

**TAX ABATEMENT AGREEMENT FOR PROPERTY LOCATED IN A
NEIGHBORHOOD EMPOWERMENT ZONE**

This **TAX ABATEMENT AGREEMENT** ("**Agreement**") is entered into by and between the **CITY OF FORT WORTH, TEXAS** (the "**City**"), a home rule municipal corporation organized under the laws of the State of Texas and acting by and through David Cooke, its duly authorized City Manager, and 2925 Race, LLC, a Texas limited liability company ("**Owner**").

The City Council of the City of Fort Worth ("**City Council**") hereby finds and the City and Owner hereby agree that the following statements are true and correct and constitute the basis upon which the City and Owner have entered into this Agreement:

A. Chapter 378 of the Texas Local Government Code allows a municipality to create a neighborhood empowerment zone if the municipality determines that the creation of the zone would promote:

- (1) the creation of affordable housing, including manufactured housing in the zone;
- (2) an increase in economic development in the zone;
- (3) an increase in the quality of social services, education, or public safety provided to residents of the zone; or
- (4) the rehabilitation of affordable housing in the zone.

B. Chapter 378 of the Texas Local Government Code provides that a municipality that creates a neighborhood empowerment zone may enter into agreements abating municipal property taxes on property in the zone.

C. On July 31, 2001, the City Council adopted basic incentives for property owners who own property located in a Neighborhood Empowerment Zone, stating that the City elects to be eligible to participate in tax abatement and including guidelines and criteria governing tax abatement agreements entered into between the City and various third parties, titled "Neighborhood Empowerment Zone NEZ Basic Incentives" ("**NEZ Incentives**"), these were readopted on May 19, 2015 (Resolution No. 4455).

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

E. On April 5, 2011, the Fort Worth City Council adopted Ordinance No. 19641 establishing "Neighborhood Empowerment Reinvestment Zone No. 38" City of Fort Worth, Texas, which allowed for tax abatement agreements for a five years period, which was re-adopted through Ordinance No. 22285 on June 21, 2016, and adopted Resolution No. 3981 ("Resolution") establishing "Designation of the Six Points Area as a Neighborhood Empowerment Zone" (the "**NEZ**").

F. On August 2, 2016, the City Council adopted Ordinance No. 22340-08-2016 establishing Tax Abatement Reinvestment Zone No. 93, City of Fort Worth, Texas (the "**Zone**") which allows for a tax abatement agreement for a ten year period.

G. Owner owns certain real property located entirely within the NEZ and that is more particularly described in Exhibit "1", attached hereto and hereby made a part of this Agreement for all purposes (the "**Premises**").

H. Owner or its assigns plans to construct a residential unit/apartment complex on the Premises (the "**Project**"), which will at a minimum include the Required Improvements, as defined in Section 2.1 .

I. On October 27, 2015, Owner submitted an application for NEZ incentives and tax abatement to the City concerning the contemplated use of the Premises (the "**Application**"), attached hereto as Exhibit "2" and hereby made a part of this Agreement for all purposes.

J. The contemplated use of the Premises, the Required Improvements, as defined in Section 2.1, and the terms of this Agreement are consistent with encouraging development of the Zone in accordance with the purposes for its creation and are in compliance with the Policy Statement on the Creation of Local Neighborhood Empowerment Zone (NEZ), the Resolution and other applicable laws, ordinances, rules and regulations.

K. The terms of this Agreement, and the Premises and Required Improvements, satisfy the eligibility criteria of the NEZ Incentives.

L. Written notice that the City intends to enter into this Agreement, along with a copy of this Agreement, has been furnished in the manner prescribed by the Code to the presiding officers of the governing bodies of each of the taxing units in which the Premises is located.

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

1. DEFINITIONS.

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

"Abatement" means the abatement of one-hundred percent (100%) of the City's incremental ad valorem real property taxes on eligible required improvements located on the Premises (but not on the Land itself, which taxes shall not be subject to Abatement hereunder), as more specifically provided in Section 4, all calculated in accordance with this Agreement.

"Abatement Term" means the term of ten (10) consecutive years, commencing on January 1 of the calendar year following the Compliance Auditing Term (the "Abatement Beginning Date") and expiring on December 31st immediately preceding the tenth anniversary of the Abatement Beginning Date.

"Central City" means the area identified within the central city boundary, as shown on Exhibit "4" attached hereto.

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

"Compliance Auditing Term" means the first full calendar year after the year in which the Completion Date occurs.

"Commencement Date" means the date on which a building permit is issued, allowing work to begin on the development of the Required Improvements, including but not limited to a demolition permit or a paving and grading permit.

"Completion Date" has the meaning ascribed to that term in Section 2.3 of this Agreement.

"Completion Deadline" has the meaning ascribed to that term in Section 2.3 of this Agreement.

"Construction Costs" has the meaning ascribed to that term in Section 2.2 of this Agreement.

"Director" means the City's Director of Neighborhood Services, or his or her designee.

"Effective Date" means the date of execution of this Agreement by both the City and Owner.

"Event of Default" means a breach of this Agreement by a party, either by act or omission, as more specifically set forth in Section 5 of this Agreement.

"Force Majeure" means an event beyond Owner's reasonable control, including, without limitation, acts of God, fires, strikes, national disasters, wars, riots and material or labor restrictions, but shall not include construction delays caused due to purely financial matters, such as, without limitation, delays in the obtaining of adequate financing.

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

"Gross Floor Area" means the area that is measured by taking the outside dimensions of the building at each floor level, except that portion of the basement used only for utilities or storage, and any areas within the building used for off-street parking.

"Hard Construction Costs" means the aggregate of the following costs expended or caused to be expended by Owner for development on the Premises: actual site development and construction costs (including demolition and environmental abatement), general contractor and

subcontractor fees, and the costs of supplies, materials and construction labor, but specifically excludes any property acquisition costs.

“Premises” has the meaning ascribed to that term in Recital G.

“Project” has the meaning ascribed to that term in Recital H.

"Term" means the term of this Agreement, which shall begin on the Effective Date and, unless the Agreement is terminated earlier in accordance with its terms and conditions, will expire on December 31 of the last year of the Abatement Term.

2. OWNER'S OBLIGATIONS AND COMMITMENTS.

2.1. Real Property Improvements.

Owner shall construct or cause to be constructed by the Completion Deadline, as defined in Section 2.3, a minimum of 151,000 square feet of development as evidenced by a temporary or permanent certificate of occupancy consisting of (a) a minimum of 138,000 square feet of residential rental space containing at least 152 dwelling units (the “**Apartments**”) comprising at least twenty percent (20%) of the total Gross Floor Area; and (b) a minimum of 13,800 square feet of office, restaurant, entertainment, retail sales and service uses, and/or live /work space (the “**Retail Spaces**”); and (c) a multi-level parking garage to accommodate the apartment residents and retail customers, having Construction Costs upon completion of at least \$20,000,000 (the “**Required Improvements**”).

2.2 Construction Costs.

“**Construction Costs**” shall mean Hard Construction Costs; actual construction costs of constructing the Project; including contractor fees; the costs of supplies and materials; site development costs (including demolition and environmental abatement); streetscape improvements to Plumwood Street as well as paving and landscaping improvements to the public connection through the site to enhance development; construction interest paid during construction until a final certificate of occupancy is issued for the Apartments and other professional fees (including legal and the costs associated with the financing of the Project, but not including loan interest or legal fees associated with negotiation of this agreement); and other professional fees, development fees, and permitting fees expended directly in connection with construction of the Project. The City recognizes that Owner will request bids and proposals from various contractors in order to obtain the lowest reasonable price for the cost of the Required Improvements. In the event that bids and proposals for the Required Improvements are below \$20,000,000.00 in Construction Costs for work substantially the same as that provided in Exhibit “3” and otherwise described in this Agreement, the City will meet with Owner to negotiate in good faith an amendment to this Agreement so that Owner is not in default for its failure to expend at least \$20,000,000.00 in Construction Costs, with the understanding that the City’s staff will recommend, but cannot guarantee, approval of such amendment by the City Council. The final site plan shall be in substantially the same form as the site plan submitted and attached

as Exhibit "3". Minor variations, and more substantial variations if approved in writing by both parties to this Agreement, in the Required Improvements from the description provided in the Application for Tax Abatement shall not constitute an Event of Default, as defined in Section 5.1, provided that the conditions in the first sentence of this Section 2.1 are met and the Required Improvements are used for the purposes and in the manner described in Exhibit "3".

2.3. Completion Date of Required Improvements.

The Required Improvements shall be deemed complete on the date as of which a temporary or final certificate of occupancy has been issued for all of the Required Improvements (the "**Completion Date**"). Owner covenants and agrees that the Completion Date shall occur by December 31, 2019 (the "**Completion Deadline**"). The Abatement will automatically terminate two years after the Effective Date if a building permit has not been pulled and a foundation has not been poured, unless delayed because of force majeure in which case the two years shall be extended by the number of days comprising the specific Force Majeure.

2.4. Use of Required Improvements.

Owner covenants that the Required Improvements shall be constructed and the Premises shall be used in accordance with the description of the Project set forth in the Exhibit "3". In addition, Owner covenants that throughout the Term, the Required Improvements shall be operated and maintained for the purposes set forth in this Agreement and in a manner that is consistent with the general purposes of encouraging development or redevelopment of the Zone. Minor variations and more substantial variations if approved in writing by both parties to the Agreement, in the Required Improvements from the description provided in Exhibit "3" shall not constitute an Event of Default, provided that the conditions set forth in Section 2.1 of this Agreement are met.

2.5. Property Maintenance.

Owner covenants to ensure high quality management and maintenance of the Premises for the duration of the abatement, that each building in the development is suitable for occupancy, taking into account local health, safety, and building codes, and to comply with all building codes requirements imposed by the state or local government unit responsible for making building code inspections. If a violation report or notice is issued by the governmental unit, the Owner must provide to City either a statement summarizing the violation report or notice or a copy of the violation report or notice within thirty (30) days of receipt of such notice. In addition, the Owner must state whether the violation has been corrected, and if such violation cannot reasonably be corrected in the thirty (30) day period, what steps the Owner has taken to diligently correct such violation. Failure to comply with the above will constitute an Event of Default and, upon City's written notice to Owner, subject to the cure rights in Section 5.4, this Agreement may be terminated.

2.6. Affordable/Accessible Housing Set-Aside.

Throughout the Abatement Term, Owner pays the Fort Worth Housing Finance Corporation (FWHFC) an annual sum equal to \$200.00 for each rental residential unit located on the Premises which is subject to the Abatement. This annual payment will be due on or before April 1 of each year in which an Abatement is granted. Failure to pay the annual payment to the FWHFC when due will result in the forfeiture of the entire Abatement for the tax year in which payment was due. In addition, five percent (5%) of the total residential rental units constructed shall be compliant with the Americans with Disability Act (ADA) and fully accessible, and two percent (2%) of the total residential rental units constructed shall be fully accessible to persons with sensory impairments.

2.7. Construction Spending Commitment for Fort Worth Companies.

By the Completion Deadline, Owner shall have expended or caused to be expended with Fort Worth Companies the greater of (i) Three Million Dollars (\$3,000,000.00) in Hard Construction Costs for the Project or (ii) at least fifteen percent (15%) of all Hard Construction Costs for the Project, regardless of the total amount of such Hard Construction Costs (the “**Fort Worth Construction Commitment**”). Payments to a general contractor which is a Fort Worth Company will be counted toward the Fort Worth Construction Commitment, regardless of whether any subcontractors of such general contractor are themselves Fort Worth Companies. Likewise, payments to subcontractors which are Fort Worth Companies will be counted toward the Fort Worth Construction Commitment, regardless of whether the general contractor of such subcontractors is itself a Fort Worth Company.

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

By the Completion Deadline, Owner shall have expended or caused to be expended with Fort Worth Certified M/WBE Companies the greater of (i) Three Million Dollars (\$3,000,000.00) in Hard Construction Costs for the Project or (ii) at least fifteen percent (15%) of all Hard Construction Costs for the Project, regardless of the total amount of such Hard Construction Costs (the “**M/WBE Construction Commitment**”). Payments to a general contractor which is a Fort Worth M/WBE Company will be counted toward the M/WBE Construction Commitment, regardless of whether any subcontractors of such general contractor are themselves Fort Worth M/WBE Companies. Likewise, payments to subcontractors which are Fort Worth M/WBE Companies will be counted toward the M/WBE Construction Commitment, regardless of whether the general contractor of such subcontractors is itself a Fort Worth M/WBE Company. Dollars spent with Fort Worth Certified M/WBE Companies for purposes of measuring the M/WBE Construction Commitment shall also be counted for purposes of measuring the Fort Worth Construction Commitment.

2.9. Overall Employment Commitment.

During the Abatement Term, Owner or its third party management company shall continuously provide and fill at least three (3) Full-Time Jobs on the Premises (the “**Overall Employment Commitment**”).

2.10. Employment Commitment for Fort Worth Residents.

During the Abatement Term, Owner or its third party manager shall continuously provide and fill at least the greater of (i) two (2) Full-Time Jobs or (ii) fifty percent (50%) of all Full-Time Jobs, regardless of the total number of such Full-Time Jobs, with Fort Worth residents (the “**Fort Worth Employment Commitment**”). Full-Time Jobs held by Fort Worth residents shall also count as Full-Time Jobs for purposes of measuring the Overall Employment Commitment outlined in Section 2.9.

2.11. Employment Commitment for Central City Residents.

During the Abatement Term, Owner or its third party management company shall continuously provide and fill at least the greater of (i) one (1) Full-Time Job or (ii) twenty five percent (25%) of all Full-Time Jobs, regardless of the total number of such Full-Time Jobs, with Central City Residents (the “**Central City Employment Commitment**”). Full-Time Jobs held by Central City Residents shall also count as Full-Time Jobs for purposes of measuring the Overall Employment Commitment outlined in Section 2.9 and the Fort Worth Employment Commitment outlined in Section 2.10.

2.12. Reports and Filings.

2.12.1. Construction Spending Reports.

2.12.1.1 Monthly Reports.

From the Commencement Date until the Completion Date, Owner will provide the Director with a monthly report in a form reasonably acceptable to the City that specifically outlines the then-current aggregate Construction Costs expended by and on behalf of Owner for the Project, together with the then-current aggregate Hard Construction Costs for the Project expended by and on behalf of Owner with Fort Worth Companies and with Fort Worth Certified M/WBE Companies. Owner agrees to meet with the City’s M/WBE Office as reasonably necessary for assistance in meeting or exceeding the M/WBE Construction Commitment and to address any related concerns that the City may have.

2.12.1.2 Final Construction Reports.

Within ninety (90) calendar days following the Completion Deadline, in order for the City to assess whether Owner or its general contractor, as applicable, expended or caused to be expended at least Twenty Million Dollars (\$20,000,000.00) in Construction Costs for the Project, and the extent to which Owner met the Fort Worth Construction Commitment and the M/WBE

Construction Commitment, Owner will provide the Director with a report in a form reasonably acceptable to the City that specifically outlines (i) the total Construction Costs expended by and on behalf of Owner for the Project, (ii) the total Hard Construction Costs expended with Fort Worth Companies by and on behalf of Owner, and (iii) the total Hard Construction Costs expended with Fort Worth Certified M/WBE Companies by and on behalf of Owner, together with supporting invoices and other documents necessary to demonstrate that such amounts were actually paid by Owner, including, without limitation, final lien waivers signed by Owner's general contractor.

2.12.1.3 Annual Employment Report.

On or before February 1 of the second year of the Abatement Term, and of each year thereafter up until and including February 1 of the calendar year following the expiration of the Abatement Term, in order for the City to assess the degree to which Owner or its third party management company, as applicable, met the Employment Commitment in the previous year, Owner shall provide or cause its third party management company to provide the Director with a report in a form reasonably acceptable to the City that sets forth the total number of individuals who held Full-Time Jobs on the Premises, each as of December 1 (or such other date requested by Owner and reasonably acceptable to the City) of the previous calendar year, together with reasonable supporting documentation.

2.12.1.4 General.

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

2.13. Inspections.

At any time during Owner's normal business hours throughout the Abatement Term following at least ten (10) days' prior written notice to Owner the City shall have the right to inspect the Premises, and Owner will provide full access to the same for the City to monitor compliance with the terms and conditions of this Agreement. Owner will cooperate fully with the City during any such inspection and evaluation. Notwithstanding the foregoing, Owner shall have the right to require that any representative of the City be escorted by a representative or security personnel of Owner during any such inspection and evaluation.

2.14. Audits.

The City will have the right throughout the Abatement Term as further described in this Section 2.14 to audit the financial and business records of Owner that relate to the Required Improvements and any other documents necessary to evaluate Owner's

compliance with this Agreement or with the commitments set forth in this Agreement, including, but not limited to construction documents and invoices and leasing and tenant records for residential rental units constructed as part of the Required Improvements (collectively "**Records**"). Owner shall make all Records available to the City on the Premises or at another location in the City acceptable to both parties following reasonable advance notice by the City (or delivered to the City electronically, in a format reasonably acceptable to the City) and shall otherwise cooperate fully with the City during any audit; provided, however, that Owner will not be obligated to provide agreements with its lenders, investors, joint venture partners or any other third parties that do not contain information relevant to the City's monitoring of its compliance with the terms of this Agreement.

2.15 Use of Premises.

The Premises must be used at all times during the Abatement Term for purposes connected with the Project, and must have designated space for the uses described in Section 2.1 above.

3. CERTIFICATE OF COMPLETION.

Within ninety (90) calendar days following receipt by the City of the final construction spending report for the Project submitted in accordance with Section 2.12.1.2, to the extent the City is able to verify that Construction Costs of at least Twenty Million Dollars (\$20,000,000.00) were expended for the Project by the Completion Deadline and that the Completion Date occurred on or before Completion Deadline, the Director will issue Owner a certificate stating the aggregate amount of Construction Costs expended and the amount of Hard Construction Costs expended specifically with Fort Worth Companies and Fort Worth Certified M/WBE Companies (the "**Certificate of Completion**"). The Certificate of Completion will serve as the basis for determining the extent to which the Fort Worth Construction Commitment and the M/WBE Construction Commitment were met.

4. TAX ABATEMENT.

Provided that (i) Owner expended at least Twenty Million Dollars (\$20,000,000.00) in Construction Costs for the Project by the Completion Deadline, as confirmed in the Certificate of Completion issued by the Director in accordance with Section 3, and (ii) the Completion Date occurred on or before the Completion Deadline, as confirmed in the Certificate of Completion issued by the Director in accordance with Section 3, and (iii) for each year such payment is due, Owner is in compliance with Section 2.6, subject to the terms and conditions of this Agreement, Owner will be entitled to receive an Abatement in the first year of the Abatement Term and in each year thereafter for the remainder of the Abatement Term. The amount of each Abatement that Owner is entitled to receive during such years will be a percentage of the City's ad valorem taxes on the increase in value of the Required Improvements located on the Premises (but not on the Land itself, which taxes shall not be subject to Abatement hereunder) over their value for the 2016

tax year (which is the year this Agreement was entered into), after the demolition of any existing structures, which the parties agree such value is \$0.00. The percentage shall equal the sum of the Overall Construction Percentage, the Fort Worth Construction Percentage, the M/WBE Construction Percentage, the Overall Employment Percentage, the Fort Worth Employment Percentage, and the Central City Employment Percentage, as defined in Sections 4.1 through 4.8 (not to exceed one hundred percent (100%) in the aggregate), as follows:

4.1. Completion of Development (50%).

An Abatement of fifty percent (50%) (the “**Overall Construction Percentage**”) will automatically be applied on account of Owner’s having met all requirements in accordance with Section 3 for completion of the Required Improvements.

4.2. Fort Worth Construction Cost Spending (Up to 15%).

A percentage of the Abatement will be based on the extent to which the Fort Worth Construction Commitment, as outlined in Section 2.7, was met (the “**Fort Worth Construction Percentage**”). The Fort Worth Construction Percentage shall equal the product of fifteen percent (15%) multiplied by the percentage by which the Fort Worth Construction Commitment was met, which will be calculated by dividing the actual Hard Construction Costs expended for the Project by the Completion Deadline with Fort Worth Companies by the number of dollars comprising the Fort Worth Construction Commitment, as determined in accordance with Section 2.7. For example, if the Fort Worth Construction Commitment is \$10,500,000.00 and only \$7,350,000.00 in Hard Construction Costs were expended with Fort Worth Companies by the Completion Deadline, the Fort Worth Construction Percentage would be 10.5% instead of 15% (or $.15 \times [\$7.35 \text{ million}/\$10.5 \text{ million}]$, or $.15 \times .70$, or .105%). If the Fort Worth Construction Commitment was met or exceeded, the Fort Worth Construction Percentage will be fifteen percent (15%).

4.3. Fort Worth M/WBE Construction Cost Spending (Up to 15%).

A percentage of the Abatement will be based on the extent to which the M/WBE Construction Commitment, as outlined in Section 2.8 was met (the “**M/WBE Construction Percentage**”). The M/WBE Construction Percentage shall equal the product of fifteen percent (15%) multiplied by the percentage by which the M/WBE Construction Commitment was met, which will be calculated by dividing the actual Hard Construction Costs expended for the Project by the Completion Deadline with Fort Worth Certified M/WBE Companies by the number of dollars comprising the M/WBE Construction Commitment, as determined in accordance with Section 2.8. If the M/WBE Construction Commitment was met or exceeded, the M/WBE Construction Percentage will be fifteen percent (15%).

4.4. Overall Employment (Up to 10%).

A percentage of the Abatement will be based on the extent to which the Overall Employment Commitment, as outlined in Section 2.9, was met (the “**Overall Employment Percentage**”). The Overall Employment Percentage in a given year shall equal the product of ten percent (10%) multiplied by the percentage by which the Overall Employment Commitment was met in the previous calendar year, which will be calculated by dividing the actual number of Full-Time Jobs provided on the Premises in the previous year by three (3), which is the number of Full-Time Jobs constituting the Overall Employment Commitment. For example, if only two (2) Full-Time Jobs were provided on the Premises in a given year, the Overall Employment Percentage for the following year would be 6.7% instead of 10% (or $.10 \times [2/3]$), or $.10 \times .67$, or .067. If the Overall Employment Commitment is met or exceeded in a given year, the Overall Employment Percentage for the following year will be ten percent (10%).

4.5. Fort Worth Employment (Up to 5%).

A percentage of the Abatement will be based on the extent to which the Fort Worth Employment Commitment, as outlined in Section 2.10, was met (the “**Fort Worth Employment Percentage**”). The Fort Worth Employment Percentage for a given year shall equal the product of five percent (5%) multiplied by the percentage by which the Fort Worth Employment Commitment was met in the previous year, which will be calculated by dividing the actual number of Full-Time Jobs provided on the Premises to Fort Worth Residents in the previous year by the number of Full-Time Jobs constituting the Fort Worth Employment Commitment in that year. If the Fort Worth Employment Commitment is met or exceeded in a given year, the Fort Worth Employment Percentage for the following year will be five percent (5%).

4.6. Central City Employment (Up to 5%).

A percentage of the Abatement will be based on the extent to which the Central City Employment Commitment, as outlined in Section 2.11, was met (the “**Central City Employment Percentage**”). The Central City Employment Percentage for a given year shall equal the product of five percent (5%) multiplied by the percentage by which the Central City Employment Commitment was met in the previous year, which will be calculated by dividing the actual number of Full-Time Jobs provided on the Premises to Central City Residents in the previous year by the number of Full-Time Jobs constituting the Central City Employment Commitment in that year. If the Central City Employment Commitment is met or exceeded in a given year, the Central City Employment Percentage for the following year will be five percent (5%).

4.7. No Offsets.

A deficiency in attainment of one commitment may not be offset by the exceeding attainment in another commitment. For example, if Owner failed to meet the M/WBE Construction Commitment by \$5,000.00, but exceeded the Fort Worth Construction Commitment by \$5,000.00, the percentage of Abatement available hereunder would still

be reduced in accordance with Section 4.3 on account of Owner's failure to meet the M/WBE Construction Commitment.

4.8. Abatement Limitations.

Notwithstanding anything that may be interpreted to the contrary in this Agreement, Owner's Abatement in any given year shall be based on the increase in value of the Required Improvements after demolition of any existing improvements but excluding value attributed to the land up to a maximum increase of Thirty Million Dollars (\$30,000,000.00). In other words, in any year in which the taxable value of improvements on the Land exceeds \$30,000,000.00, the Abatement for that tax year shall be capped and calculated as if the increase in the value of improvements on the Land had only been \$30,000,000.00. Owner would pay full taxes on the difference over the cap of \$30,000,000.00 or one hundred fifty percent (150%).

5.0. DEFAULT, TERMINATION AND FAILURE BY OWNER TO MEET VARIOUS DEADLINES AND COMMITMENTS.

5.1. Failure to Meet Certain Commitments.

If Owner fails to meet the Fort Worth Construction Commitment or the M/WBE Construction Commitment, or if Owner fails in any given year of the Abatement Term to meet the Overall Employment Commitment, the Fort Worth Employment Commitment, the Central City Employment Commitment, such event shall not constitute an Event of Default hereunder or provide the City with the right to terminate this Agreement, but, rather, shall only cause the percentage or amount of Abatement available to Owner pursuant to this Agreement to be reduced in accordance with Section 4 of this Agreement.

5.2. Failure to Complete Development.

Notwithstanding anything to the contrary herein, if (i) Owner failed to expend or cause to be expended at least Twenty Million Dollars (\$20,000,000.00) in Construction Costs for the Project by the Completion Deadline, or (ii) the Completion Date did not occur on or before the Completion Deadline, an Event of Default shall occur and the City shall have the right to terminate this Agreement as its sole and exclusive remedy, effective immediately, by providing written notice to Owner without further obligation to Owner hereunder.

5.3. Knowing Employment of Undocumented Workers.

Owner acknowledges that effective September 1, 2007, the City is required to comply with Chapter 2264 of the Texas Government Code, enacted by House Bill 1196 (80th Texas Legislature), which relates to restrictions on the use of certain public subsidies. *Owner hereby certifies that Owner, and any branches, divisions, or departments of Owner, does not and will not knowingly employ an undocumented worker, as that term is*

defined by Section 2264.001(4) of the Texas Government Code. In the event that Owner, or any branch, division, or department of Owner, is convicted of a violation under 8 U.S.C. Section 1324a(f) (relating to federal criminal penalties and injunctions for a pattern or practice of employing unauthorized aliens):

- if such conviction occurs during the Term of this Agreement, this Agreement shall terminate contemporaneously upon such conviction (subject to any appellate rights that may lawfully be available to and exercised by Owner) and Owner shall repay, within one hundred twenty (120) calendar days following receipt of written demand from the City, the aggregate amount of Abatement received by Owner hereunder, if any, plus Simple Interest at a rate of four percent (4%) per annum based on the amount of Abatement received in each previous year as of December 31 of the tax year for which the Abatement was received; or*
- if such conviction occurs after expiration or termination of this Agreement, subject to any appellate rights that may lawfully be available to and exercised by Owner, Owner shall repay, within one hundred twenty (120) calendar days following receipt of written demand from the City, the aggregate amount of Abatement received by Owner hereunder, if any, plus Simple Interest at a rate of four percent (4%) per annum based on the amount of Abatement received in each previous year as of December 31 of the tax year for which the Abatement was received.*

For the purposes of this Section 5.3, “Simple Interest” is defined as a rate of interest applied only to an original value, in this case the aggregate amount of Abatement. This rate of interest can be applied each year, but will only apply to the aggregate amount of Abatement and is not applied to interest calculated. For example, if the aggregate amount of Abatement is \$10,000 and it is required to be paid back with four percent (4%) interest five years later, the total amount would be $\$10,000 + [5 \times (\$10,000 \times 0.04)]$, which is \$12,000.00. The obligation of Owner to repay reimbursements pursuant to this paragraph, and the accrual of interest on such amounts, shall be stayed for so long as Owner is pursuing an appeal of such violation permitted by applicable law. This Section 5.3 does not apply to convictions of any subsidiary or affiliate entity of Owner, by any franchisees of Owner, or by a third party with whom Owner contracts. Notwithstanding anything to the contrary herein, this Section 5.3 shall survive the expiration or termination of this Agreement.

5.4. Notice and Cure.

Subject to Sections 4.2, 4.3 and 4.4, in the event that any Event of Default hereunder remains uncured after thirty (30) calendar days following receipt of such written notice (or, if the defaulting party has diligently and continuously attempted to cure following receipt of such written notice but reasonably requires more than thirty (30) calendar days to cure, then such additional amount of time as is reasonably necessary to effect cure, as determined by both parties mutually and in good faith), the non-defaulting party shall have the right to terminate this Agreement, effective immediately, by providing written notice to the defaulting party. Owner acknowledges and agrees that an Event of

Default that is not cured within the cure period set forth above will (i) harm the City's economic development and redevelopment efforts on the Premises and in the vicinity of the Premises; (ii) require unplanned and expensive additional administrative oversight and involvement by the City; and (iii) otherwise harm the City, and Owner agrees that the amounts of actual damages therefrom are speculative in nature and will be difficult or impossible to ascertain. Therefore, if the City exercises a right herein to terminate this Agreement upon an Event of Default that is not cured within the applicable time notice and cure period, Owner shall pay the City, as liquidated damages all taxes that were abated in accordance with this Agreement for each year when the Event of Default existed and which otherwise would have been paid to the City in the absence of this Agreement. The City and Owner agree that this amount is a reasonable approximation of actual damages that the City will incur as a result of an uncured Event of Default and that this Section 5.4 is intended to provide the City with compensation for actual damages and is not a penalty. This amount may be recovered by the City through adjustments made to Owner's ad valorem property tax appraisal by the appraisal district that has jurisdiction over the Premises. Otherwise, this amount shall be due, owing and paid to the City within sixty (60) days following the effective date of termination of this Agreement. In the event that all or any portion of this amount is not paid to the City within sixty (60) days following the effective date of termination of this Agreement, Owner shall also be liable for all penalties and interest on any outstanding amount at the statutory rate for delinquent taxes, as determined by the Texas Tax Code at the time of the payment of such penalties and interest (currently, Section 33.01 of the Texas Tax Code).

5.5. Foreclosure on Land or Improvements.

The City will have the right to terminate this Agreement immediately upon provision of written notice to Owner of any of the following events: (i) the act of foreclosure or enforcement a lien, mortgage or deed of trust on the Premises or the Required Improvements; (ii) the involuntary conveyance to a third party of the Premises or any improvements thereon; (iii) execution of any assignment of the Premises or any improvements thereon or deed in lieu of foreclosure to the Premises or any improvements thereon; or (iv) appointment of a trustee or receiver for the Premises or any improvements thereon.

5.6. Failure to Pay Taxes; General Breach.

Subject to the notice and cure rights described in Section 5.4, an Event of Default shall occur if any ad valorem taxes owed on the Premises to the City by Owner become delinquent and Owner does not timely and properly follow the legal procedures for protest and/or contest of any such ad valorem taxes. In addition to Sections 5.2, 5.3 and 5.4, an Event of Default under this Agreement shall occur if either party breaches any term or condition of this Agreement, in which case the non-defaulting party shall provide the defaulting party with written notice specifying the nature of the Event of Default and opportunity to cure in accordance with Section 5.4.

5.7. Liquidated Damages.

Owner acknowledges and agrees that termination of this Agreement due to a material Event of Default by Owner will (i) harm the City's economic development and redevelopment efforts on the Premises and in the vicinity of the Premises; (ii) require unplanned and expensive additional administrative oversight and involvement by the City; and (iii) be detrimental to the City's general economic development programs, both in the eyes of the general public and by other business entities and corporate relocation professionals, and Owner agrees that the exact amounts of actual damages sustained by the City therefrom will be difficult or impossible to ascertain. Therefore, upon termination of this Agreement for an uncured material Event of Default subject to the notice and cure rights in Section 5.4 for (i) failure to pay the affordable housing set-aside as described in Section 2.6, or (ii) failure to pay taxes in accordance with Section 5.6, as authorized by Section 312.205(b)(6) of the Code, Owner shall pay the City, as liquidated damages, all taxes that were abated in accordance with this Agreement for each year in which an Event of Default existed and which otherwise would have been paid to the City in the absence of this Agreement. The City and Owner agree that this amount is a reasonable approximation of actual damages that the City will incur as a result of an uncured Event of Default and that this Section 5.7 is intended to provide the City with compensation for actual damages and is not a penalty. This amount may be recovered by the City through adjustments made to Owner's ad valorem property tax appraisal by the appraisal district that has jurisdiction over the Premises and over any taxable tangible personal property located thereon. Otherwise, this amount shall be due, owing and paid to the City within sixty (60) days following the effective date of termination of this Agreement. In the event that all or any portion of this amount is not paid to the City within sixty (60) days following the effective date of termination of this Agreement, Owner shall also be liable for all penalties and interest on any outstanding amount at the statutory rate for delinquent taxes, as determined by the Code at the time of the payment of such penalties and interest (currently, Section 33.01 of the Code).

5.8 Sexually Oriented Business & Liquor Stores or Package Stores.

a. Owner understands and agrees the City has the right to terminate this agreement, without cause, if the Project contains or will contain a sexually oriented business.

b. Owner understands and agrees that the City has the right to terminate this agreement, without cause, as determined in City's sole discretion if the Project contains or will contain a liquor store or package store.

6. INDEPENDENT CONTRACTOR.

It is expressly understood and agreed that Owner shall operate as an independent contractor in each and every respect hereunder and not as an agent, representative or employee of the City. Owner shall have the exclusive right to control all details and day-to-day operations relative to the Premises and any improvements thereon and shall be solely responsible for the acts and omissions of its officers, agents, servants, employees, contractors, subcontractors, licensees and invitees.

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

7. INDEMNIFICATION.

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

8. ASSIGNMENT AND EFFECT OF SALE OF PREMISES AND/OR REQUIRED IMPROVEMENTS.

Owner may assign this Agreement and all or any portion of the benefits provided hereunder (i) collaterally to a lender, or (ii) to an Affiliate without the consent of the City, provided that (a) prior to or contemporaneously with the effectiveness of such assignment, Owner provides the City with written notice of such assignment, which notice shall include the name of the lender or Affiliate and a contact name, address and telephone number, and (b) for such assignment to an Affiliate, the Affiliate agrees in writing to assume all terms and conditions of Owner under this Agreement. For purposes of this Agreement, an "Affiliate" means all entities, incorporated or otherwise, under direct or indirect common control with Owner, controlled by Owner or controlling Owner. For purposes of this definition, "control" means ten percent (10%) or more of the ownership determined by either value or vote. Owner may not otherwise assign this Agreement or any of the benefits provided hereunder to any other party without the consent of the City Council, which consent shall not unreasonably be withheld or delayed, provided that (i) the City Council finds that the proposed assignee is financially capable of meeting the terms and conditions of this Agreement and (ii) the proposed assignee agrees in writing to assume all terms and conditions of Owner under this Agreement. Any attempted assignment without the City Council's prior written consent shall constitute grounds for termination of this Agreement and the Abatement granted hereunder following ten (10) calendar days of receipt of written notice from the City to Owner. **In no event shall the abatement term be extended in the event of a subsequent sale or assignment.**

9. NOTICES.

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

City:

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

Owner:

2925 Race LLC
Attn: Pretlow Riddick
14160 N. Dallas Parkway, Suite 750
Dallas, Texas 75254

And

Neighborhood Services Department
Attn: Director
1000 Throckmorton
Fort Worth, Texas 76102

10. MISCELLANEOUS.

10.1 Bonds.

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

10.2 Conflicts of Interest.

Neither the Premises nor any of the Required Improvements covered by this Agreement are owned or leased by any member of the City Council, any member of the City Plan or Zoning Commission or any member of the governing body of any taxing units in the Zone.

10.3 Protests Over Appraisals or Assessments.

Owner shall have the right to protest and contest any or all appraisals or assessments of the Premises and/or improvements or taxable tangible personal property thereon.

10.4 Conflicts Between Documents.

In the event of any conflict between the City's zoning ordinances, or other City ordinances or regulations, and this Agreement, such ordinances or regulations shall control.

In the event of any conflict between the body of this Agreement and Application, the body of this Agreement shall control.

10.5 Owner Standing.

Owner shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying laws, ordinances, resolutions or City Council actions authorizing this Agreement and Owner shall be entitled to intervene in any such litigation.

10.6 Venue and Jurisdiction.

This Agreement shall be construed in accordance with the laws of the State of Texas and applicable ordinances, rules, regulations or policies of the City. Venue for any action under this Agreement shall lie in the State District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas.

10.7 Severability.

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

10.8 No Third Party Rights.

The provisions and conditions of this Agreement are solely for the benefit of the City and Owner, and any lawful assignee or successor of Owner (as evidenced by compliance with the terms and conditions of Section 8 of this Agreement), and are not intended to create any rights, contractual or otherwise, to any other person or entity.

10.9 Mutual Assistance.

The City and Owner shall take all actions and provide additional information and/or acknowledgment, if reasonably requested, and may be necessary or proper to achieve the purposes and objectives of this Agreement.

10.10 Estoppel Certificate.

Any party may request an estoppel certificate from the other party so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which upon request will be addressed to a prospective purchaser or assignee of Owner, shall include, but not necessarily be limited to, statements (to the actual knowledge of the party providing such) that this Agreement is in full force and effect without any Events of Default (or if an Event of Default exists, the nature of the Event of Default and curative action, which should be undertaken to cure same), the remaining Abatement Term, and such other matters reasonably requested by the Party to receive the certificate.

10.11 Headings Not Controlling.

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

10.12 Entirety of Agreement.

This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the City and Owner, their assigns and successors in interest, as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement. This Agreement shall not be amended unless executed in writing by both parties and approved by the City Council. This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

10.13 Amendment.

This Agreement may be amended only by the written agreement of the City and Owner.

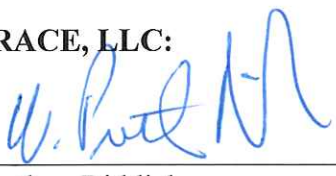
[Signature page to follow.]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the later date below:

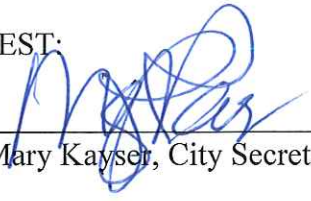
CITY OF FORT WORTH:

By: 
Fernando Costa
Assistant City Manager

2925 RACE, LLC:

By: 
Pretlow Riddick
Manager

ATTEST:

By: 
Mary Kayser, City Secretary



APPROVED AS TO FORM AND LEGALITY

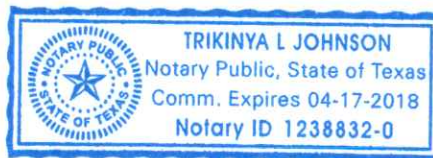
By: Melinda Ramos
Melinda Ramos
Sr. Assistant City Attorney

M & C: C-27846

STATE OF TEXAS §
COUNTY OF TARRANT §

BEFORE ME, the undersigned authority, on this day personally appeared Fernando Costa, Assistant City Manager of the CITY OF FORT WORTH, a municipal corporation, 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 CITY OF FORT WORTH, TEXAS, a municipal corporation, that he was duly authorized to perform the same by appropriate resolution of the City Council of the City of Fort Worth and that he executed the same as the act of the said City for the purposes and consideration therein expressed and in the capacity therein stated.

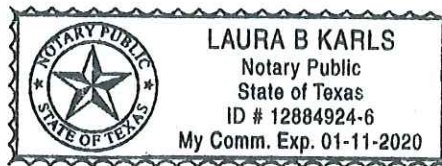
GIVEN UNDER MY HAND AND SEAL OF OFFICE this 2nd day of February, 2016.
Trikinya L Johnson
Notary Public in and for
the State of Texas



STATE OF TEXAS §
COUNTY OF Dallas §

BEFORE ME, the undersigned authority, on this day personally appeared Pretlow Riddick, Manager of 2925 Race, LLC, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act of the said 2925 Race, LLC, a Texas limited liability company, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 30th day of January, 2016.
Laura B Karls
Notary Public in and for
The State of Texas



EXHIBITS

- Exhibit 1: Property Description
- Exhibit 2: Application: (NEZ) Incentives and Tax Abatement
- Exhibit 3: Project description including kind, number, and details of the proposed improvements.
- Exhibit 4: Central City Map

Exhibit 1

Property Description

Lot B-R1, Plumwood Addition, being a replat of a portion of Lot G and all of Lot F in Block 4 of Homer L. Aikman Addition, an addition to the City of Fort Worth, Tarrant County, Texas according to the plat thereof recorded in volume 388-O, page 143 of the Deed Records of Tarrant County, Texas, a portion of Lots 10, 11 and 12 in Block 4 of Homer L. Aikman Addition, an addition to the City of Fort Worth, Tarrant County, Texas according to the plat thereof recorded in volume 626, page 583 of said Deed Records, all of Lot E and a part of Lot A in Plumwood Addition, an addition to the City of Fort Worth, Tarrant County, Texas according to the plat thereof recorded in volume 388-D, page 517 of said Deed Records, all of Lot B-R, Plumwood Addition, an addition to the City of Fort Worth, Tarrant County, Texas according to the plat thereof recorded in volume 388-139, page 49 of said Deed Records, and a portion of the Atkin McLemore Survey, Abstract No. 1056, all situated in the City of Fort Worth, Tarrant County, Texas.

Application No. NZ15-00266

CITY OF FORT WORTH NEIGHBORHOOD EMPOWERMENT ZONE (NEZ) PROGRAM

PROJECT CERTIFICATION APPLICATION

I. APPLICATION CHECK LIST - Please submit the following documentation:

- ☐ A completed application form
- ☐ A list of all properties owned by the applicant, owner, developer, associates, principals, partners, and agents in the City Fort Worth
- ☐ **Non Refundable Application fee** – For all Basic Incentives applications **excluding** Tax Abatement the application fee is \$25.00. For multifamily, commercial, industrial, community facilities, and mixed-use **tax abatement** applications: 0.5% of the total Capital Investment of the project, with a \$200.00 minimum and not to exceed \$2,000.00; For residential **tax abatement** applications: \$100.00 per house.
- ☐ Proof of ownership, such as a warranty deed, affidavit of heirship, or a probated will **OR** evidence of site control, such as option to buy (**A registered warranty deed is required for tax abatement application.**)
- ☐ Title abstract of the property (**only if applying for release of City liens**)
- ☐ A reduced 11x17 floor plan, site plan, and site elevation with a written detailed project description that includes a construction time line
- ☐ A detailed line item budget showing the cost breakdown for the project
- ☐ **Copy of Incorporation Papers noting all principals, partners, and agents if applicable**
- ☐ **Required** - Meet with the Councilmember and Neighborhood & other Organizations representing the NEZ as outlined in the Public Notice requirement of the NEZ Policy and Guidelines revised February 5, 2014 or followed guidelines of NEZ Strategic Plan if a Strategic Plan is in place for the specific NEZ.
- ☐ Support letter from Woodhaven Neighborhood Association and Woodhaven Community Development Corporation (**For projects located in Woodhaven NEZ only**)

INCOMPLETE APPLICATIONS WILL NOT BE PROCESSED FOR CERTIFICATION UNTIL ALL REQUIRED DOCUMENTS SHOWN IN THE ABOVE CHECKLIST ARE SUBMITTED WITHIN 30 DAYS OF THE DATE OF APPLICATION.

YOU MUST APPLY FOR TAX ABATEMENT BEFORE ANY BUILDING PERMITS ARE ISSUED FOR YOUR PROPERTY AND BEFORE ANY IMPROVEMENTS ARE MADE TO YOUR PROPERTY. IT TAKES 60 TO 90 BUSINESS DAYS TO COMPLETE THE TAX ABATEMENT AGREEMENT APPROVAL PROCESS AFTER THE ISSUANCE OF NEZ CERTIFICATION DEPENDING ON THE COMPLEXITY OF YOUR PROJECT. ALL BUILDING PERMITS MUST BE PULLED WITHIN THE 12 MONTH PERIOD THAT CERTIFICATION WAS APPROVED, OR WITHIN THE 12 MONTH PERIOD THAT THE TAX ABATEMENT WAS APPROVED, OR YOU WILL BE REQUIRED TO RE-APPLY FOR NEZ INCENTIVES.

II. APPLICANT / AGENT INFORMATION

1. Applicant: <u>2805 Belknap, LLC</u>	2. Contact Person: <u>J. Brandon Hancock</u>
3. Address: <u>14160 N Dallas Pkwy., Suite 750</u>	<u>Dallas TX 75254</u>
4. Phone no.: <u>214.393.4116</u>	5. Fax No.: _____
6. Email: <u>bhancock@criteriondp.com</u>	
7. Agent (if any) _____	
8. Address: _____	
9. Phone no.: _____	10. Fax No.: _____
11. Email: _____	

Application No. NZ15-00266**PROJECT ELIGIBILITY**

1. Please list the addresses and legal descriptions of the project and other properties your organization owns in Fort Worth. Attach metes and bounds description if no address or legal description is available. Attach a map showing the location of the project.

Table 1 Property Ownership

Address (Project Location)	Zip Code	Legal Description		
		Subdivision Name	Lot No.	Block No.
See Exhibit A				
Other properties owned in the City of Fort Worth - continue on a separate sheet and attach if necessary.				
See Exhibit A				

2. For each property listed in Table 1, please check the boxes below to indicate if:

- there are taxes past due; or
- there are City liens; or
- You (meaning the applicant, developer, associates, agents, principals) have been subject to a Building Standards Commission's Order of Demolition where the property was demolished within the last five years.

Table 2 Property Taxes and City Liens

Address	Property Taxes Due	City Liens on Property				
		Weed Liens	Board-up/Open Structure Liens	Demolition Liens	Paving Liens	Order of Demolition
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐	☐

(Please attach additional sheets of paper as needed.)

If there are taxes due or liens against any property in the City of Fort Worth you may not be eligible for NEZ incentives

Application No. NZ15-00266

3. Do you own other properties under other names?
- ☒
- Yes
- ☐
- No

If Yes, please specify See Exhibit A

4. Does the proposed project conform with City of Fort Worth Zoning?
- ☒
- Yes
- ☐
- No

If no, what steps are being taken to insure compliance?

5. Project Type:
- | | | | | | |
|--|---------------------------------------|-------------------------------------|-------------------------------------|---|---|
| ☐ Single Family | ☐ Multi-Family | ☐ Commercial | ☐ Industrial | ☐ Community Facilities | ☒ Mixed-Use |
|--|---------------------------------------|-------------------------------------|-------------------------------------|---|---|

☐ Owner Occupied☒ Rental Property

6. Please describe the proposed residential or commercial project:
- Mixed-use development with multifamily, commercial, live/work and retail uses.

7. If your project is a commercial, industrial, or mixed-use project, please describe the types of businesses that are being proposed:
- Mixed-use residential development

8. Is this a new construction or rehab project?
- ☒
- New Construction
- ☐
- Rehab

9. How much is the total development cost of your project?
- \$49,000,000.00

10. Will the eligible rehabilitation work* be equal to at least 30% of the Tarrant Appraisal District (TAD) assessed value of the structure during the year rehabilitation occurs?
- ☒
- Yes
- ☐
- No

*Eligible rehabilitation includes only physical improvements to real property. It does NOT include:

Front yard fencing consisting of chain-link or solid material construction; personal property such as furniture, appliances, equipment, and/or supplies. Total eligible rehabilitation costs shall equal to or exceed 30% of the TAD appraised value of the structure during the year rehabilitation occurs.

11. How much is the total square footage of your project?
- 363,000
- square feet

*** If applying for a tax abatement please answer questions 12 – 16. If not skip to part III Incentives**

- 12.
- For a single-family homeownership, mixed-use, or multi-family development project
- , please fill out the number of residential units based on income range of owners or renters in the following table.

Table 3 Number of Residential Units and Income Range of Owners or Renters

Income Range	Number of Units	Percentage
> 80% of AMFI**	376	100%
At or below 80% of AMFI	-	0%
Total Units		

**AMFI: Area Median Family Income. Please see attachment for income and housing payment guidelines.

13. For a
- multifamily project
- to be qualified for tax abatement, at least 20% of total units shall be affordable to families at or below 80% of AMFI. Check the box if you are requesting a waiver of this requirement.
- ☒

- 14.
- For a commercial, industrial or community facilities project
- , indicate square footage of non-residential space.

Commercial		Industrial		Community Facilities	
_____	square feet	_____	square feet	_____	square feet

Application No. NZ15-00266

15. How much will be your Capital Investment*** on the project? Please use the following table to provide the details and amount of your Capital Investment (Attached additional sheets if necessary).

Table 4 Itemized Budget of the Project

Items	Amount	Notes
See Exhibit B		
Total		

***Capital Investment includes only real property improvements such as new facilities and structures, site improvements, facility expansion, and facility modernization. Capital Investment DOES NOT include land acquisition costs and/or any existing improvements, or personal property (such as machinery, equipment, and/or supplies or inventory).

16. For a commercial, industrial, community facility or mixed-use project, how many employees will the project generate? Three (3) employees for phase I and three (3) employees for phase II.

17. For a mixed-use project, please indicate the percentage of all uses in the project in the following table.

Table 5 Percentage of Uses in a Mixed-Use Project

Type	Square Footage	Percentage
Residential	330,000	90%
Office/Live/Work/Retail	30,000	10%
Eating		
Entertainment		
Retail sales		
Service		
Total	363,000	100%

III. INCENTIVES - What incentives are you applying for?

Municipal Property Tax Abatements

Must provide Final Plat Cabinet and Slide for Tax Abatement Cabinet _____ Slide _____

- ☐ 5 years ☒ More than 5 years
☐ Residential owner occupied ☒ Residential Rental Property ☒ Apartments (5 plus units) ☒ Commercial

Development Fee Waivers

- ☒ All building permit related fees (including Plans Review and Inspections)
☒ Plat application fee (including concept plan, preliminary plat, final plat, short form replat)
☒ Zoning application fee ☒ Board of Adjustment application fee
☒ Demolition fee ☒ Structure moving fee
☒ Community Facilities Agreement (CFA) application fee
☒ Street and utility easement vacation application fee

Impact Fee Waivers - The maximum water/wastewater impact fee waiver amount for a commercial, industrial, mixed-use, or community facility development project is equivalent to the water/wastewater impact fee of two 6-inch meters

- ☒ Water (Meter Size TBD) (No. of meters TBD) ☒ Transportation

Release of City Liens

- ☒ Weed liens ☒ Paving liens ☒ Board up/open structure liens ☒ Demolition liens

Application No. NZ15-00266**III. ACKNOWLEDGMENTS**

I hereby certify that the information provided is true and accurate to the best of my knowledge. I hereby acknowledge that I have received a copy of NEZ Basic Incentives, which governs the granting of tax abatements, fee waivers and release of City liens, and that any VIOLATION of the terms of the NEZ Basic Incentives or MISREPRESENTATION shall constitute grounds for rejection of an application or termination of incentives at the discretion of the City.

I understand that the approval of fee waivers and other incentives shall not be deemed to be approval of any aspect of the project. I understand that I am responsible in obtaining required permits and inspections from the City and in ensuring the project is located in the correct zoning district.

I understand that my application will not be processed if it is incomplete. I agree to provide any additional information for determining eligibility as requested by the City.

W. Prithw Riddick
(PRINTED OR TYPED NAME)

[Signature]
(AUTHORIZED SIGNATURE)

10/12/15
(DATE)

Please mail or fax your application to:
City of Fort Worth Planning and Development Department
1000 Throckmorton Street, Fort Worth, Texas 76102
Tel: (817) 392-2222 Fax: (817) 392-8116

Electronic version of this form is available on our website. For more information on the NEZ Program, please visit our web site at www.fortworthgov.org/planninganddevelopment

For Office Use Only

Application No. NZ15-00266 In which NEZ? Six Points Council District 9
Application Completed Date (Received Date): 10/27/15 Conform with Zoning? ☒ Yes ☐ No
Type? ☐ SF ☐ Multifamily ☐ Commercial ☐ Industrial ☐ Community facilities ☒ Mixed-Use
Construction completion date? ☐ Before NEZ ☒ After NEZ Ownership/Site Control ☒ Yes ☐ No
TAD Account No. 00012823 Consistent with the NEZ plan? ☒ Yes ☐ No
Meet affordability test? ☒ Yes ☐ No Minimum Capital Investment? ☒ Yes ☐ No
Rehab at or higher than 30%? ☒ Yes ☐ No Meet mixed-use definition? ☒ Yes ☐ No
Tax current on this property? ☒ Yes ☐ No Tax current on other properties? ☐ Yes ☐ No
City liens on this property? City liens on other properties?
• Weed liens ☐ Yes ☐ No • Weed liens ☐ Yes ☐ No
• Board-up/open structure liens ☐ Yes ☐ No • Board-up/open structure liens ☐ Yes ☐ No
• Demolition liens ☐ Yes ☐ No • Demolition liens ☐ Yes ☐ No
• Paving liens ☐ Yes ☐ No • Paving liens ☐ Yes ☐ No
• Order of demolition ☐ Yes ☐ No • Order of demolition ☐ Yes ☐ No
Certified? ☐ Yes ☐ No Certified by _____ Date certification issued? _____

If not certified, reason _____

Referred to: ☐ Economic Development ☐ Housing ☐ Development ☐ Water ☐ Code ☐ TPW

Exhibit 3

Project Description

Overview

- One Hundred fifty two (152) residential rental units
- Thirteen thousand eight hundred (13,800) square feet of office, restaurant, entertainment, retail sales and service uses, and/or live /work space
- Multi-level parking garage to accommodate the apartment residents and retail customers

Features

- Pool with sundeck
- Indoor/outdoor living area
- Grilling area
- Fenced yards on at least 50% of the ground floor units
- Leasing office
- Club/Lounge/Bar
- Co-work space
- Fitness center
- Bike storage room w/Dero "fix it" station
- Postal center with parcel kiosk system

Design

- Hardi panel and Brick
- Glazing at pedestrian level
- Landscaping with pedestrian realm

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

Updated 08/27/2014

Neighborhood Services Department
CDBG Eligible Areas & Central City