)**

I. Base Abatement.

Deloitte will receive a base ad valorem tax abatement of 55% of new value for 10-year period, on real and personal property improvements, subject to minimum performance requirements as follows:

- Construct a minimum 750,000 square foot training center/hotel facility with a new construction value of at least \$145,000,000 and install new personal property on site at a minimum initial value of \$30,000,000;
- Add and maintain employment of at least 100 new full-time jobs at project site by the end of the first year of the abatement term and through the remaining term of the abatement;
- 25% of all full-time employees working at project site must reside in Tarrant County; and
- Meet minimum construction/supply/service contracting requirements: 25% Tarrant County contractors, 15% DBE contractors.

Deloitte must meet the above requirements in terms of investment, completed structure and property improvements, and full-time jobs in order to be eligible for abatement. Failure to meet these requirements will be cause for termination of the abatement. Failure to meet the above requirements in terms of Tarrant County resident employment and Tarrant County/DBE construction/supply/service cost contracting, will be cause for loss of full abatement for any year in which the requirements are not met, except as provided in Section II, below.

II. Reductions to Base Abatement.

Deloitte will receive a reduction in the percentage ad valorem tax abatement, as noted below, in any year in which the company does not meet the Tarrant County resident employment and contracting requirements prescribed in Section I, for each item noted.

- For use of DBE construction contractors for less than 15%, but equal to or greater than 5%, of total construction contracting costs, company will receive a reduction of 5% from the base abatement amount for the life of the abatement. For use of DBE construction contractors for less than 5% of total construction contracting, company will receive a reduction of 10% for the life of the abatement;
- For use of DBE contractors for less than 15% of total annual non-sole source, locally controlled, supply and services contracting costs, company will receive a separate reduction of 5% abatement for that year;

- For use of Tarrant County construction contractors for less than 25%, but equal to or greater than 15%, of total construction contracting costs, company will receive a separate reduction of 5% abatement for the life of the abatement. For use of Tarrant County construction contractors for less than 15% of total construction contracting cost, company will receive a reduction of 10% abatement for the life of the abatement ;
- For use of Tarrant County contractors for less than 25% of total annual non-sole source, locally controlled, supply and services contracting costs, company will receive a separate reduction of 5% abatement for that year; and
- For employment of less than 25% of Tarrant County residents for all full-time Deloitte jobs on site, company will receive reduction of 1% abatement for each 1 % percent deficiency from the minimum requirements for that year.

III. Additional Percentage Abatement.

Fidelity can receive up to a maximum of 20% additional percentage ad valorem tax abatement in any year in which the company meets one or more additional performance criteria noted below:

- For full-time employment levels above 100 jobs, company will receive an additional 1% abatement for each 5 jobs added up to a maximum of 10% additional abatement.
Examples:
 - Annual employment of 110 full time jobs = 10 additional jobs = 2% additional abatement
 - Annual employment of 127 full-time jobs = 27 additional jobs = 5% additional abatement
- For full-time employment of Tarrant County residents for more than 35% of all full-time jobs at project site, company will receive another additional 5% abatement;
- For use of DBE construction contractors for 25% or more of total construction contracting costs, company will receive an additional 5% abatement for the life of the abatement;
- For use of either Tarrant County contractors or DBE contractors for more than 25% of total annual non-sole source, locally controlled, supply and services contracting costs, company will receive an additional 5% abatement for that year; and
- For certifying that at least 50% of the all non-Deloitte support personnel (all full-time and part-time jobs) working on site are being provided the opportunity for health care coverage at a reasonable cost, company will receive an additional 5% abatement.

The total cumulative percentage of ad valorem tax abatement that may be received in any one year is 75%.

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

I.

DEFINITIONS

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

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

B "**Force Majeure**" shall mean any contingency or cause beyond the reasonable control of Deloitte LLP or any of its Affiliates, including, without limitation, acts of God, or the public enemy, epidemic, war, riot, civil commotion, insurrection, governmental or de facto governmental action (unless caused by acts or omissions of Deloitte LLP or any of its Affiliates), fire, explosions or floods, and strikes.

C. "**Jobs**" shall mean all positions held by an employee, partner or principal of Deloitte LLP or any of its Affiliates, in which such employee, partner or principal works on a full-time basis for Deloitte LLP or any of its Affiliates and has an office in, or works primarily from, the Qualified Facilities.

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

E. "**Project**" shall mean the improvements, related infrastructure and/or modifications approved under the Town of Westlake's Planned Development Regulations and to be constructed on the Land located in Tarrant County by or on behalf of Deloitte LLP or its Affiliates and includes Qualified Facilities.

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

II.

DELOITTE LLP'S COVENANTS

A. Deloitte LLP or one of its Affiliates shall construct, install and maintain, or cause to be constructed, installed and maintained, on and within the portion of the Land in Tarrant County, consistent with the Westlake zoning ordinance and other Westlake ordinances, Qualified Facilities containing (i) a minimum of Seven Hundred and Fifty Thousand (750,000) gross square feet of total structures on the Land, having a minimum Construction Cost (as such term is defined below) upon completion of no less than One Hundred Forty-Five Million Dollars (\$145,000,000), and (ii) tangible personal property (as such term is described in Section 312.204 of the Tax Code) having an initial cost of no less than Thirty Million Dollars (\$30,000,000) (the Qualified Facilities described in (i) and the tangible personal property described in (ii) shall be collectively defined as the “**Required Improvements**”). The kind, number and location of the Required Improvements are more particularly described in the Application. As long as the conditions in the first sentence of this Section II.A are satisfied and the Required Improvements are used in substantial compliance with the purposes and the manner described either in the Application or in a writing approved by the Court (which approval shall not be unreasonably withheld), variations in the Required Improvements from the description provided in the Application shall not be an Event of Default (as defined herein).

For purposes of this Agreement, “**Construction Costs**” shall mean site development and building costs, including, without limitation, actual construction costs, signage costs, contractor fees, the costs of supplies and materials, engineering fees, architectural fees and other professional costs, and development and permitting fees expended directly in connection with the Project. Nothing in this Article II, Section A. shall be deemed to establish or affect the taxable appraised value of the Land, Project or Qualified Facilities. Deloitte LLP understands and agrees that the real property and the Required Improvements on the Land shall be eligible for and subject to tax abatement under this Agreement only to the extent set forth in Article IV., Section B of this Agreement.

B. Deloitte LLP covenants to substantially complete all of the Required Improvements on or before December 31, 2010 (the actual date on which the Required Improvements have been substantially completed, the “**Completion Date**”). In the event that performance by Deloitte LLP or one of its Affiliates of any of Deloitte LLP's obligations under this Agreement shall be interrupted or delayed due to Force Majeure, Deloitte LLP shall have such additional time as is reasonably necessary to complete performance and, provided that Deloitte LLP or one of its Affiliates is diligently and faithfully pursuing the completion of such performance, Deloitte LLP's failure to complete all of the Required Improvements on or before December 31, 2010, shall not be an Event of Default hereunder.

C. Deloitte LLP covenants that the Required Improvements shall be completed and the Qualified Facilities shall be used in substantial compliance with the description of the Project set forth in the Application (i.e., as a training and innovation center and corporate dormitory, which use is consistent with the Westlake zoning ordinance and other Westlake ordinances for the general purposes of encouraging development or redevelopment of the Zone); provided, however, that any substantial change in the use of the Project must be made in the form of an Amendment to this

Agreement, such Amendment requiring the written approval of the Court, which shall not be unreasonably withheld.

D. Failure by Deloitte LLP to meet any of the Construction Requirements, the Supply and Service Requirements or the Job Requirements (each, as defined herein) shall not constitute an "Event of Default," as that term is defined in Article VI hereof, but will result in the reduction or loss of the Abatement (as defined herein) for each year in which such requirements are not satisfied, as described in Section IV.B.2 hereof.

III.

GENERAL PROVISIONS

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

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

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

IV.

ABATEMENT TERMS AND CONDITIONS

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

B. The amount of the Abatement shall be based on a percentage of the increase in the aggregate appraised value (as established by the Tarrant Appraisal District) of the Project (including, without limitation, the Qualified Facilities) as compared to the value of the improvements (if any) to the Land as of January 1, 2008, the year in which this Agreement is executed. The Abatement percentage in each year during the term of the Abatement may range up to a maximum of seventy-five percent (75%) of the increase in value resulting from the Project, including, without limitation, the construction of the Qualified Facilities and installation of other Required Improvements, and shall be calculated as set forth below:

1. **Base Abatement.** Subject to reduction in accordance with the following terms of this Agreement, a "**Base Abatement**" value of fifty-five percent (55%) will be granted

if Deloitte LLP and/or any of its Affiliates meets the minimum performance requirements as follows:

- a) The construction and installation of the Required Improvements as set forth in Article II, Section A, to be substantially completed/installed by the Completion Date;
- b) The creation and maintenance of at least 100 Jobs by the end of the first year of the Abatement Term (as herein defined) and throughout the remaining term of the Abatement (the “**Minimum Jobs Requirement**”);
- c) During each calendar year of the Abatement Term, Tarrant County residents shall hold at least twenty-five percent (25%) of all Jobs (the “**Tarrant County Jobs Requirement**” and, with the Minimum Jobs Requirement, the “**Jobs Requirements**”);
- d) The expenditure by the Completion Date of twenty-five percent (25%) of all Construction Costs (excluding, however, in this case, developer fees, development and permitting fees, and any other cost or expense other than actual construction costs, signage costs, the costs of supplies and materials, engineering fees, architectural fees, and other similar professional fees (collectively, the “**Excluded Construction Costs**”) on the use of Tarrant County Contractors (as such term is defined below) for the Required Improvements and any other improvements constructed on the Land (the “**Tarrant County Construction Requirement**”). As used herein, the term “**Tarrant County Contractors**” shall mean any corporation, partnership, limited liability company or sole proprietorship maintaining an addressed office location within Tarrant County from which such entity conducts all or a substantial part of its business operations within Tarrant County;
- e) The expenditure by the Completion Date of fifteen percent (15%) of all Construction Costs (excluding, however, in this case, the Excluded Construction Costs) on the use of DBE Contractors (as such term is defined below) for the Required Improvements and any other improvements constructed on the Land (the “**DBE Construction Requirement**,” and, together with the Tarrant County Construction Requirement, the “**Construction Requirements**”). As used herein, the term “**DBE Contractors**” shall mean contractors who are DBE’s, and the term “**DBE**” shall mean:
 - i. a corporation formed for the purpose of making a profit and at least 51 percent of all classes of the shares of stock or other equitable securities of which are owned by one or more persons who are socially or economically disadvantaged because of their identification as members of certain groups that have been subject to racial or ethnic prejudice or cultural bias without regard to their qualities as individuals or capabilities as a business, and whose ability to compete in the free enterprise system is impaired due to diminished opportunities to obtain capital and credit as compared to others in the same line of business who are not socially disadvantaged. “DBE” includes the State of Texas definition of historically underutilized businesses (HUBs) as defined in Section 2161.001 of the Texas Government Code, and as it may be updated.

- ii. a sole proprietorship formed for the purpose of making a profit that is owned, operated, and controlled exclusively by one or more persons described in Section B.1.e).i. above.
- iii. a partnership that is formed for the purpose of making a profit in which 51 percent of the assets and interest in the partnership is owned by one or more persons described by Section B.1.e).i. above, and in which minority or women partners have proportionate interest in the control, operation, and management of the partnership affairs.
- iv. a limited liability company that is formed for the purpose of making a profit in which 51 percent of the assets and interest in the company is owned by one or more persons described by Section B.1.e).i. above.

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

f) The expenditure of at least (i) fifteen percent (15%) of Supply and Service Expenses (as such term is defined below) with DBE Contractors (the “**DBE Supply and Service Requirement**”), and (ii) twenty-five percent (25%) of Supply and Service Expenses (as such term is defined below) with Tarrant County Contractors (the “**Tarrant County Supply and Service Requirement**,” and, together with the DBE Supply and Services Requirement, the “**Supply and Service Requirements**”) per calendar year following the Completion Date and continuing until the expiration of the Abatement Term. As used herein, the term “**Supply and Service Expenses**” shall mean those customary supplies and services purchased by or on behalf of Deloitte LLP or one of its Affiliates for the operation and maintenance of the Project, the Required Improvements and the other improvements constructed on the Land including, without limitation, office supplies, production equipment and supplies, landscaping services, janitorial services and maintenance services.

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

Notwithstanding anything to the contrary contained herein, the determination of Deloitte LLP’s compliance with the Jobs Requirements shall be based on Deloitte LLP’s or and/or its Affiliates’ employment and partnership data for December 31 (or another date requested by Deloitte LLP and reasonably acceptable to the County) of the applicable calendar year; the determination of compliance with the Construction Requirements for the Required Improvements shall be based on spending during the period of time prior to and including the Completion Date, and the determination of compliance with the Supply and Service Requirements shall be based on spending on Supply and Service Expenses for the entire applicable calendar year.

2. **Reduction in Abatement Percentage.** Failure to meet any of the Jobs Requirements, Construction Requirements or Supply and Service Requirements will result in the

reduction of the Base Abatement percentage based upon the following, each of which is independent of the other in determination of reduction in the Abatement percentage:

- a) Failure of Deloitte LLP and/or its Affiliates to comply with the Minimum Jobs Requirement will result in the reduction of the Abatement to zero percent (0%) for the calendar year immediately following any year in which such requirement is not met and which reduction shall continue until the Minimum Jobs Requirement is met.
- b) If the expenditure for the DBE Construction Requirement is less than fifteen percent (15%) of all Construction Costs (excluding, however, in this case, the Excluded Construction Costs) for the Required Improvements and any other improvements constructed on the Land, but equal to or greater than five percent (5%) of all Construction Costs (excluding, however, in this case, the Excluded Construction Costs) for the Required Improvements and any other improvements constructed on the Land, then the Base Abatement will be reduced by five (5) percentage points for the full remainder of the term of the Abatement (e.g., 55% Base Abatement minus 5% reduction equals a reduced Base Abatement of 50%). If the expenditure for the DBE Construction Requirement is less than five percent (5%) of all Construction Costs (excluding, however, in this case, the Excluded Construction Costs) for the Required Improvements and any other improvements constructed on the Land, then the Base Abatement will be reduced by ten (10) percentage points for the remainder of the full term of the Abatement (e.g., 55% Base Abatement minus 10% reduction equals a reduced Base Abatement of 45%).
- c) If the expenditure for the DBE Supply and Service Requirement in any calendar year is less than fifteen percent (15%) of the total annual Supply and Service Expenses, then the Base Abatement will be subject to a reduction of five (5) percentage points for the calendar year immediately following any year in which these requirements are not met, and which reduction shall continue until the DBE Supply and Service Requirement is met.
- d) If the expenditure for the Tarrant County Construction Requirement is less than twenty-five percent (25%) of all Construction Costs (excluding, however, in this case, the Excluded Construction Costs) for the Required Improvements and any other improvements constructed on the Land, but equal to or greater than fifteen percent (15%) of all Construction Costs (excluding, however, in this case, the Excluded Construction Costs) for the Required Improvements and any other improvements constructed on the Land, then the Base Abatement will be reduced by five (5) percentage points for the remainder of the full term of the Abatement. If the expenditure for the Tarrant County Construction Requirement is less than fifteen percent (15%) of all Construction Costs (excluding, however, in this case, the Excluded Construction Costs) for the Required Improvements and any other improvements constructed on the Land, then the Base Abatement will be reduced by ten (10) percentage points for the remainder of the full term of the Abatement.
- e) If the expenditure for the Tarrant County Supply and Service Requirement in any calendar year is less than twenty-five percent (25%) of the total annual Supply and Service Expenses, then the Base Abatement will be subject to a reduction of five (5) percentage points for the calendar year immediately following any year in which

these requirements are not met, and which reduction shall continue until the Tarrant County Supply and Service Requirement is met.

f) If the number of Tarrant County residents holding Jobs in any calendar year is less than twenty-five percent (25%) of the total Jobs, then the Base Abatement will be subject to a reduction of one (1) percentage point for each one percent (1%) deficiency from the Tarrant County Jobs Requirement for the year immediately following any year in which this requirement is not met.

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

a) For Jobs above the Minimum Jobs Requirement in any year, the Abatement will increase by an additional one (1) percentage point for each five (5) Jobs, up to a maximum of an additional ten percent (10%) for the year immediately following any year in which the additional criteria is met.

Examples:

- 110 full time Jobs in any year = 10 additional Jobs = the Abatement increases by 2% for the following year

- 127 full-time Jobs in any year = 27 additional Jobs = the Abatement increases by 5% for the following year

b) For having Jobs held by Tarrant County residents in excess of 35% of all Jobs at the Project site in any calendar year, the Abatement will increase by an additional five percent (5%) for the year immediately following any year in which the additional criteria is met.

c) For the use of DBE Contractors for 25% or more of total Construction Costs (excluding, however, in this case, the Excluded Construction Costs), the Abatement will increase by an additional five percent (5%) for the remainder of the Abatement Term.

d) For the use of either Tarrant County Contractors or DBE Contractors for more than 25% of the total annual expenditures on Supply and Service Expenses in any calendar year, the Abatement will increase by an additional five percent (5%) for the year immediately following any year in which the additional criteria is met.

e) For certifying that, based on certifications received from its contractors, at least fifty-percent (50%) of all individuals employed by a company other than Deloitte LLP or its Affiliates, to work at the Project site in any year are provided health care benefits at a reasonable cost to the employee, the Abatement will increase by an additional five percent (5%) for the year immediately following any year in which the additional criteria is met.

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

C. The term of the Abatement (the “**Abatement Term**”) shall begin on January 1 of the year following the year in which the first Certificate of Occupancy is issued for a Qualified Facility (the “**Beginning Date**”) and, unless sooner terminated as herein provided, shall end on the December 31st immediately preceding the tenth (10th) anniversary of the Beginning Date.

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

V.

RECORDS, AUDITS AND EVALUATION OF PROJECT

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

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

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

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

its Affiliates' security procedures or practices and which is least disruptive of Deloitte LLP's and its Affiliates' employees and business operations.

VI.

BREACH AND REMEDY

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

B. Upon the occurrence and during the continuation of any uncured Event of Default, the County shall have the right, as the sole and exclusive remedy of the County (the County hereby waiving all other remedies), to suspend the Abatements pursuant to a notice (the "**Suspension Notice**") delivered in accordance with Section VIII hereof, and thereafter to receive from Deloitte LLP, as liquidated damages, a sum equal to (i) the amount of all ad valorem taxes which were assessed against the Qualified Facilities and which would have been paid to the County by Deloitte LLP or its Affiliates but for this Agreement, for each year in which the Event of Default occurred and was continuing, without the benefit of abatement (after taking into account any applicable exemptions), and (ii) interest thereon charged at the rate of four and one-half percent (4.50%) per year and calculated for the period commencing on the date such taxes would have been delinquent and continuing through the date of payment of such liquidated damages. The parties acknowledge that actual damages in the event of default and termination would be speculative and difficult to determine, and agree that the calculation of liquidated damages shall not include any penalties or late charges. Such amount shall be a debt to the County and shall be due, owing and paid to the County within sixty (60) days of the receipt by Deloitte LLP of the Suspension Notice, subject to any and all lawful offsets, settlements, deductions, or credits to which Deloitte LLP may be entitled. If the

County delivers a Suspension Notice pursuant to this Section VI, then Deloitte LLP shall thereafter have no right to receive the Abatements unless and until Deloitte LLP has cured the breach or breaches specified in the Breach Notice.

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

VII.

EFFECT OF SALE, ASSIGNMENT OR TRANSFER OF PROPERTY

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

VIII.

NOTICE

Any notice, demand, or other communication required to be given or to be served upon any party hereunder, shall be void and of no effect unless given in accordance with the provisions of this Section. All notices shall be in writing and shall be delivered personally or sent by overnight courier

service, by certified or registered mail, postage pre-paid, or by facsimile transmission and shall be deemed received, in the case of personal delivery, when delivered, in the case of overnight courier service, on the next business day after delivery to such service, in the case of mailing, on the third day after mailing (or, if such day is a day on which deliveries of mail are not made, on the next succeeding day on which deliveries of mail are made) and, in the case of facsimile transmission, upon transmittal. All notices, demands and other communications shall be given to the parties hereto at the following addresses:

COMPANY: Frank Friedman – Partner
Deloitte LLP
1100 Walnut Street, Suite 3300
Kansas City, MO 64106

With copies to: Deloitte LLP
Office of General Counsel
1633 Broadway
New York, NY 10019

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

IX.

COURT AUTHORIZATION

This Agreement was authorized by the Tarrant County Commissioners Court at its meeting on the ___ day of _____, 2008, by the Commissioners Court approving Court Order No. _____ authorizing the County Judge to execute this Agreement on behalf of the County.

X.

DELOITTE LLP AUTHORIZATION

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

XI.

SEVERABILITY

In the event any section, subsection, paragraph, sentence, phrase or word of this Agreement is held invalid, illegal or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word. In the event that (i) the Abatement Term with respect to any property is longer than allowed by law, or (ii) the Abatement applies to a broader classification of property than is allowed by law, then the Abatement shall be valid with respect to the classification of property abated hereunder, and the portion of the Abatement Term, that is allowed by law.

XII.

ESTOPPEL CERTIFICATE

Any party hereby may request an estoppel certificate from another party hereto so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which if requested will be addressed to Deloitte LLP and any third party lender identified by Deloitte LLP, if applicable, shall include, but not necessarily be limited to, statements that this Agreement is in full force and effect without default (or if default exists the nature of default and curative action, which should be undertaken to cure same), the remaining term of this Agreement, the levels and remaining term of the Abatement in effect, and such other matters reasonably requested by the party(ies) to receive the certificates.

XII.

APPLICABLE LAW

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

XIII.

RECORDATION OF AGREEMENT

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

XIV.

AMENDMENT

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

XV.

FURTHER ASSURANCES

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

XVII.

ENTIRE AGREEMENT

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

XVIII.

SUCCESSORS AND ASSIGNS

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

XVIX.

KNOWING EMPLOYMENT OF UNDOCUMENTED WORKERS

Deloitte LLP acknowledges that Chapter 2264 of the Texas Government Code, enacted by House Bill 1196 (80th Texas Legislature), effective September 1, 2007, provides for restrictions on the use of certain public subsidies should a company knowingly employ undocumented workers. Per the requirements of this statute, Deloitte LLP hereby agrees that Deloitte LLP, and any branch, division or department of Deloitte LLP, does not and will not knowingly employ an undocumented worker in connection with the Project, as that term is defined in Section 2264.001(4) of the Texas Government Code. In the event that Deloitte LLP, or any branch, division or department of Deloitte LLP, is convicted of a violation under 8 U.S.C. Section 1324a(f) in connection with the Project, Deloitte LLP shall repay the County, within 120 calendar days of written notice from the County, the aggregate amount of Abatement received by Deloitte LLP under this Agreement, if any, plus simple interest at a rate of four percent (4%) per annum. As per Section 2264.101(c) of the Texas Government Code, Deloitte LLP is not liable for a violation by a subsidiary, affiliate, or franchisee of Deloitte LLP, or by a person with whom Deloitte LLP contracts.

[SIGNATURE PAGES FOLLOW]

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

ATTEST:

Brenda Bosma Deputy

TARRANT COUNTY, TEXAS

By:

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

Date:

April 22, 2008

APPROVED AS TO FORM AND LEGALITY:

Roy R. Rife
District Attorney

** By law, the District Attorney's Office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our view of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval and should seek review and approval by their own respective attorney (s).*

DELOITTE LLP, a Delaware limited liability partnership

By: _____

Name:

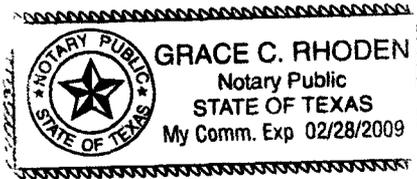
Title:

Date: _____

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

BEFORE ME, the undersigned authority, on this day personally appeared B. Glen Whitley, County Judge of Tarrant County, 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 said Tarrant County, that he was duly authorized to perform the same by appropriate order of the Commissioners Court of Tarrant County and that he executed the same as the act of the said County for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 22 day of April, 2008.



Grace C Rhoden
Notary Public in and for the State of Texas

Grace C Rhoden
Notary's Printed Name

My Commission expires: 2-28-2009

STATE OF _____ §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the ___ day of _____, 2008, by _____, in his/her capacity as partner/principal of Deloitte LLP and a Duly Authorized Agent of Deloitte LLP, a Delaware limited liability partnership, on behalf of said limited liability partnership.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ___ day of _____, 2008.

Notary Public in and for _____

Notary's Printed Name

My Commission expires: _____

EXHIBIT "A"

Policy Statement



TARRANT COUNTY

TAX ABATEMENT POLICY GUIDELINES AND CRITERIA

I. GENERAL PURPOSE AND OBJECTIVES

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

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

In the case where the property is located within a municipality's extraterritorial jurisdiction, the municipality shall be the initiating taxing entity unless expressly deferred to the County. For those areas within Tarrant County that are not located within the boundaries of an incorporated municipality and a municipality has deferred to the County or in unincorporated areas not located in a municipality's extraterritorial jurisdiction, the guidelines and criteria contained in this policy will be applied by the Commissioners Court when considering the establishment of a reinvestment zone and the adoption of an abatement agreement.

II. DEFINITIONS

- (a) "Abatement" means the full or partial exemption from ad valorem taxes of certain real and/or personal property in a reinvestment zone designated for economic development purposes.

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

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

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

III. ABATEMENT AUTHORIZED

- (a) **Authorized Facility. A facility may be eligible for abatement if it is a Manufacturing Facility, a Research Facility, a Regional Distribution Center Facility, A Regional Service Facility, a Regional Entertainment Facility, Regional Retail Facility, a Non-Manufacturing Facility, or Other Basic Industry as defined. The economic life of a facility and any improvements must exceed the life of the abatement agreement.**
- (b) **Creation of New Value. Abatement may be only granted for the additional value of eligible property improvements made subsequent to and listed in an abatement agreement between the County and the property owner and lessee, subject to such limitations as Commissioners Court may require.**
- (c) **New and Existing Facilities. Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.**
- (d) **Eligible Property. Abatement may be extended to the value above the Base Year Value of buildings, structures, fixed machinery and equipment, fixed personal property, and site improvements plus that office space and related fixed improvements necessary to the operation and administration of the facility.**
- (e) **Ineligible Property. The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; tools; furnishings, and other forms of movable personal property; vehicles; vessels; private aircraft; deferred maintenance investments; property to be rented or leased except as provided in Section 3 (f); also, any property included in the calculation of base year value as defined.**

- (f) **Owned/Leased Facilities.** If a leased facility is granted abatement the agreement shall be executed with the lessor and the lessee.
- (g) **Value and Term of Abatement.** Abatement shall be granted effective with the execution of the agreement. The value of the abatement will be determined based on the merits of the project, including, but not limited to, total capital investment value and added employment. Up to one hundred percent of the value of new eligible properties may be abated for a total term of abatement not to exceed ten years. However, a project must provide an extraordinary economic benefit to the County to be considered for a one hundred percent abatement.
- (h) **Economic Qualification.** In order to be eligible for designation as a County reinvestment zone and/or receive County tax abatement, the planned improvement:
- (1) for new businesses, must be reasonably expected to produce a minimum added value of Five Million Dollars (\$5,000,000) in real and personal property to Tarrant County and create and sustain a minimum of 25 new full-time jobs.
 - (2) for expansions or modernizations of existing businesses, must be reasonably expected to produce a minimum added value of Three Million Dollars (\$3,000,000) in real and personal property improvements to Tarrant County, and sustain existing employment levels.
 - (3) must not be expected to solely or primarily have the effect of transferring employment from one part of Tarrant County to another without a majority vote of approval from the Commissioners Court.
 - (4) must be necessary for expansion and/or modernization because the capacity cannot be provided efficiently utilizing existing improved property when reasonable allowance is made for necessary improvements.
 - (5) the above investment and employment minimums may be waived at the discretion of the Commissioners Court for projects located in Federal or State designated Enterprise Zones.
- (i) **Additional Criteria For Abatement.** To be eligible for abatement, the project must be expected to meet the specific goals and requirements as noted below. If a company is unable to meet the minimum requirements of this section, a variance must be requested with a detailed explanation as to the circumstances that preclude the company from meeting the minimum requirements.
- (1) **Use of DBE and Tarrant County Businesses.** The project must provide for the utilization of Disadvantaged Business Enterprises for a minimum of 15% of the total costs for construction contracts and annual supply and service contracts.

Additionally, the project must provide for the utilization of Tarrant County businesses for a minimum of 25% of the total costs for construction contracts and annual supply and services contracts.

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

IV. APPLICATION

- (a) Any present or potential owner of taxable property in Tarrant County may request the creation of a reinvestment zone and/or tax abatement by filing a written request with the County Judge.**
- (b) The application shall consist of a completed application form including, but not limited to: a general description of the new improvements to be undertaken; a descriptive list of the improvements for which an abatement is requested; a list of the kind, number and location of all proposed improvements of the property; a map and property description; a time schedule for undertaking and completing the proposed improvements; employment and contract information; the location of existing company locations in Tarrant County and the surrounding counties and the expected number of transferring employees; details of the environmental impacts of the project, and employee benefit information. In the case of modernization a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant, to be attached to the application.**
- (c) All applications for creation of reinvestment zones or abatements shall incorporate a feasibility study estimating the economic effect of the proposed reinvestment zone and tax abatement on Tarrant County, other eligible participating jurisdictions, and the applicant.**
- (d) Upon receipt of a completed application for creation of a reinvestment zone, the County Judge shall notify in writing and provide a copy of the application to the presiding officer of the governing body of each eligible jurisdiction.**
- (e) Upon receipt of a completed application and/or request to participate with a municipality in an abatement agreement, Tarrant County Administrator's Office must review and provide recommendation to the Commissioners Court within 30 days and before the public hearing.**
- (f) The County shall not establish a reinvestment zone, nor participate in an abatement, if it finds that the application for County reinvestment zone/tax abatement was filed after the commencement of construction, alteration, or installation of improvements related to the proposed modernization, expansion or new facility.**
- (g) Variance. Request for variance from the provisions of this policy must be made in written form to the County Judge and submitted with the application for abatement, provided, however, the total duration of an abatement shall in no instance exceed ten years. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Request for variance must**

be approved by a majority vote of the Commissioners Court.

V. PUBLIC HEARINGS AND APPROVAL

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

VI. AGREEMENT

- (a) After approval the County shall formally pass a resolution and execute an agreement with the owner of the facility and lessee as required. The Court Order shall include:
 - (1) estimated value of real and personal property to be abated and the base year value;
 - (2) percent of value to be abated each year as provided in Section III (g);
 - (3) the commencement date and the termination date of abatement;
 - (4) the proposed use of the facility; nature of construction, time schedule, map, property description and improvement list as provide in Section IV (b);

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

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

- (b) **Participation in tax abatement agreements with municipalities requires additional information to be included in the Court Order approving the agreement, as follows:**
 - (1) **a copy of the agreement between the applicant and municipality shall be attached and made apart of the Court Order for all purposes;**
 - (2) **authorization for the County Judge to execute a signatory page on behalf of the Commissioners Court which shall be attached and made part of the original agreement.**

VII. RECAPTURE

Commissioners Court reserves the right to review compliance for full or partial recapture in the event that the applicant fails to perform in "good faith." If a project is not completed as specified in the tax abatement agreement, the County has the right to cancel the abatement agreement and abated taxes shall become due to the County and other affected taxing units as provided by law. If any of the provisions contained in the tax abatement agreement, i.e., employment, amount of investment, etc., are not met, the County shall have the right to reduce or cancel the abatement agreement. If a project granted a tax abatement ceases to operate or is no longer in conformance with the tax abatement agreement, the agreement shall not be in

effect for the period of time during which the project is not operating or is not in conformance.

VIII. ADMINISTRATION

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

 - (1) the number and dollar amounts of all construction contracts and subcontracts awarded on the project;**
 - (2) the total number of employees of the company, their gross salaries, and the number of employees residing in Tarrant County and their gross salaries, reported in job classifications appropriate to the employee;**
 - (3) the gross dollars spent on supplier and professional service contracts, indicating the amounts by contract awarded and performed by Tarrant County business and individuals;**

- (4) the dollar amount of contracts awarded to Disadvantaged Business Enterprises;
- (5) detail of actions taken to mitigate any adverse environmental impacts of the project, if applicable; and
- (6) should the dollars, percentages, or actions not meet the original or modified requirements of the abatement agreement, a statement shall be provided explaining the reason for the failure to meet the requirements and a recommended course of rectification.

IX. ASSIGNMENT

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

X. SUNSET PROVISION

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

EXHIBIT "B"

Town of Westlake Ordinance

TOWN OF WESTLAKE

ORDINANCE NO. 589

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Scott Bradley, Mayor

ATTEST:



Kim Sutter, TRMC, Town Secretary



Joe C. Hennig, Interim Town Manager

APPROVED AS TO FORM:



Stan Lowry, Town Attorney

EXHIBIT "A"

ORD NO. 589

LEGAL DESCRIPTION
PROPOSED REINVESTMENT ZONE

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

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

THENCE N 00°08' 56"W, 664.08 feet;

THENCE S89°59'38"W, 23.21 feet;

THENCE N 00°04'20"E, 200.04 feet;

THENCE S 89°47'29"W, 391.05 feet;

THENCE N 00°09'35"W, 461.81 feet;

THENCE N 00°02'25"W, 818.71 feet;

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

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

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

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

THENCE N 39°04'28"E, 195.82 feet;

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

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

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March 18, 2008
Page 1 of 3

THENCE N 00°41'56"W, 1439.38 feet;

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

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

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

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

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

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

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

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

THENCE N 78°12'10"E, 800.32 feet;

THENCE S 09°34'05"E, 892.93 feet;

THENCE S 16°42'32"W, 1518.12 feet;

THENCE S 00°53'35"E, 573.79 feet;

THENCE S 11°28'06"E, 564.14 feet;

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

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

THENCE S 89°58'46"W, 1261.17 feet;

THENCE 89°00'39"W, 1253.71 feet;

THENCE S 87°42'32"W, 718.15 feet;

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

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

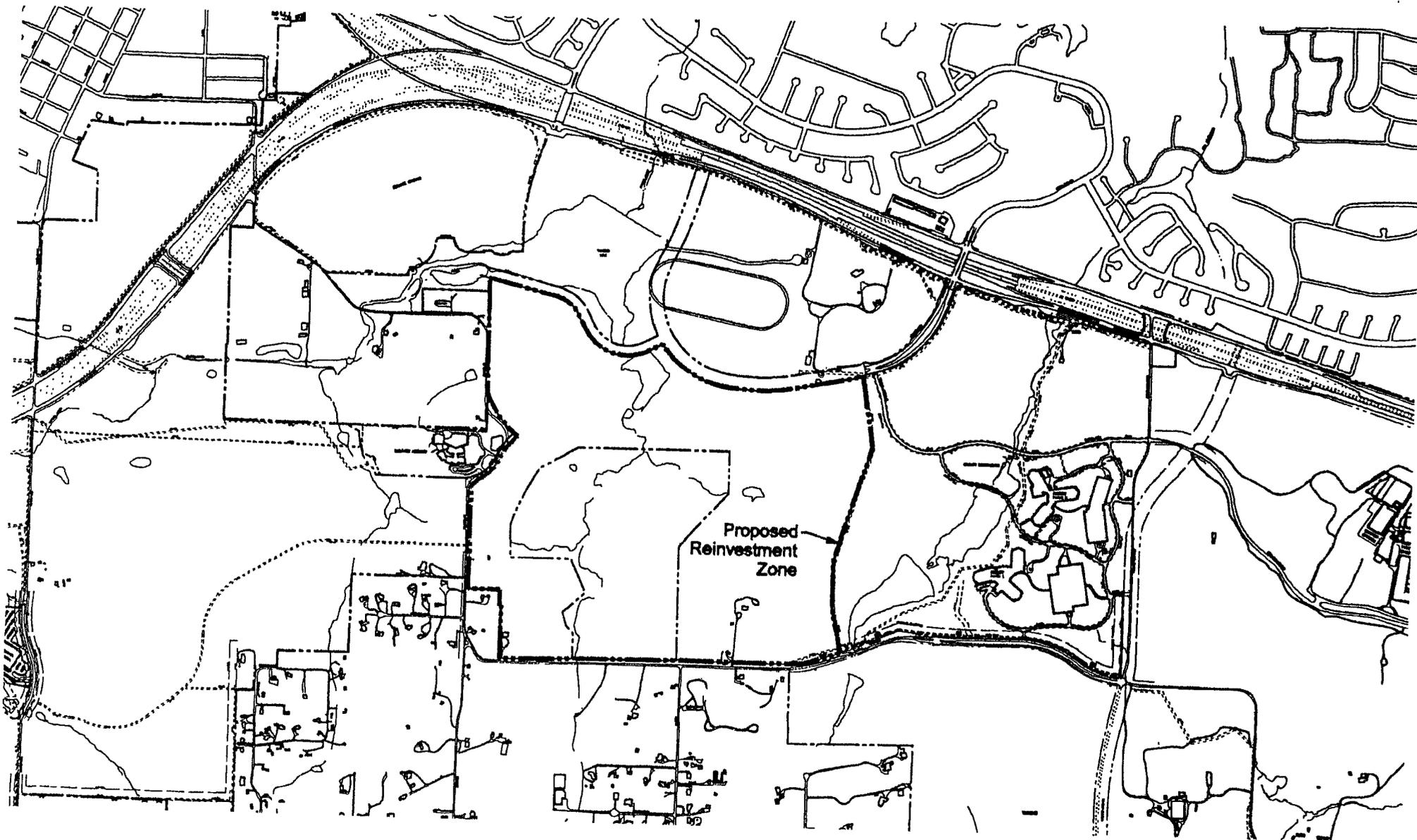


EXHIBIT "C"

Land

LEGAL DESCRIPTION
PROPOSED REINVESTMENT ZONE

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

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

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

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

THENCE N 39°04'28"E, 195.82 feet;

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

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

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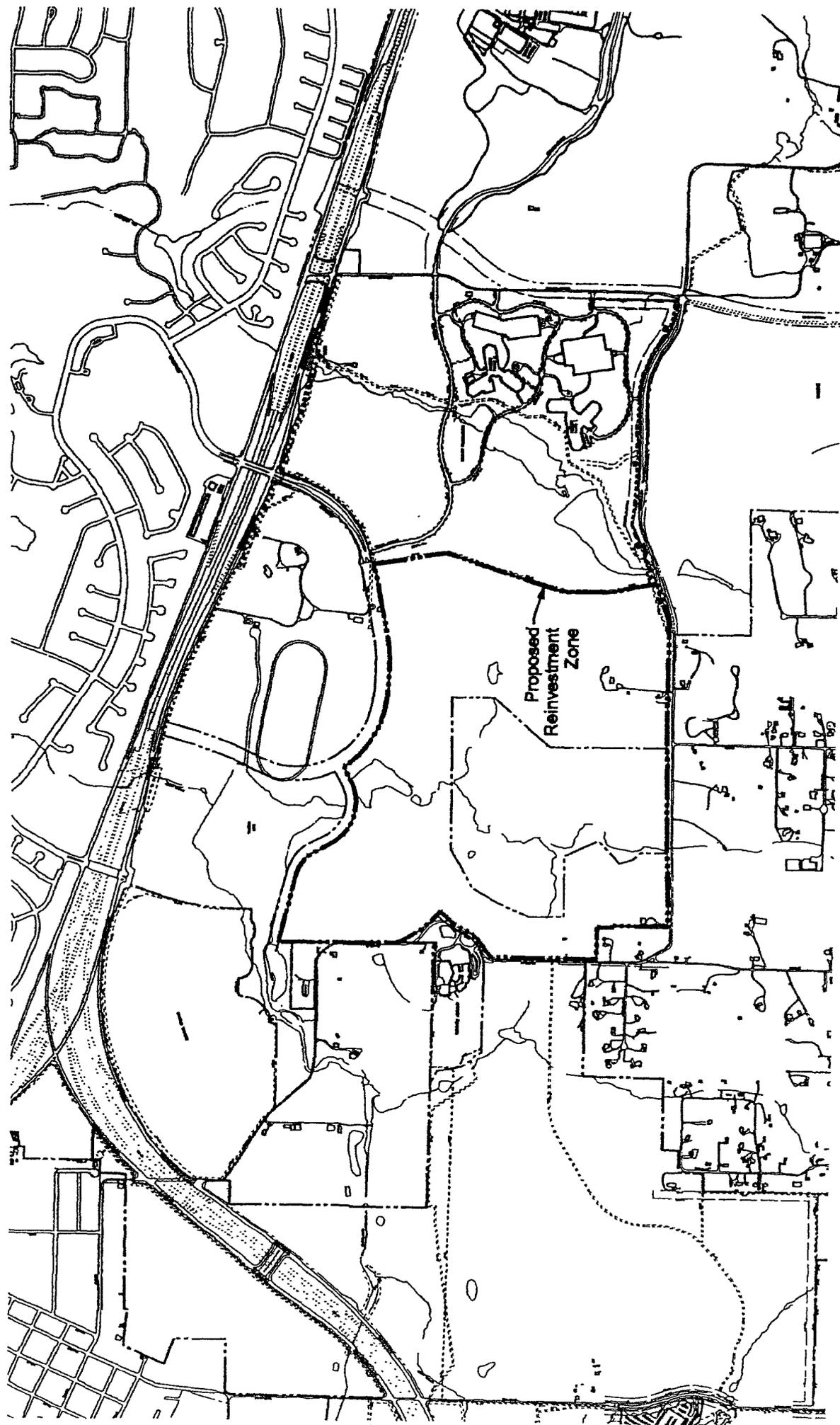


EXHIBIT "D"

Application



Tarrant County

Application for Tax Abatement/Reinvestment Zone

I. APPLICANT INFORMATION

Applicant/Property Owner:

Frank Friedman - Partner, Deloitte LLP

Company Name:

Deloitte LLP

Project Name:

Deloitte University (DU)

Mailing Address: 1100 Walnut Street, Suite 3300 Kansas City, MO 64106

Telephone: 816-881-5102 Fax: 214-756-9186 E-mail: ffriedman@deloitte.com

Applicant's Representative for contact regarding abatement request:

Name and Title: Charles Ruby - Director, Deloitte Tax LLP

Mailing Address: 2 Hillon Court Parsippany, NJ 07054

Telephone: 973-683-6247 Fax: 973-451-5147 E-mail: charlesruby@deloitte.com

II. PROPERTY AND PROJECT DESCRIPTION

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

Zone: Proposed Project Location Town of Westlake, Tarrant County, Texas 76262

The property under consideration is located at the Southwest corner of State Highway 114 and State Highway 170. The borders of the property are defined by U.S. Route 377 on the West, Precinct Line Road on the East, Dove Road on the South and State Highway 114 on the North. The specific location within this proposed site is TBD.

Project acreage (TBD) will be part of the following Tarrant County tax parcels:

1. Tract 13A01, Abstract 592, Jesse Gibson Survey, 17.22 acres

Owner: Lakeway Land Ltd.
Account Number: 03902625

2. Tract 13B, Abstract 592, Jesse Gibson Survey, 12.27 acres

Owner: All Investment, L.P.
Account Number: 00006140173

3. Tracts 5, 5A, 5C, 5D, 5E and 8, 8A, 8C, 8D and 9A, Abstract 680, Greenberry B.

Hendricks Survey, 98.026 acres
Owner: All Investment, L.P.
Account Number: 00003924874

4. Tract 5B, Abstract 680, Greenberry B. Hendricks Survey, 1 acre
Owner: All Investment, L.P.
Account No. 03924912

5. Tract 8B, Abstract 680, Greenberry B. Hendricks Survey, 0.3 acres
Owner: All Investment, L.P.
Account No. 03925234

6. Tract 13B1, Abstract 592, Jesse Gibson Survey, 1 acre
Owner: All Investment, L.P.
Account No. 03902633

All of the above referenced tracts are currently zoned PD 3.3 and taxed subject to the Agricultural 1-D, 1 Exemption.

Project Description:

Deloitte LLP and its subsidiaries (collectively, "Deloitte") are among the nation's leading professional services firms, providing audit, tax, consulting and financial advisory services. As one of the largest and fastest growing professional services firms in the world, Deloitte serves clients through approximately 40,000 personnel in more than 90 cities in the United States. Deloitte was recently ranked #1 in *BusinessWeek's* annual ranking of the "Best Places To Launch A Career" (2007). Training and professional development will be essential to Deloitte's continued growth and success in an increasingly complex and rapidly changing global business environment.

As a premier global professional services organization, Deloitte is committed to being the place "Where the Best Choose to Be." To further this commitment to Deloitte's people, to its clients, and to the communities in which it operates, Deloitte is exploring the establishment of a center for training, leadership development and innovation - referred to as Deloitte University ("DU"). DU would serve as a central destination for shared common experiences from new hires to Deloitte senior leadership, as well as key public and private leaders, to foster innovation, enhance learning strategies (technical and soft skills), strengthen recruiting and talent development, drive key strategic initiatives, and serve to cultivate a corporate culture focused on developing tomorrow's leaders today.

The building parameters of the current project proposal call for a facility of approximately 750,000 GSF that could include 300 guest rooms, 3 dining venues, multiple conferencing spaces (i.e. breakout rooms, boardrooms, amphitheaters, etc.), a ballroom, a business center, recreational facilities, and a spa and fitness center. Under the banner "Greening the dot", Deloitte's Office Greening program is ever improving Deloitte's environmental performance, reducing Deloitte's global environmental footprint, and promoting a high standard of sustainability and environmental awareness within the culture of Deloitte and the communities in which it operates. In keeping with this initiative and Deloitte's corporate responsibility policy, Deloitte is exploring green construction of the DU campus according to the LEED standards established by the U.S. Green Buildings Council (USGBC) to maximize environmental and financial performance.

Deloitte is evaluating its real estate options, corporate structure and projected headcount growth throughout the United States while exploring potential locations for Deloitte University. Deloitte currently maintains 8 offices in the State of Texas, with operations in Austin, Dallas (2 offices), Fort Worth, Houston, Irving, Midland and San Antonio. Tarrant County - specifically the town of Westlake - has been identified as a

potential location for Deloitte University.

The decision to build Deloitte University in Tarrant County could potentially affect employment allocation and future growth of Deloitte's operations in the State of Texas during the next several years. As such, Deloitte must evaluate its return on investment before proceeding with any project. Since incentives can offset upfront capital costs, as well as reduce the operational costs of doing business in a particular jurisdiction, their availability will have a significant impact on Deloitte's return on investment analysis and ultimate decision. In addition to the availability of incentives, the project's overall return on investment, operational costs and comparative real estate costs will also influence Deloitte's analysis and ultimate decision.

In addition to being an extraordinary opportunity to both enhance the training and leadership development of Deloitte's personnel and strengthen Deloitte's market position, the construction of a state-of-the-art training and professional development facility would also provide significant economic benefits to the selected jurisdiction should Deloitte elect to proceed with the proposed project. If the DU project moves forward in Tarrant County, it could create approximately 100 net new full-time Deloitte jobs, with an estimated average annual salary of \$75,000. Additionally, 300-400 support personnel jobs (i.e., hospitality professionals) may be created. These support personnel may not be Deloitte employees. Please note that Deloitte is only applying for incentives with regard to Deloitte's qualifying employees and is not requesting incentives for non-qualifying personnel.

Deloitte is estimating that it must spend over \$200 million, plus the cost of land, to complete the DU project. If Deloitte were to receive tax incentives from Tarrant County, it will allow Deloitte to offset some of the costs it will incur as a result of this project. As a result, Deloitte would be more likely to realize an acceptable rate of return on its investment, so that Deloitte could proceed with this project and create approximately 100 net new full-time Deloitte jobs and potentially 300-400 support personnel jobs in Tarrant County.

Deloitte's expansion of its business infrastructure and the creation of new jobs should result in additional taxes to Tarrant County and the State of Texas. As Deloitte University may well host up to 125,000 visitors per year, the project would provide substantial benefits associated with an export-led, tourism-based economic stimulus in the form of additional purchases of personal consumer products (retail, entertainment, restaurants, etc.), transportation (cabs, buses, etc.) and more by DU attendees. Finally, service contracts awarded to local vendors providing office supplies, cleaning services, catering and car services, etc., would bolster the economic impact of the project through significant secondary and tertiary economic benefits.

The leadership of Deloitte is very excited to explore the establishment of Deloitte University. With the founding of such an establishment, Deloitte would become one of only a handful of organizations operating such a marquis facility.

Description of activities, products, or services produced and/or provided at project location:

DU would serve as a central destination for shared common experiences from new hires to Deloitte senior leadership, as well as key public and private leaders to foster innovation, enhance learning strategies (technical and soft skills), strengthen recruiting and talent development, drive key strategic initiatives, and serve to cultivate a corporate culture focused on developing tomorrow's leaders today.

The building parameters of the current project proposal call for a facility of approximately 750,000 GSF that could include 800 guest rooms, 3 dining venues, multiple conferencing spaces (i.e. breakout rooms, boardrooms, amphitheaters, etc.), a ballroom, a business center, recreational facilities, and a spa and fitness center.

Below, please find the current breakdown of the project's estimated land/facility use:

Guest Rooms and Support Areas = Approximately 50%

Convention Center, Ball Rooms & Function Support Areas = 25%

Food & Beverage, Retail, Health & Fitness, Administration, Housekeeping, etc. = 25%

The types of activities hosted at DU and the types of attendees could include:

Types of Activities	Attendees	% Utilization
• Core technical learning and skills development	Deloitte only	63%
• Staff soft-skills development	Deloitte only	
• Manager and Senior Manager leadership development and programs	Deloitte only	
• Business school programs for Deloitte employees	Deloitte only	
• Business school programs for Deloitte employees	Outside instructors*	1%
• Learning and leadership development for partners	Deloitte and outside instructors*	1%
• FSS milestone meetings	Deloitte only	12%
• Industry specific meetings (internal and external facing)	Deloitte and external audiences*	
• Service area/line meetings	Deloitte only	
• Shared services/channel meetings	Deloitte only	
• Research and development workshops and communications	Deloitte and external audiences*	
• COE forums, communications and training	Deloitte and external audiences*	
• CFO Conferences or C-Suite Conferences	Deloitte and external audiences*	3%
• Industry, R&D hosted, COE hosted, CFO/C-Suite meetings and conferences	Clients and external attendees*	
• Function Specific Subsidiary Leadership meetings (BOD, Executive Committee, etc.)	Deloitte only	2%
• Firm Leadership meetings (BOD, Operations Team, Executive Committee, etc.)	Deloitte only	
• Local or region specific meetings, training and development (for the region where the center resides only)	Deloitte only	2%
• Deloitte Touche Tohmatsu ("DTT") member firms attendance at any of the meetings and trainings	DTT members^	7%

• Client programs as part of a client service project (change management sessions, ERP solutions training)	Clients ^	8%
• Foundation use	Deloitte and external attendees*	.5%
• Not-for-profit weekend use	External attendees*	.5%

KEY:

Deloitte expects that it would likely not charge a room fee
 Deloitte expects to charge a room fee

Current Assessed Value:

Real Property: \$ 13,200,000 – Land Only estimated 80 acres at \$165,000 per acre

Ad Valorem Tax Summary – Similar Projects in Tarrant County

1. Fidelity Investments Campus
 One Destiny Way
 Westlake, TX 76262
 Square Feet: 1,604,000
 Land Area: 87.73 acres
 Account Number: 41226518
 Appraised Value: \$72,844,514

2. Verizon Wireless Texas Campus
 500 W. Dove Road
 Southlake, TX 76092
 Square Feet: 163,900
 Land Area: 24.99 acres
 Account Number: 40176010
 Appraised Value: \$21,745,000

3. Sabre Headquarters
 8150 Sabre Dr.
 Southlake, TX 76092
 Square Feet: 1,048,103
 Land Area: 20.05 acres
 Account Number: 07923457
 Appraised Value: \$51,406,750

4. American Airlines Headquarters
 4601 Highway 360
 Fort Worth, TX
 Square Feet: 706,506
 Land Area: 165.11 acres
 Account Numbers: 00036404, 05978149, 05683041, 00036420, 07538146, 06577970,
 & 06465455
 Appraised Value: \$57,654,805

Please note that for comparison purposes the American Airlines Headquarters appraised value, square footage, and land area is the consolidation of seven (7) tax parcel accounts listed in the American Airlines Addition, Blk J, Lots 1A and 1B.

Personal Property: \$ 0

Estimated start date of construction/site improvements: October 2008

Projected date of occupancy/commencement of operations at project site: June 2010

Please indicate dates for phases if applicable:

General Phases:

Site Selection: Spring - Summer 2008

Construction: Fall 2008 - Summer 2010

Go-Live: Summer - Fall 2010

Projected Milestones:

Estimated Date for the Purchase of Machinery & Equipment: January 2009

Estimated Date for Ground-Breaking: October 2008

Estimated Date for Design to be Complete: December 2008

Estimated Date for Construction to be Complete: May 2010

Estimated Date of Occupancy / Commencement of Operations: June 2010

Location of existing company facilities:

Deloitte currently maintains 8 offices in the State of Texas, with operations in Austin, Dallas (2 offices), Fort Worth, Houston, Irving, Midland and San Antonio.

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

Explain why tax abatement is necessary for the success of this project. Include business proformas or other information to substantiate your request.

Deloitte is estimating that it must spend over \$200 million, plus the cost of land, to complete the DU project. If Deloitte were to receive tax incentives from Tarrant County, it will allow Deloitte to offset some of the costs it will incur as a result of this project. As a result, Deloitte would be more likely to realize an acceptable rate of return on its investment, so that Deloitte could proceed with this project and create approximately 100 net new full-time Deloitte jobs and potentially 300-400 support personnel jobs in Tarrant County. The abatement is also important as Deloitte is considering two locations outside of Texas and the Tarrant County abatement would make this site competitive with the other out-of-state locations.

III. PROJECTED VALUE OF IMPROVEMENTS

Estimated Value of Real Property Improvements \$ 45,000,000 Hard Cost (Building Only)

Estimated Value of Personal Property Improvements \$ 30,000,000 (FP&E)

Will any infrastructure improvements (roads, drainage, etc.) be requested of Tarrant County for this project? Yes No

If yes, describe requested infrastructure improvements:

The site being considered in Tarrant County is currently undeveloped. Deloitte will require all utilities, drainage, and construction of roads.

Detail any direct benefits to Tarrant County as a result of this project (i.e., inventory tax, etc.):

In addition to being an extraordinary opportunity to both enhance the training and leadership development of Deloitte's personnel and strengthen Deloitte's market position, the construction of a state-of-the-art training and professional development facility would also provide significant economic benefits to the selected jurisdiction should Deloitte elect to proceed with the proposed project. If the DU project moves forward in Tarrant County, it could create approximately 100 net new full-time Deloitte jobs with an estimated average annual salary of \$75,000. Additionally, 300-400 support personnel jobs (i.e. hospitality professionals) may be created.

Deloitte's expansion of its business infrastructure and the creation of new jobs should result in additional taxes to Tarrant County and the State of Texas. As Deloitte University may well host up to 125,000 visitors per year, the project would provide substantial benefits associated with an export-led, tourism-based economic stimulus in the form of additional purchases of personal consumer products (retail, entertainment, restaurants, etc.), transportation (taxis, buses, etc.) and more by DU attendees. Finally, service contracts awarded to local vendors providing office supplies, cleaning services, catering and car services, etc., would bolster the economic impact of the project through significant secondary and tertiary economic benefits.

IV. EMPLOYMENT IMPACT AT PROJECT LOCATION

A. NEW EMPLOYMENT

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

Full-time **100** Part-Time

Provide types of jobs created and average salary levels:

- 1 - General Manager, \$250,000
- 20 - Instructors, \$120,000
- 5 - System Analysts, \$120,000
- 14 - Technology Support, \$100,000
- 20 - Training Content Developers, \$80,000
- 25 - Planning & Logistics Coordinators, \$50,000
- 15 - Administrative Support, \$40,000

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

Phase Year	# of New Jobs	New Payroll (by Phase)
2008	10	\$750,000
2009	20	\$1,500,000
2010	65	\$4,875,000
2011	3	\$225,000
2012	2	\$150,000

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

Deloitte will endeavor to hire qualified individuals from Tarrant County, but cannot estimate this percentage at this time.

Number of employees transferring from other company locations: 0

B. CONSTRUCTION RELATED EMPLOYMENTS

Projected number of construction related jobs: 450

Estimated total construction payroll: \$ 36 Million

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

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

C. CURRENT COMPANY/PROJECT LOCATION EMPLOYMENT

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

Average annual payroll: \$ 0

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

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: \$ 89.88 **Family:** \$ 278.60

Other employee benefits provided or offered:

Deloitte offers a very generous benefits package for all eligible employees, including, but not limited to, health insurance plans, dental and vision coverage plans, life and accident insurance plans, paid time off (PTO), long-term and short-term disability plans, pre-tax flex spending health plans, pre-tax flex spending transportation plans, 401(k) contribution plans, pension plans and special programs for work-life balance.

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

Estimated amount of annual supply and services expenses:

\$ 1,852,000 (Services: \$1,082,000; Supplies: \$770,000)

Detail any supply/services expenses that are sole source: N/A

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

Estimated Supplies: 50%; Estimated Services: 45-60%

Percentage of total supplier and services expenses committed to DBE: 30% (Estimated)

Please note that while Deloitte does not have an official policy regarding the use of Disadvantaged Business Enterprises (DBE), Deloitte encourages the use of diverse suppliers and vendors.

VI. ENVIRONMENTAL IMPACT OF PROJECT

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

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

The project could impact the floodplain/wetlands, but this potential impact would be addressed with the United States Corp of Engineering via a U.S. Corp of Engineering Section 404 permit if necessary. No negative impact to the environment is anticipated as a result of this project.

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

Anticipated Vehicle Type(s)	Estimated Quantity	Fuel Type(s)	Use(s)
Toyota Highlander Hybrid (or Similar)	4	Gas	Airport Runs
Gillig 14-24 Passenger Vans / Buses	6	Ultra Low Sulfur Diesel or Hybrid	Airport Transport
Chevy Trucks	3	Gas / Diesel	Maintenance

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
Will be provided once available
- Plat/Map of Project Location
- Project Time Schedule
- Owner's policy regarding use of disadvantaged Business Enterprise **N/A**
- 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 **To be prepared within the first year of abatement**
- Tax Certificate showing property taxes paid for most recent year **N/A**

Corporate Structure & Citizenship Profile

Deloitte LLP is the U.S. member firm of Deloitte Touche Tohmatsu ("DTT"), a Swiss Verein (association). As a Swiss Verein, neither Deloitte Touche Tohmatsu nor any of its member firms have any liability for each other's acts or omissions. Each of the member firms is a separate and independent legal entity operating under the names "Deloitte," "Deloitte & Touche," "Deloitte Touche Tohmatsu," or other related names. Services are provided by the member firms or their subsidiaries or affiliates and not by the Deloitte Touche Tohmatsu Verein.

In the U.S., services are provided by the subsidiaries of Deloitte LLP (Deloitte & Touche LLP, Deloitte Consulting LLP, Deloitte Financial Advisory Services LLP, Deloitte Tax LLP and their subsidiaries), and not by Deloitte LLP.

Deloitte LLP and its subsidiaries (collectively, "Deloitte") have an exemplary record of corporate citizenship. The Deloitte Code of Ethics & Professional Conduct includes the following statements:

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

"Our people share a long tradition of supporting the communities in which they live and work. In addition to financial contributions made by [Deloitte] and its people, many of our people also volunteer their time to worthwhile causes. We actively offer, encourage, support, and reward volunteerism for several important

reasons:

- **Helping others and sharing is simply the right thing to do**
- **Community involvement is a manifestation of our shared values**
- **A healthy community depends on the active involvement of all who live and work there**
- **Community involvement helps people become better professionals by enhancing their skills and leadership abilities outside the workplace.”**

Our National Commitment to Community

The people of Deloitte share a decades-long tradition of giving back to the communities in which Deloitte personnel live and work. With a significant financial commitment, dedicated human resources and a steadfast commitment from Deloitte's leadership, community involvement is a business imperative and a strategic priority for Deloitte. Deloitte's focus is on workplace volunteerism. Contributing much more than financial support, Deloitte's people roll up their sleeves to truly connect with their communities. Deloitte strongly encourages its people to volunteer their time and talent, Deloitte recognizes them for doing so and rewards them for encouraging others to get involved, and Deloitte actively seeks new and strategic opportunities to advance the causes that are important to its people and to have a positive impact on their communities.

IMPACT Day

Skills-based volunteerism leverages Deloitte's greatest asset – the business experience of Deloitte's people – to help nonprofits solve their strategic, operational and financial business challenges. With 31,000 people participating in 600 projects around the nation, IMPACT Day 2007, held June 8, was a one-day celebration of Deloitte's year-round commitment to our communities.

The United Way of America

Through the United Way, Deloitte's people share a charitable goal: strengthening communities where they live and work. Deloitte actively support the United Way through annual fundraising, volunteerism and pro bono service and consider the annual United Way Campaign to be one of its most important community service endeavors.

In 2005, Deloitte ran one of the largest electronic workplace giving campaigns in the history of United Way, and was honored for the fourth consecutive year with the United Way of America's Fleur-de-Lis Award, for outstanding performance in corporate leadership. This award also recognized Deloitte for having the highest number of Alexis de Tocqueville contributors (individuals who contribute \$10,000 or more) of all companies in the U.S. Deloitte's United Way campaign continues to rank among the top 20 in total contributions of all U.S. companies, and Deloitte's results distinguish it within the profession and the larger business community. Deloitte serves as a judge of United Way's prestigious Spirit of America Award, having previously won the award.

Junior Achievement

With more than 900 people volunteering in elementary, middle and high schools through Junior Achievement, Deloitte is now the educational organization's fourth largest volunteer nationwide. In addition to that, almost 40 of Deloitte's people serve on local JA boards across the country. Deloitte's latest collaboration with Junior Achievement is the creation of the Excellence through Ethics business ethics curriculum, which is now being taught to future business leaders. With the potential to reach as many as three million elementary and high school students nationwide, the curriculum is taught by volunteers, many of whom are from Deloitte's ranks.

Community Service Time Program

Deloitte is piloting a Community Service Time Off program that enables eligible employees to apply for up to 20 hours of community service volunteer time annually. This translates into a considerable donation of employee volunteer time for many of the country's not-for-profit organizations. This initiative is being tested in Deloitte's Atlanta, Boston and Chicago offices.

Local Initiatives & Events

Deloitte looks forward to continuing and expanding its civic commitments in the local communities of the State of Texas. Some recent collaborative efforts with local charities and non-profit organizations include:

- **United Way of Metropolitan Dallas.** Roger Nanney, Vice-Chairman of Deloitte LLP, served as the chairman elect of the Board of Directors of the United Way of Metropolitan Dallas. He oversaw Deloitte's recent United Way campaign in February 2007, during which the Dallas and Irving offices raised more than \$1 million.
- **Goodwill Industries of Houston.** Bill Kacal, a regional managing AERS partner with Deloitte & Touche LLP in its Houston office, also serves as the Chairman of the Board of Goodwill Industries of Houston. Goodwill Industries of Houston is a central component of the non-profit community, and has been instrumental in delivering food, shelter, clothes and job training to those displaced by Hurricanes Katrina and Rita.
- **Junior Achievement Bowl-A-Thon (2007).** Deloitte's Houston office raised nearly \$20,000 with this community event, enough to fund classes for nearly 750 students.
- **18th Annual AIDS Walk Houston (2007).** Deloitte's Houston office sponsored a team of professionals to support this community event, which provides housing, food, medical care, and counseling and job training to more than 100,000 Houstonians each year.

Awards & Recognition

In addition to these examples of good corporate citizenship, Deloitte has been especially acknowledged for its organizational commitments to women's advancement, diversity and inclusion, professional development and workplace flexibility. Some recent honors include:

- **Alfred P. Sloan Award for Business Excellence and Workplace Flexibility for Dallas/Fort Worth (2007).** The Alfred P. Sloan award recognizes employers that are successfully using workplace flexibility to meet both employer and employee needs. This award distinguishes Deloitte as one of the top practitioners of workplace flexibility in the nation and one of the "Best Places to Work" in DFW.
- **"Best Places to Work in Houston" (2007).** The Houston Business Journal named Deloitte one of the best places to work in Houston.
- **City of Dallas Special Recognition Award (2004).** Deloitte's Dallas office was recognized by then Mayor Laura Miller for partnering with the City of Dallas and United Way of Metropolitan Dallas to prepare a 10-year plan to reduce homelessness in Dallas.
- **"Best Places To Launch A Career" (2007).** *BusinessWeek* named Deloitte the best place to launch a career, ranking it #1.
- **"100 Best Companies to Work For" (2007).** Deloitte was named to *Fortune* magazine's prestigious list of top employers.
- **International Coach Federation (ICF) Prism Award (2007).** The Coaching, Internal Mobility, and Career Development team at Deloitte recently received the Prism Award, the highest honor in the coaching industry, which recognizes organizations that have enhanced excellence and business achievement through their commitment to coaching as a leadership strategy.
- **"Training Top 125" (2007).** For the sixth consecutive year, Deloitte was recognized by *Training* magazine for its superior record of human capital development. Deloitte proudly claimed the #25 spot on the annual ranking.
- **"Best Hedge Fund Accounting Firm" (2007).** For the third consecutive year, Deloitte & Touche LLP was ranked the #1 Big 4 accounting firm in the category of "Best Hedge Fund Accounting Firm" by the top 100 hedge funds, thanks to the superior efforts of its Hedge Fund Services Team. The Alpha Awards™ is sponsored by Alpha Magazine which is a monthly publication dedicated to the hedge fund industry and is widely read by hedge fund investors, managers and service providers.
- **"Top 50 Companies for Diversity" (2007).** Deloitte was recognized by *DiversityInc* for its commitment to diversity and inclusion, claiming a top ten spot on the both the "Top 10 Companies for Executive Women" list and the "Top Ten Companies for People with Disabilities" list.

- **"100 Best Companies for Working Mothers" (2007).** For the fourteenth consecutive year, Deloitte was recognized by *Working Mother* magazine, which commends companies with superior work-life balance programs for working mothers.
- **"Best Companies for Multicultural Women" (2007).** Deloitte was recognized by *Working Mother* magazine, which commends companies committed to diversity and inclusion.
- **"Top 50 Companies for Latinas" (2007).** For the fourth consecutive year, Deloitte made *LATINA Style* magazine's list of companies committed to diversity and inclusion.
- **American Society for Training and Development - BEST Award (2006).** For the third consecutive year, the American Society for Training and Development (ASTD), a leading association for workplace learning and performance, recognized Deloitte for excellence in education and training. ASTD accorded the Firm the "BEST" award, which stands for Building talent, Enterprise-wide, Supported by the organization's leaders, fostering a Through-and-through learning culture.
- **"Top 100 Most Influential People in Accounting" (2006).** *Accounting Today* magazine recognized former CEO Jim Quigley and former Managing Partner and current CEO Barry Salzberg of Deloitte LLP for their superior contributions to the field of accounting.
- **The National Black MBA Association - Silver Torch Award (2006).** Deloitte was recognized by the National Black MBA Association for its commitment to diversity and inclusion, and its retention and promotion of minorities.
- **Human Rights Campaign - Corporate Equality Index (2006).** Deloitte was recognized by the Human Rights Campaign for its commitment to the GLBT community, earning a perfect CEI rating of 100.
- **Diversity & Women Leadership Summit - Diversity Leaders Award (2004).** The 2004 Diversity & Women Leadership Summit honored former CEO James H. Quigley and former Managing Partner and current CEO Barry Salzberg of Deloitte LLP for their roles in fostering workplace diversity.
- **"Top 30 Great Places to Work for African-American Women" (2004).** *Essence* magazine recognized Deloitte from a field of 1,000 companies.

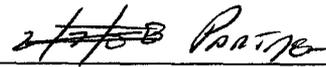
VIII. CERTIFICATION

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

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.



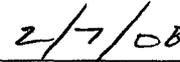
Signature



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

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

¹ As per Section IV (f) of the Tarrant County Tax Abatement Policy Guidelines and Criteria, this application must be filed prior to commencement of construction or installation of improvements in order to be eligible for County tax abatement.

EXHIBIT "E"

Town of Westlake Economic Development Agreement

herein), and the development and construction on such Land is expected significantly to enhance the economic and employment base of the Town; and

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

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

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

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

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

NOW, THEREFORE, the Town and Deloitte LLP, for good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, which consideration includes the attraction of major investment in the Zone and increased payroll that contributes to the economic development of the Town, the enhancement of the tax base in the Town and Tarrant County and the economic development and tax abatement incentives set forth therein below, as authorized by Chapter 378 and Chapter 380 of the LGC and Chapter 312 of the Tax Code, as amended, do hereby contract, covenant and agree as follows:

Section 1. Definitions.

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

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

“Board” shall mean the Board of Aldermen of the Town.

“Direct Payment Permit” shall mean a permit granted by the State and authorized under 34 TAC Sec. 3.288 that allows for the tracking of all taxable transactions subject to sales and use tax pursuant to Chapter 321 of the Tax Code.

“Effective Date” shall mean the last date on which all of the parties hereto have executed this Agreement, which shall be no later than December 31, ~~2010~~2008; provided, however that such date may be extended by mutual agreement of the parties hereto.

“Final Certificate of Occupancy” shall mean the certificate of occupancy issued for the final Qualified Facility constructed during a particular Phase.

“First Renewal Date” shall mean a date that is ten (10) years from the Effective Date.

“First Use” shall mean the designation of the Town as the situs for use tax purposes with respect to any purchases made by Deloitte LLP or its Affiliates which are subject to the Town’s Sales and Use Taxes.

“Force Majeure” shall mean any contingency or cause beyond the reasonable control of Deloitte LLP and its Affiliates, including, without limitation, acts of God or the public enemy, epidemic, war, riot, civil-commotion, insurrection, governmental or de facto governmental action (unless caused by acts or omissions of Deloitte LLP or its Affiliates), fire, explosions, floods, or strikes.

“Hotel Occupancy Tax Receipts” shall mean the Town’s receipts from the State from the collection of Hotel Occupancy Taxes by, or on behalf of, Deloitte LLP or its Affiliates, with respect to any of the Qualified Facilities. The parties expressly acknowledge and agree that the hotel occupancy tax receipts described herein are being used only as a measurement of the Town’s payment of grants through the use of general funds.

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

“Jobs” shall mean all positions held by an employee, partner or principal of Deloitte LLP or any of its Affiliates, in which such employee, partner or principal works on a full-time basis for Deloitte LLP or any of its Affiliates and has an office in, or works primarily from, the Qualified Facilities.

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

“Minimum Threshold Eligibility Requirements” shall mean (i) the construction and maintenance of a minimum 750,000 gross square feet of total structures on the Land; (ii) the existence of at least one hundred (100) Jobs; and (iii) the expenditure of no less than \$200,000,000 on Project Costs.

“Phase” shall mean each portion of the Project, as developed in such order and containing such acreage as Deloitte LLP, in its sole discretion, may determine.

“Phase I” shall mean a portion of the Project constructed on or before January 1, 2014, including, but not by way of limitation, a learning and innovation center, as the first Phase of the Project.

“Phase II” shall mean a portion of the Project whose development begins after that of Phase I. Phase II may be constructed on the Land or on another parcel(s) of land owned by Deloitte LLP or its Affiliates that is within the Town. Should Phase II be constructed on another such parcel(s) of land within the Town, such parcel(s) shall also be considered to be “Land.”

“Procurement Company” shall mean a procurement company that Deloitte LLP has the right to establish which operates a business of purchasing and reselling items, including taxable items, within the State.

“Project” shall mean the improvements, related infrastructure and/or modifications approved under the Town’s Planned Development Regulations and to be constructed on the Land, or with respect to Phase II, on the Land or another parcel(s) of land owned by Deloitte LLP or its Affiliates within the Town, by or on behalf of Deloitte LLP or its Affiliates. The Project includes the Qualified Facilities.

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

“Qualified Facilities” shall mean the buildings and other structural components of the facility to be constructed by or on behalf of Deloitte LLP or its Affiliates as part of the Project; a single building which constitutes a part of the Qualified Facilities may be referred to as a “Qualified Facility.”

“Sales Tax Receipts” shall mean (1) the Town’s receipts from the State from the collection of the Town’s Sales and Use Tax attributable to the purchase of taxable items by Deloitte LLP or its Affiliates or its contractors and (2) the Town’s receipts from the State attributable to the collection of Total Town Sales and Use Tax by the Procurement Company. The parties expressly acknowledge and agree that the sales and use tax receipts described herein are being used only as a measurement of the Town’s payment of grants through the use of general funds.

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

“Total Town Sales and Use Taxes” shall mean the Town’s Sales and Use Taxes plus the half percent (.5%) 4B economic development sales tax authorized by art. 5190.6, Vernon’s Texas Civil Statutes, Section 4B. and the half percent (.5%) additional municipal sales and use tax (commonly known as the “sales tax for property tax relief”) authorized by Section 321.507 of the Tax Code imposed by the Town (it being expressly understood that sales and use taxes are

being used only as a measurement of the Town's grant of lawfully available funds to Deloitte LLP pursuant to Chapter 380 of the LGC).

"Town's Sales and Use Taxes" shall mean the local sales and use tax imposed by the Town other than the half percent (.5%) 4B economic development sales tax authorized by art. 5190.6, Vernon's Texas Civil Statutes, Section 4B. and the half percent (.5%) additional municipal sales and use tax (commonly known as the "sales tax for property tax relief") authorized by Section 321.507 of the Tax Code imposed by the Town (it being expressly understood that sales and use taxes are being used only as a measurement of the Town's grant of lawfully available funds to Deloitte LLP pursuant to Chapter 380 of the LGC).

"Use Payment Permit" shall mean a permit granted by the State that allows for the tracking of all taxable transactions subject to sales and use tax pursuant to Chapter 321 of the Tax Code.

Section 2. General Provisions.

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

Section 3. Term.

Subject to Section 5 and Section 10B. hereof, this Agreement shall remain in full force and effect from the Effective Date until the First Renewal Date. On each ten (10) year anniversary of the First Renewal Date (each such date, a "Renewal Date"), this Agreement shall renew for successive ten (10) year terms without any action by either party; provided, however, that on any Renewal Date, either Deloitte LLP or the Town may elect to terminate this Agreement by providing the other party not less than thirty (30) days' written notice of termination, as further described in Section 5 of this Agreement. The term of this Agreement notwithstanding, the shorter time periods specified in Sections 10 and 14 hereof shall control for the purposes specified in such sections. The tax abatements, grants and other economic development incentives granted hereby to Deloitte LLP for the Qualified Facilities and the Project shall continue for the duration of the specified term and, once all applicable conditions specified herein have been fulfilled, shall not be lost through Force Majeure events or other circumstances beyond the reasonable control of Deloitte LLP or its Affiliates, except to the extent otherwise specified in Section 5 hereof.

Section 4. Records and Inspections.

- A. Not later than February 15 of each year during the term of this Agreement, Deloitte LLP shall certify to the Town (i) the number of Jobs as of January 1 of such year, and (ii) if changed from the previous year, the aggregate number of gross square feet of office space contained in the Qualified Facilities as of January 1 of such year, as reasonably calculated by an architect retained by Deloitte LLP.
- B. At all times throughout the term of this Agreement, the authorized representatives of the Town shall have reasonable access to the Qualified Facilities, during normal business hours and upon at least five (5) business days' prior written notice to Deloitte LLP, for the purpose of inspecting same to ensure that the Qualified Facilities are maintained in accordance with the specifications and conditions of this Agreement; provided, however, that Deloitte LLP or its representatives shall have the right to accompany the authorized representatives of the Town on any such inspection and that such inspection shall be conducted in a manner which complies with Deloitte LLP's security procedures and which is the least disruptive of the employees and business operations of Deloitte LLP and its Affiliates.
- C. Deloitte LLP shall also provide the Town, in a timely manner, reasonably satisfactory evidence of all sales and use taxes and/or hotel occupancy taxes collected and/or paid by Deloitte LLP or its Affiliates for which Deloitte LLP seeks a grant pursuant to Sections 14, 15, 16 and 17 below.

Section 5. Breach and Remedy; Termination.

- A. The occurrence of the following conditions shall constitute an event of default ("Event of Default") hereunder: (i) the Qualified Facilities for which Deloitte LLP or any of its Affiliates has received an abatement hereunder fail to satisfy the Minimum Threshold Eligibility Requirements at any time subsequent to January 1, 2014; or (ii) Deloitte LLP fails to comply with any of the material terms or conditions of this Agreement, and any such failure (hereinafter, a "breach") specified in either clause (i) or (ii), above, remains uncured for ninety (90) days following Deloitte LLP's receipt of written notice (the "Breach Notice") from the Town, delivered in accordance with Section 18 hereof, of the event and nature of such breach; provided, however, that if such breach is not reasonably susceptible of cure within such ninety (90) day period and Deloitte LLP has commenced and is continuing to pursue the cure of such breach, then after first advising the Town of such cure efforts, Deloitte LLP shall automatically receive an additional ninety (90) day period within which to cure such breach. The Town may authorize additional time to cure any such breach, but is not obligated to grant such additional time. Notwithstanding anything expressed or implied herein to the contrary, no Event of Default shall exist if the failure of Deloitte LLP to fully perform its obligations hereunder is the result of a Force Majeure event.

Further time for cure of a breach by Deloitte LLP shall be extended by the reasonable time Deloitte LLP is delayed by a Force Majeure event.

- B. Upon the occurrence and during the continuation of any uncured Event of Default, the Town shall have the right to suspend the tax abatements and grants specified in Sections 10, 11, 14, 15, 16 and 17 hereof, pursuant to a notice (the "Suspension Notice") delivered in accordance with Section 18 hereof, and thereafter to receive from Deloitte LLP, as liquidated damages, a sum equal to (i) the amount of all ad valorem taxes which were assessed against the Qualified Facilities and which would have been paid to the Town by Deloitte LLP or its Affiliates but for this Agreement, for each year in which the Event of Default occurred and was continuing, without the benefit of abatement (after taking into account any applicable exemptions), and (ii) interest thereon charged at the rate of four and one-half percent (4.50%) per year and calculated for the period commencing on the date such taxes would have been delinquent and continuing through the date of payment of such liquidated damages. The calculation of liquidated damages shall not include any penalties or late charges. Such liquidated damages shall be due and payable to the Town within thirty (30) days of the receipt by Deloitte LLP of the Suspension Notice. If the Town delivers a Suspension Notice pursuant to this Section 5, then Deloitte LLP shall thereafter have no right to receive the tax abatements and grants specified in Sections 10, 11, 14, 15, 16 and 17 hereof unless and until Deloitte LLP has cured the breach or breaches specified in the Breach Notice.
- C. The remedies of Town provided herein are exclusive; all other remedies of Town including, without limitation, the remedy of specific performance or the right to seek any damages other than the liquidated damages specified above, being hereby waived.
- D. This Agreement shall terminate upon any one of the following:
- (a) On the First Renewal Date, or any subsequent Renewal Date, by either party, upon not less than thirty (30) days' written notice of termination to the other party;
 - (b) By Deloitte LLP, immediately upon written notice to the Town, if the Town fails to pay any grant within the applicable time period provided under this Agreement; and
 - (c) Immediately upon written notice from Deloitte LLP to the Town, upon any breach by the Town of its obligations under Section 21 hereof with respect to Confidential Tax Information.

Section 6. Sale, Assignment or Lease of Property.

Deloitte LLP shall have the right, without the Town's consent, to transfer, convey or lease all or any portion of the Land, the Project or the Qualified Facilities to one or more of its Affiliates and, in connection therewith, to assign to such Affiliates all or any portion of Deloitte LLP's rights and obligations under this Agreement, provided that each assignee assumes the

applicable terms and conditions of this Agreement. All other assignments of all or any portion of Deloitte LLP's rights and obligations under this Agreement shall require the prior approval of the Board. Deloitte LLP shall notify the Town pursuant to Section 18 of any proposed assignment requiring the Board's approval at least fifteen (15) days prior to the proposed effective date of such assignment. The approval of the Board of such assignment shall not be unreasonably withheld.

Section 7. Waiver of Fees.

- A. The Town agrees that it shall waive all of the fees related to the construction of buildings in the Zone, including Impact Fees (as such term is defined in Chapter 395 of the LGC), for Phase II.
- B. All fees assessed by Town against Deloitte LLP or its Affiliates for all phases of the Project other than Phase II shall be made in strict compliance with Chapter 378 and Chapter 395 of the LGC, as appropriate, and Deloitte LLP does not waive, and hereby expressly retains, all rights to challenge any such fee assessed by the Town.

Section 8. Permitting Process.

- A. The Town agrees that any permit or application submitted in connection with the Qualified Facilities that requires action by the Town, including, but not limited to, applications for:
 - (a) zoning;
 - (b) site plan and plat approval;
 - (c) building permits;
 - (d) certificates of occupancy; and
 - (e) water, sewer and/or drainage improvements or connections

shall be entitled to priority and shall be reviewed and approved as expeditiously as possible.

Section 9. Mutual Assistance.

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

Section 10. Tax Abatement.

- A. The parties acknowledge that the Town does not currently levy ad valorem taxes against real or personal property within the Town, and the Town does not

anticipate levying such taxes in the foreseeable future. However, as a material inducement to Deloitte LLP and its Affiliates to construct the Qualified Facilities, the Town hereby grants a tax abatement of seventy-five percent (75%), such that Deloitte LLP and its Affiliates shall pay twenty-five percent (25%), of all real and personal property ad valorem taxes which may hereafter be assessed by the Town and which may be abated under Ch. 312 of the Tax Code (or any successor statute) on each Qualified Facility constructed in the Project.

- B. The term of the tax abatement for each Qualified Facility constructed in a Phase shall extend for a period of ten (10) years from the date of issuance of the Final Certificate of Occupancy for such Phase. The parties agree that Deloitte LLP may provide the Town with a written certification that a particular certificate of occupancy is the Final Certificate of Occupancy for a particular Phase; provided, however, that such written certification may be modified or amended at any time before January 1 of the calendar year following its making. The parties also agree that such written certification is being made solely for purposes of administration of the tax abatement described in Section 10 hereof, and shall not be used for any other purposes. Any tax abatement approved hereunder shall survive the termination of this Agreement and remain in force so long as Deloitte LLP complies with the Minimum Threshold Eligibility Requirements.

Section 11. Grants.

The Town recognizes that the abatement of future ad valorem taxes, as provided in Section 10, above, constitutes a material inducement to Deloitte LLP and its Affiliates to construct the Qualified Facilities. If the Town elects to levy ad valorem taxes against real or personal property within the Town and the tax abatement and grant provisions contained in Section 10 hereof are determined to be unenforceable or unlawful or are rendered unenforceable or unlawful by the passage of any federal or state law, Town shall make, and hereby makes, economic development grants to Deloitte LLP, such grants to equal the amount of the ad valorem taxes that otherwise would have been abated and rebated in accordance with Section 10 hereof and such grants shall remain in effect for the same period tax abatements would have been in effect pursuant to subsection 10.B above.

Section 12. Right of Protest.

- A. Deloitte LLP and its Affiliates shall have the right to protest, contest or litigate: (a) any assessment of the value of the Project by any appraisal district which appraises real or personal property on all or any part of the Project; and, (b) any tax imposed on the Project by any taxing authority. The tax abatement (or, if applicable, the grants) provided for herein shall be applied to the amount of taxes finally determined to be due as a result of any such protest, contest or litigation.
- B. Except as expressly provided, this Agreement shall not be construed to in any way modify Deloitte LLP's or any of its Affiliates' right to protest, contest or litigate any and all Impact Fees, ad valorem taxes or any other taxes, fees or charges which may be levied or assessed by the Town or any other entity on the Project or

Deloitte LLP's or any of its Affiliates' operations at the Project. Notwithstanding the foregoing, in the absence of either a casualty to the Qualified Facilities or a reduction in average property value in the Town (as measured against the average property value in the Town as of the date of this Agreement) of 25% or greater, any protest of ad valorem taxes by Deloitte LLP or its Affiliates after the completion of Phase I resulting in an appraised value for the Qualified Facilities of less than \$50,000,000 shall constitute an Event of Default.

Section 13. Annual Application for Tax Exemption.

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

Section 14. Chapter 380 Grant Based Upon Sales Taxes.

- A. Pursuant to the authority granted by Chapter 380 of the LGC, Deloitte LLP shall receive from the Town a grant in the amount equal to one hundred percent (100%) of the Sales Tax Receipts pertaining to the Town's Sales and Use Taxes that were paid by Deloitte LLP, its Affiliates or their respective contractors within the applicable period described herein for any Project Costs, except with respect to those Project Costs incurred by the Procurement Company (defined below). The sales tax grant period created under this Section 14 shall commence on the Effective Date of this Agreement and shall expire for each building that comprises any portion of the Qualified Facilities on the date that is sixty (60) months following the date the Town issues a building permit for the construction of such building.
- B. The sales tax grants made hereunder shall be paid solely from lawfully available funds that have been appropriated by the Town. The Town will ensure that the amount of funds appropriated is sufficient to ensure the payment of grants in the amount identified in subsection 14.A., above. Under no circumstances shall the Town's obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision.
- C. Deloitte LLP shall use diligent and good faith efforts to manage all construction comprising or related to the Qualified Facilities to maximize, to the extent practicable and reasonable for Deloitte LLP, the amount of sales tax collection by the Town by having a point of sale in the Town in accordance with all applicable law.
- D. All grants referenced herein shall be paid quarterly to Deloitte LLP within sixty (60) days following the end of the calendar quarter in which the relevant Sales Tax Receipts were received by the Town. The amount to be granted shall be determined based on the relevant Sales Tax Receipts received by the Town pertaining to, or on behalf of, Deloitte LLP or its Affiliates.

Section 15. Chapter 380 Grant Based Upon ProCo Incentive Agreement Revenues.

- A. Pursuant to Texas law, Deloitte LLP shall have the right to establish the Procurement Company. Upon Deloitte LLP's request, the Town will enter into an economic development incentive agreement with Deloitte LLP, in the form attached hereto as Exhibit "E" (the "ProCo Incentive Agreement"). Whereupon, pursuant to the terms of the ProCo Incentive Agreement, Deloitte LLP will use the Procurement Company (which is sited within the Town), to the extent practicable and reasonable (and to the extent appropriate in light of Deloitte LLP's use of the Direct Payment Permit described in Section 16, below), to make purchases for the operations of Deloitte LLP and its Affiliates within the State of Texas. Deloitte LLP and the Town agree that the failure by any third party to observe or comply with the terms of the ProCo Incentive Agreement shall not be attributable in any way to Deloitte LLP or the Town.
- B. Pursuant to the authority granted by Chapter 380 of the LGC, the Town shall make a grant to Deloitte LLP, or, as Deloitte LLP may direct, to one of its Affiliates in an amount equal to 75% (excluding sales tax revenues from the half percent (.5%) 4B economic development sales tax authorized by art. 5190.6, Vernon's Texas Civil Statutes, Section 4B) of Total Town Sales and Use Taxes collected through the ProCo Incentive Agreement. The parties expressly acknowledge and agree that the sales and use taxes described herein are being used only as a measurement of the Town's payment of grants through the use of general funds.
- C. The sales tax grants made hereunder shall be paid solely from lawfully available funds that have been appropriated by the Town. The Town will ensure that the amount of funds appropriated is sufficient to ensure the payment of grants in the amount identified in subsection A., above. Under no circumstances shall the Town's obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision.

Section 16. Chapter 380 Grant Based Upon Sales/Use Taxes and Direct Payment Permit.

- A. Pursuant to Texas law, Deloitte LLP shall have the right to seek to obtain a Direct Payment Permit, which would establish First Use within the Town.
- B. If Deloitte LLP obtains such a Direct Payment Permit, pursuant to the authority granted by Chapter 380 of the LGC, Deloitte LLP shall receive from the Town a grant in the amount equal to one hundred percent (100%) of the Sales Tax Receipts pertaining to the Town's Sales and Use Taxes that were paid by Deloitte LLP or its Affiliates.
- C. The sales/use tax grants made hereunder shall be paid solely from lawfully available funds that have been appropriated by the Town. The Town will ensure that the amount of funds appropriated is sufficient to ensure the payment of grants

in the amount identified in subsection 16.B., above. Under no circumstances shall the Town's obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision.

- D. If Deloitte LLP obtains such a Direct Payment Permit, Deloitte LLP shall use diligent and good faith efforts to manage all relevant costs related to the Qualified Facilities to maximize, to the extent practicable and reasonable for Deloitte LLP (as well as to the extent appropriate in light of Deloitte LLP's use of the Procurement Company described in Section 15, above), the amount of sales and use tax collection by the Town in accordance with all applicable law.
- E. All grants referenced herein shall be paid quarterly to Deloitte LLP within sixty (60) days following the end of the calendar quarter in which the relevant sales tax receipts were received by the Town. The amount to be granted shall be determined based on the relevant Sales Tax Receipts received by the Town pertaining to the Project, by or on behalf of Deloitte LLP or its Affiliates.

Section 17. Chapter 380 Grant Based Upon Hotel Occupancy Taxes.

- A. Pursuant to the authority granted by Chapter 380 of the LGC, Deloitte LLP shall receive from the Town a grant in an amount equal to fifty percent (50%) of the Town's Hotel Occupancy Taxes collected by Deloitte LLP or its Affiliates with respect to any of the Qualified Facilities, but said grant shall not exceed \$100,000 in any calendar year. The grant period created under this Section 17 shall commence with the beginning of the calendar year following the issuance of a certificate of occupancy for each Qualified Facility within the Project.
- B. The grants referenced herein shall be paid solely from lawfully available funds that have been appropriated by the Town. The Town will ensure that the amount of funds appropriated is sufficient to ensure the payment of grants in the amount identified in subsection 17.A., above. Under no circumstances shall the Town obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision.
- C. All grants referenced herein shall be paid to Deloitte LLP within sixty (60) days of the end of each calendar quarter. The amount to be granted shall be determined based on the relevant Hotel Occupancy Tax Receipts received by the Town pertaining to the Project, collected by or on behalf of Deloitte LLP or its Affiliates.

Section 18. Notice.

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

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

Deloitte LLP:

With Copies to:
Office of General Counsel
1633 Broadway
New York, New York 10019

Town:

Joe Hennig
Interim Town Manager
Town of Westlake
3 Village Circle, Suite 202
Westlake, Texas 76262

With copy to:

L. Stanton Lowry
Boyle & Lowry L.L.P.
4201 Wingren, Ste. 108
Irving, Texas 75062

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

Section 19. Town Authorization.

This Agreement was authorized by resolution of the Board that was approved by the affirmative vote of a majority of the Board at its regularly scheduled Board meeting on the 24th day of March, 2008, authorizing the Town Manager to execute this Agreement on behalf of the Town. Town represents and warrants to Deloitte LLP that Town may lawfully perform its obligations under this Agreement.

Section 20. Deloitte LLP Authorization.

The individual executing this Agreement on behalf of Deloitte LLP represents to the Town that all appropriate and necessary action has been taken to authorize such individual to do so for and on behalf of the party for which his or her signature appears, that there are no other

parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement, and that such authorization is valid and effective on the date hereof.

Section 21. Confidentiality.

Except as disclosure is required by law, the Town agrees to keep all non-public information and documentation relating to Deloitte LLP or its Affiliates that it obtains in connection with this Agreement (the "Confidential Tax Information") confidential. The Town will only provide access to the Confidential Tax Information to its employees on a "need-to-know" basis. The Town will use the Confidential Tax Information solely for the purposes of determining the respective amount of each grant and for no other purpose, and the Town will not, without Deloitte LLP's prior written authorization: (a) disclose to any other person, use or exploit the Confidential Tax Information (other than as expressly permitted above) or (b) discuss Deloitte LLP or its affairs with any person other than Deloitte LLP's representatives. The Town's obligations under this Section 21 shall survive the termination of this Agreement. Notwithstanding the above, the Town and Deloitte LLP expressly understand and agree that should any third party request the Confidential Tax Information pursuant to the Texas Public Information Act, the Town's sole responsibility shall be to seek a written determination from the Texas Attorney General as to whether any or all of the Confidential Tax Information must be released as a public record.

Section 22. Severability.

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

Section 23. Estoppel Certificate.

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

Section 24. Applicable Law.

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

Section 25. Recordation of Agreement.

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

Section 26. Entire Agreement.

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

Section 27. Successors and Assigns.

Subject to the provisions of Section 6 hereof, this Agreement shall be binding on, and shall inure to the benefit of, the legal representatives, successors and assigns of the Town and Deloitte LLP.

Section 28. Further Assurances.

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

(SIGNATURE PAGES FOLLOW)

DRAFT

EXECUTED to be effective as of the date first set forth above.

TOWN OF WESTLAKE, TEXAS,
a municipal corporation

By: _____
Name: Joe C. Hennig
Title: Interim Town Manager

ATTEST:

By: _____
Kim Sutter, TRMC, Town Secretary

APPROVED AS TO FORM

By: L. Stanton Lowry
Town Attorney

DELOITTE LLP,
a Delaware limited liability partnership

By: _____
Name: _____
Title: _____

DRAFT

STATE OF TEXAS
COUNTY _____

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§
§

This instrument was acknowledged before me on _____, 2008, by Joe Hennig, the Interim Town Manager of the Town of Westlake, Texas, a municipal corporation, on behalf of said municipal corporation.

Notary Public in and for the State of Texas

Printed/Typed Name of Notary

My Commission Expires: _____

STATE OF _____
COUNTY _____

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§

This instrument was acknowledged before me on _____, 2008, by _____, in his/her capacity as a partner/principal of Deloitte LLP, on behalf of said partnership.

Notary Public in and for the State of _____

Printed/Typed Name of Notary

My Commission Expires: _____