

## EXHIBIT A

### AGREEMENT

This Agreement is entered into by and between the City of Carrollton, Texas, a home rule city and municipal corporation of Dallas County, Texas, duly acting by and through its City Manager, hereinafter referred to as CITY, and Valwood Industrial Land, L.P. acting by and through David Cartwright, Vice President, hereinafter referred to as OWNER.

#### WITNESSETH:

WHEREAS, the CITY finds that the administration of a program of grants to OWNER for a limited time in amounts equal to a portion of CITY taxes paid on real property, hereafter referred to as PROGRAM, would promote local economic development and stimulate business and commercial activity within the municipality and would directly establish a public purpose; and,

WHEREAS, the CITY has determined that the said PROGRAM contains sufficient controls to ensure that the above-mentioned public purposes are carried out in all transactions involving the use of public funds and resources in the establishment and administration of the PROGRAM; and,

WHEREAS, V.T.C.A., Local Government Code Chapter 380 provides statutory authority for establishing and administering the said PROGRAM, including making loans and grants of money.

NOW THEREFORE, the parties do mutually agree as follows:

1. From the execution of this AGREEMENT to the end of the AGREEMENT period, City of Carrollton real property taxes shall be payable as follows:
  - a. The real property to be the subject of this AGREEMENT shall be confined to the property at 1215 W. Crosby Rd., Carrollton, Texas 75006 (as described in the attached property description marked EXHIBIT B), hereinafter referred to as PREMISES.
  - b. BASE YEAR VALUE shall mean the assessed value of the real property on PREMISES on January 1 of the year 2014.
  - c. Real property in this AGREEMENT shall include the value of land and improvements on the PREMISES as defined by the Texas Property Tax Code (V.T.C.A.).
  - d. Value of IMPROVEMENTS shall include value of land and buildings and immovable property on the PREMISES less BASE YEAR VALUE.
  - e. Value of ineligible property shall be fully taxable; additional value of new eligible IMPROVEMENTS shall be fully taxed but used in the calculation of the grant in this PROGRAM; and all real property shall be fully taxed at the end of this AGREEMENT.
  - f. Values shall be the same as the value of such property as determined annually by the Dallas Central Appraisal District, subject to the appeal procedures set forth in the V.T.C.A. Tax Code. Any decrease in value after appeal is subject to recalculation of the appropriate amount of the grant from the City under this

AGREEMENT. If the City has already issued the grant to the OWNER based on the larger value, payment to the CITY by OWNER of such difference shall be remitted within 60 days to CITY after final determination of appeal.

2. Subject to the terms and conditions of this AGREEMENT, and subject to the rights of holders of any outstanding bonds of the CITY, CITY shall make grants pursuant to the PROGRAM to the OWNER in amounts equal to 50% of the City of Carrollton real property taxes assessed and paid upon value of real property for the years 2015, 2016, 2017, 2018, and 2019 less the BASE YEAR VALUE since this incentive is for real property values established after the Base Year 2014. Any increase in real property value after Base Year 2014 will be rebated as described in this section. The CITY shall make such grants in accordance with this AGREEMENT to the OWNER within 60 days of full payment of all taxes by OWNER to the CITY on the PREMISES.

3. The OWNER agrees and covenants that it will diligently and faithfully, in a good and workmanlike manner, make improvements to the PREMISES including but not limited to a two-building industrial complex with a minimum total in excess of 295,776 square feet, which shall be included in the IMPROVEMENTS, in accordance with all applicable state and local laws and regulations or a valid wavier thereof.

4. OWNER shall thereafter, from the date of execution of this AGREEMENT until the expiration of the grant agreement, make such IMPROVEMENTS, including but not limited to \$ 14.1 million in real property improvements on the PREMISES, and continuously operate, occupy and maintain the PREMISES for the following described purpose, hereinafter referred to as the PURPOSES: industrial facilities.

5. In the event that: (1) IMPROVEMENTS described in paragraph 3 of this AGREEMENT are not completed and a certificate of occupancy is not issued by CITY for said PREMISES by December 31, 2014; or (2) OWNER allows its real property taxes owed the CITY for the PREMISES to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of any such real property taxes; or (3) OWNER fails to occupy the IMPROVEMENTS for the PURPOSES set forth in paragraph 3 above by December 31, 2014; or (4) OWNER breaches any of the terms or conditions of the AGREEMENT, then the OWNER shall be in default of this AGREEMENT. In the event that the OWNER defaults in its performance of (1), (2), (3), or (4) above, then the CITY shall give the OWNER written notice in accordance with paragraph 9 below of such default. If OWNER has not cured such default or obtained a valid waiver thereof from the appropriate authority within a thirty (30) day period owing to causes beyond the control of the OWNER, this AGREEMENT may be terminated by the CITY. Notice of termination shall be in writing as provided in paragraph 9 below. In the event of termination pursuant to the provisions of the paragraph, the CITY will not make a grant to the OWNER, pursuant to this AGREEMENT, for the calendar year during which the default occurred or any years thereafter, but there shall be no recapture of grants that were issued to OWNER in prior years.

6. The terms and conditions of this AGREEMENT are binding upon the successors and assigns of all parties hereto. This AGREEMENT cannot be assigned by OWNER unless written permission is first granted by the CITY. CITY's consent to assignment of the AGREEMENT to a tenant or lessee of OWNER, for a grant in the amount of 50% of the City of Carrollton real property taxes assessed and paid by tenant or lessee upon value of real property for the 2015, 2016, 2017, 2018 and 2019 (unless terminated earlier) less the BASE YEAR VALUE shall not be unreasonably withheld, so long as OWNER's lessee or tenant agrees in writing to be bound by all terms and conditions of this AGREEMENT.

7. It is understood and agreed between the parties that the OWNER, in performing its obligations thereunder, is acting independently, and the CITY assumes no responsibilities or liabilities in connection therewith to third parties, and OWNER agrees to indemnify and hold CITY harmless therefrom; it is further understood and agreed among parties that the CITY, in performing its obligations hereunder, is acting independently, and the CITY assumes no responsibilities in connection therewith to third parties.

8. The OWNER further agrees that the CITY, its agents and employees, shall have reasonable rights of access to the PREMISES to inspect the property in order to ensure that the facility is in accordance with all applicable agreements with the CITY, including this AGREEMENT, and all applicable state and local laws and regulations, as well as the continuing right, subject to OWNER's reasonable security requirements, to inspect the PREMISES to ensure that the PREMISES are thereafter maintained, operated, and occupied in accordance with all applicable agreements with the CITY.

9. Notices required to be given to any party to this AGREEMENT shall be in writing and shall be duly served when it shall have been deposited, enclosed in a wrapper with proper postage prepaid thereon, addressed to the party at its address as set forth below, and shall be deemed to have been received three days after the date deposited in the United States Mail:

For CITY by notice to:

City of Carrollton  
Attn: City Manager  
P. O. Box 110535  
Carrollton TX 75011-0535

With copy to:

City Attorney  
P. O. Box 110535  
Carrollton TX 75011-0535

For Owner by notice to:

David Cartwright  
Valwood Industrial Land, L.P.  
c/o Holt Lunsford Commercial, Inc.  
5055 Keller Springs Rd., ste. 300  
Addison, TX 75001

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

10. On the first day of February, 2015, and annually thereafter on the first day of February, OWNER shall certify to the CITY its compliance with each applicable term of this AGREEMENT on that date and, if applicable, for the previous year.

11. This AGREEMENT was authorized by action of the City Council, authorizing the City Manager to execute the AGREEMENT on behalf of the CITY. This action by the Council was at a meeting open to the public, and that public notice of the time, place and purpose of said meeting was given, all as required by Texas Open Meetings Act, V.T.C.A. Government Code, and Chapter 551.

12. Under Chapter 2264 of the Texas Local Government Code, OWNER has submitted the required certification that the business, or a branch, division, or department of the business, does not and will not knowingly employ an undocumented worker. An undocumented worker means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under the law to be employed in that manner in the United States. If after receiving this public subsidy/grant from the CITY, the OWNER, or a branch, division, or department of the business, is convicted of a violation under 8 U.S.C. Section 1324a(f), the OWNER shall repay the amount of the grant from the CITY with interest, at the rate of 5% according to the terms provided by this AGREEMENT under Section 2264.053, but not later than the 120<sup>th</sup> day after the date the public agency, state or local taxing jurisdiction, or economic development corporation notifies the OWNER of the violation. CITY may exercise all rights to enforce this recovery as allowed by Subchapter C of Chapter 2264 or any other laws.

13. This shall constitute a valid and binding AGREEMENT between the CITY and VALWOOD INDUSTRIAL LAND, L.P. upon execution, and the terms and conditions are binding upon the successors and assigns of all parties hereto.

14. OWNER warrants to the best of its knowledge that the PREMISES do not include any property that is owned by a member of the City Council or any board, Commission or other governmental body approving or having responsibility for the approval of this AGREEMENT.

15. If any provision of this AGREEMENT or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, and such invalidity or

unenforceability does not destroy the basis of the bargain between the parties, then the remainder of this AGREEMENT and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

16. Venue of any action to enforce any of the provisions hereof shall lie exclusively in Dallas County, Texas. The laws of the State of Texas shall apply in all respects to interpretation of the AGREEMENT.

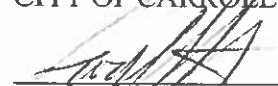
17. This AGREEMENT has been executed by the parties in multiple originals, each having full force and effect.

EXECUTED the 15<sup>th</sup> day of April, 2014.


ATTEST:

  
Ashley D. Mitchell, City Secretary


CITY OF CARROLLTON, TEXAS


  
Leonard Martin, City Manager

APPROVED AS TO FORM:

  
Regina Edwards  
First Assistant City Attorney

APPROVED AS TO CONTENT:

  
Thomas Latchem  
Director of Economic Development

  
David Cartwright  
Vice President  
Valwood Industrial Land, L.P.  
c/o Holt Lunsford Commercial, Inc.  
5055 Keller Springs Rd., ste. 300  
Addison, TX 75001



## EXHIBIT B

### LEGAL DESCRIPTION

Lot 1, Block 1  
Crosby Trade Center

### OWNERS CERTIFICATION

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STATE OF TEXAS

COUNTY OF DALLAS

WHEREAS, Valwood Industrial Land, L.P. is the owner of a 15.491 acre tract of land situated in the S.A. & M.G. Railroad Company, Survey, Abstract No. 141B, City of Carrollton, Dallas County, Texas; said tract being all of that tract of land described in Special Warranty Deed to Valwood Industries Land, L.P. as recorded in Instrument No. 201200324853 of the Official Public Records of Dallas County, Texas; said 15.491 acre tract being more particularly described as follows:

BEGINNING, at an "+" cut in concrete found at the northwest corner of said Valwood Industries Land tract, said point being the northeast corner of Lot J, Block 1, Microelectronics Addition No. 1, an addition to the City of Carrollton, Texas according to the plat recorded in Volume 2005054, Page 252, of the Deed Records of Dallas County, Texas, said point also being in the south right-of-way line of Crosby Road (a 70-foot wide right-of-way);

THENCE, North 89 degrees, 52 minutes, 49 seconds East, with the said south line of Crosby Road, a distance of 992.41 feet to a 1/2-inch iron rod with PACHECO KOCH cap set at the northeast corner of said Valwood Industries Land tract, said point being the northwest corner of that tract of land described in Warranty Deed to K. & D. Investment Corp. as recorded in Volume 72244, Volume 2253 of said Deed Records;

THENCE, South 00 degrees, 41 minutes, 11 seconds East, departing the said south line of Crosby Road, a distance of 680.00 feet to a PK nail found at the southeast corner of said Valwood Industries Land tract, said point being in the west line of that tract of land described in Special Warranty Deed to TPRF/DFW Industrial 1, LP as recorded in Instrument No. 200503532597 of said Official Public Records; said point being in the north line of Lot 1R of said Block 1;

THENCE, South 89 degrees, 52 minutes, 49 seconds West, departing the west line of said TPRF/DFW Industrial 1 LP tract and along the south line of said Valwood tract and north line of said Lot 1R a distance of 992.41 feet to a "+" cut in concrete found at the southwest corner of said Valwood Industries Land tract;

THENCE, North 00 degrees, 41 minutes, 11 seconds West, with the west line of said a distance of 680.00 feet to the POINT OF BEGINNING;

CONTAINING: 674,806 square feet or 15.491 acres of land, more or less.