

RESOLUTION NO. 2016-06-43

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE AN ECONOMIC DEVELOPMENT AGREEMENT WHICH IS ATTACHED HERETO AS EXHIBIT A PURSUANT TO CHAPTER 380, TEXAS LOCAL GOVERNMENT CODE, BY AND BETWEEN THE CITY OF LANCASTER AND WHITE TRACT, LLC, A DELAWARE LIMITED LIABILITY COMPANY; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, White Tract, LLC, a Delaware limited liability company has purchased approximately one hundred (100) acres of real property in Lancaster, Texas and desires to construct a warehouse-distribution building totaling approximately 1,600,000 square feet; and

WHEREAS, White Tract, LLC's development of the premises will provide employment opportunities within the City; and

WHEREAS, the location of White Tract, LLC's project on the premises will result in a significant capital investment and improvements on the premises; and

WHEREAS, White Tract, LLC has advised the City that a contributing factor that would induce the company to construct and lease to tenants the building would be an agreement by the City to provide an economic development grant to the company; and

WHEREAS, the City has adopted programs for promoting economic development, and this Agreement and the economic development incentives set forth herein are given and provided by the City pursuant to and in accordance with those programs; and

WHEREAS, the City is authorized by Article III, Section 52-a of the Texas Constitution and Texas Local Government Code Chapter 380 to provide economic development grants to promote local economic development and to stimulate business and commercial activity in the City; and

WHEREAS, the City has determined that making an economic development grant to White Tract, LLC in accordance with this Agreement is in accordance with the City Economic Development Policy and will: (i) further the objectives of the City; (ii) benefit the City and the City's inhabitants; and (iii) will promote local economic development and stimulate business and commercial activity in the City; and

WHEREAS, the City Council desires to authorize the City Manager to enter into an Economic Development Agreement with White Tract, LLC pursuant to Chapter 380 of the Texas Local Government Code.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS:

SECTION 1. That the City Manager is hereby authorized to execute an Economic Development Agreement, which is attached hereto and incorporated herein as Exhibit A, pursuant to Chapter 380 of the Texas Local Government Code (and any amendments thereto, including any related instruments), on behalf of the City of Lancaster, Texas, with White Tract, LLC and its affiliated and related entities.

SECTION 2. That all provisions of the resolutions of the City of Lancaster, Texas, in conflict with the provisions of this resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this resolution shall remain in full force and effect.

SECTION 3. That should any word, sentence, paragraph, subdivision, clause, phrase or section of this resolution be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said resolution which shall remain in full force and effect.

SECTION 4. This resolution shall take effect immediately from and after its passage, as the law and charter in such cases provide.

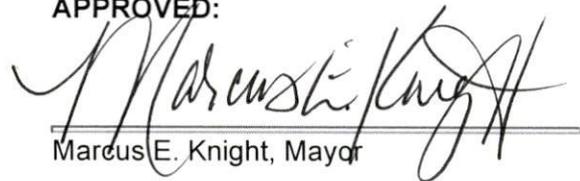
DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 27th day of June, 2016.

ATTEST:



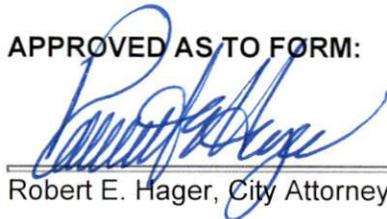
Sorangel O. Arenas, City Secretary

APPROVED:



Marcus E. Knight, Mayor

APPROVED AS TO FORM:



Robert E. Hager, City Attorney

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

Economic Development Agreement

This Economic Development Agreement (“Agreement”) is made by and between the City of Lancaster, Texas (“City”), and White Tract, LLC a Delaware limited liability company, (the “Company”), acting by and through their respective authorized representatives.

WITNESSETH:

WHEREAS, the Company has purchased approximately 100 acres of real property in the City of Lancaster, Texas, and being more particularly described in Exhibit “A” (the “Property”); and

WHEREAS, the Company intends to construct a warehouse-distribution building totaling approximately 1,600,000 square feet and related infrastructure for future tenant or owner occupied warehouse-distribution operations (the “Project”) and building permits will be applied for and construction on the building will commence within twenty-four (24) months from the effective date of this agreement; and

WHEREAS, the Company has advised the City that a contributing factor that would induce the Company to undertake the Project would be an agreement by the City to provide an economic development grant to the Company to reimburse it for a portion of the Real Estate Taxes (hereinafter defined); and

WHEREAS, the City desires to encourage business expansions within the City that will add property tax base and generate additional sales tax and other revenue for the City; and

WHEREAS, promoting the expansion of new or existing businesses within the City will promote economic development, stimulate commercial activity, generate additional sales tax and will enhance the premises tax base and economic vitality of the City; and

WHEREAS, the City has adopted programs for promoting economic development, and this Agreement and the economic development incentives set forth herein are given and provided by the City pursuant to and in accordance with those programs; and

WHEREAS, the City is authorized by Article III, Section 52-a of the Texas Constitution and Texas Local Government Code Chapter 380 to provide economic development grants to promote local economic development and to stimulate business and commercial activity in the City; and

WHEREAS, the City has determined that making an economic development grant to the Company in accordance with this Agreement is in accordance with the City Economic Development Program and will: (i) further the objectives of the City; (ii) benefit the City and the City’s inhabitants; and (iii) promote local economic development and stimulate business and commercial activity in the City.

NOW THEREFORE, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, and other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Article I
Definitions

For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

“Annual Grant(s)” shall mean annual economic development grants to be provided by the City to Company in an amount equivalent to sixty-five percent (65%) of the Real Property Taxes assessed against the Project for a given tax year for a period of ten (10) consecutive tax years beginning with the first calendar year following the Commencement Date, to be paid as set forth herein. Should, however, the actual square footage of constructed building be reduced to less than the originally planned one million six hundred thousand square feet (1,600,000), then agreement will be amended to reflect a reduced Annual Grant calculated on the formula detailed below and in the City’s Official Incentive Policy and based on the reduced value added capital investment of the Project constructed on the Premises.

<u>Value of Project</u>	<u>Terms of Reduction</u>	<u>% of Reduction</u>
\$75,000,000+	10 years	65%
\$50,000,000	8 years	60%
\$35,000,000	7 years	50%
\$20,000,000	5 years	45%
\$10,000,000	5 years	40%
\$ 5,000,000	3 years	30%

“Casualty” shall mean the Project or portion thereof are wholly or partially destroyed by fire, tornado, hurricane, earthquake, flood or similar casualty that renders the Project or portion thereof unfit for the intended purpose.

“City” shall mean the City of Lancaster, Texas.

“Commencement Date” shall mean the latter of (a) January 1 of the calendar year immediately following the date a Certificate of Occupancy is issued by the City for the Company’s occupancy of the Project (b) no later than January 1, 2019.

“Company” shall mean White Tract, LLC, a Delaware limited liability company and its successors and assigns.

“Effective Date” shall mean the last date of execution hereof.

“Event of Bankruptcy or Insolvency” shall mean the dissolution or termination of a party’s existence as a going business, insolvency, appointment of receiver for any part of such party’s property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of

creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against such party and such proceeding is not dismissed within ninety (90) days after the filing thereof.

“Events of Force Majeure” shall mean any contingency or cause beyond the reasonable control of a party including, without limitation, acts of God or the public enemy, war, terrorist act, or threat thereof, riot, civil commotion, insurrection, government action or inaction (unless caused by the intentionally wrongful acts or omissions of the party), fires, earthquake, tornado, hurricane, explosions, floods, strikes, slowdowns or work stoppages.

“Expiration Date” shall mean the date of the payment by City to Company of the full amount of the tenth (10th) Annual Grant.

“Impositions” shall mean all taxes, assessments, use and occupancy taxes, charges, excises, license and permit fees, and other charges by public or governmental authority, general and special, ordinary and extraordinary, foreseen and unforeseen, which are or may be assessed, charged, levied, or imposed by any public or governmental authority on the Company Project.

“Premises” shall mean the real property described on Exhibit “A” with or without improvements.”

“Payment Request” shall mean a written request from Company to the City for payment of an Annual Grant.

“Project” shall mean the development of the Project on the Premises, by the design, construction and maintenance of new improvements and related infrastructure for a warehouse-distribution building totaling approximately 1,600,000 square feet.

“Real Property Taxes” shall mean, all real estate ad valorem taxes assessed and levied by the City on the real property with or without improvements in accordance with state law.

“Related Infrastructure” shall mean the construction of the Project in accordance with all City development and building code requirements related to site preparation, water, wastewater, storm water, building construction etc. necessary to receive a City issued “Certificate of Occupancy” at completion of project activities.

“Required Use” shall mean Company’s continuous operation of warehouse-distribution facilities on the Premises.

“Taxable Value” shall mean the assessed value of the Project as certified by the appraisal district, or its successor, for a given year.

Article II

Term

The term of this Agreement shall begin on the "Effective Date and end on the Expiration Date.

Article III

Economic Development Grants

3.1 **Annual Grants**. Subject to the Company's continued satisfaction of all the terms and conditions of this Agreement, the City agrees to provide the Company with the Annual Grants to be paid on March 1 of each calendar year, (or the immediately following business day if March 1 is not a business day), beginning with March 1 of the first full calendar year following the Commencement Date, provided the City has received the Real Estate Taxes assessed against the Project in full for the respective tax year (i.e., the tax year immediately preceding the year in which an Annual Grant is made; and such Real Estate Taxes with respect to that immediately preceding tax year are used to determine the amount of each Annual Grant). For illustration purposes only, assume that the Real Estate taxes assessed against the Project for tax year 2016 is \$100,000.00 then the amount of the first Annual Grant for the Project for Tax Year 2016 would be, \$65,000.00 ($\$100,000.00 \times 65\%$), and would be paid on March 1, 2017.

3.2 **Grant Limitations**. Under no circumstances shall City obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. Further, the City shall not be obligated to pay any commercial bank, lender or similar institution for any loan or credit agreement made by the Company. None of the City's obligations under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution.

3.3 **Current Revenue**. The Annual Grants made hereunder shall be paid solely from lawfully available funds that have been or will be appropriated by the City; provided however the City agrees during the term of this Agreement to make a good faith effort to appropriate funds each year to pay the Annual Grant for the then ensuing fiscal year. If such funds are not available to cover the entirety of any Annual Grant, then any unpaid portion of such shall be paid to the Company as soon as funds become available as provided in this Section together with interest on any unpaid amounts at the rate of 8% per annum from the date due until paid Annual Grant. Consequently, notwithstanding any other provision of this Agreement, the City shall have no obligation or liability to pay any Grants except as allowed by law. The City shall not be required to pay any Annual Grants if prohibited under federal or state legislation or a decision of a court of competent jurisdiction.

3.4 **Tax Protest**. In the event the Company or the owner of the Premises timely and properly protests or contests (including any motion to correct the appraisal roll) the Taxable Value and/or the taxation of the Project, or any portion thereof, with the applicable appraisal district (or its successor), and such protest and/or contest results in a final determination that changes the appraised value and/or the Taxable Value of the Project or the amount of ad valorem taxes assessed and due for the Project, or portion thereof, after an Annual Grant has been paid for such Project for such tax year, the Annual Grant for such tax year shall be adjusted (increased or

decreased as the case may be) accordingly on the date of payment of the next Annual Grant or within sixty (60) business days after such determination in the event no further Annual Grant payments are due under the Agreement. The terms of this Section shall survive the Expiration Date or any termination of this Agreement.

3.5 **Refunds.** In the event the City determines in its reasonable discretion that the amount of an Annual Grant paid by the City to the Company was incorrect, the Company shall, within sixty (60) days after receipt of written notification thereof from the City specifying the amount by which such Annual Grant exceeded the correct amount to which the Company was entitled (together with such records, reports and other information necessary to support such determination), pay such amount to the City. If the amount by which such Annual Grant was less than the correct amount to which the Company was entitled (together with such records, reports and other information necessary to support such determination), the City shall, within sixty (60) days, after the earlier of written notice from Company (together with such records, reports and other information necessary to support such determination) or determination by City, pay the adjustment to the Company. If the Company disputes any of the City's determinations, under this Section, the parties shall seek to amicably resolve the matter, subject to either party's right to pursue any available rights or remedies in connection therewith. The terms of this Section shall survive the Expiration Date or any termination of this Agreement.

Article IV

Conditions to the Economic Development Grant

The obligation of the City to provide the Annual Grants shall be conditioned upon the Company's continued compliance with and satisfaction of each of the material terms and conditions of this Agreement and each of the conditions set forth below:

4.1 During the term of this Agreement following the Commencement Date and continuing thereafter until the Expiration Date, or earlier termination, the Company agrees to continuously own, lease or make available for lease the Project or portion thereof for the Required Use and shall not cease to do so for more than three hundred sixty-five (365) consecutive days, except in connection with, and to the extent of a Casualty or an Event of Force Majeure.

4.2 The Company shall have commenced Project construction on the Premises within twenty-four months (24 months) of the execution date of this agreement subject to Events of Forced Majeure or the agreement will terminate.

4.3 The Company shall not have an uncured breach or default of this Agreement.

4.4 Notwithstanding anything to the contrary in this Agreement, the Company shall not have any obligation to construct the Project. If the Company fails to perform any of its obligations under this Agreement, including without limitation construction of the Project, the City's only remedy shall be to terminate this Agreement as provided herein and the City shall not be entitled to any additional remedies against the Company.

4.5 The Company shall comply with all the terms and conditions of this Agreement.

Article V Termination

5.1 This Agreement terminates on the Expiration Date, and may prior to the Expiration Date, be terminated upon any one or more of the following:

- (a) by mutual written agreement of the parties;
- (b) by either party, if the other party defaults or breaches any of the terms or conditions of this Agreement and such default or breach is not cured within thirty (30) days after written notice thereof; provided, however, that if the nature of the breach is such that it cannot reasonably be cured within such 30-day period, such party shall be entitled to additional time as may be reasonably required as long as such party commences the cure within such 30-day period and diligently pursues it to completion;
- (c) by City, if any Impositions owed to the City or the State of Texas by Company shall have become delinquent (provided, however, Company retains the right to timely and properly protest and contest any such taxes or Impositions);
- (d) by City, if Company suffers an Event of Bankruptcy or Insolvency; or
- (e) by either party if any subsequent Federal or State legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal or unenforceable after the exhaustion of all appeals;
- (f) should Company fail to return fully signed and executed original agreement(s) to the City within thirty (30) days of written notice of approval of agreement(s) by the Lancaster City Council, the agreement(s) and the incentive offer they represent shall be deemed to be withdrawn and shall have no further affect.
- (g) by City if the Company fails to commence construction of the Project within twenty-four months (24 months) of the Effective Date, subject Events of Force Majeure..

5.2 Notwithstanding anything contained in this Agreement to the contrary, this Agreement may not be terminated by the City under Section 4.1, Section 5.1(c), Section 5.1(f) or Section 5.1(g) , until the City has given the Company written notice and no less than ten (10) days to cure.

5.3 In the event the Agreement is terminated by the City pursuant to Section 5.1(b), (c), or (d), or by the City and the Company pursuant to Section 5.1(a), the Company shall not be entitled to receive any subsequent Annual Grants under this Agreement but shall have no obligation to refund to the City any Annual Grants (or portion thereof or interest accrued thereon) previously paid by the City to the Company.

5.4 In the event the Agreement is terminated by the City pursuant to Section 5.1(e), the Company shall, only if such legislation or court decision requires, immediately refund to the City an amount equal to the Annual Grant(s) paid by the City to the Company immediately preceding the date of such termination. The repayment obligation of Company set forth in this section 5.3 hereof shall survive termination.

Article VI
Miscellaneous

6.1 **Binding Agreement.** The terms and conditions of this Agreement are binding upon the successors and assigns of the parties hereto.

6.2 **Third Party Beneficiaries.** It is understood and agreed between the parties that the Company and City, in satisfying the conditions of this Agreement, have acted independently, and the City assumes no responsibilities or liabilities to third parties in connection with these actions.

6.3 **No Joint Venture.** It is acknowledged and agreed by the parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the parties.

6.4 **Authorization.** Each party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement. The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto.

6.5 **Notice.** Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the party at the address set forth below (or such other address as such party may subsequently designate in writing) or on the day actually received if sent by courier or otherwise hand delivered.

If intended for City, to:

City of Lancaster
Attn: Opal Mauldin-Robertson
City Manager
P. O. Box 940
211 North Henry Street
Lancaster, Texas 75146-0946

With a copy to:

Robert E. Hager
Nichols, Jackson, Dillard,
Hager & Smith, L.L.P
1800 Lincoln Plaza
500 North Akard
Dallas, Texas 75201

If intended for Company:

Mr. Ed Kepner
Senior Development Manager
Panattoni Development Company
10000 N. Central Expressway Suite 1450
Dallas, Texas 75231

6.6 **Entire Agreement.** This Agreement is the entire Agreement between the parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written Agreement between the parties that in any manner relates to the subject matter of this Agreement, except as provided in any Exhibits attached hereto

6.7 **Governing Law.** The Agreement shall be governed by the laws of the State of Texas, without giving effect to any conflicts of law rule or principle that might result in the application of the laws of another jurisdiction; and exclusive venue for any action concerning this Agreement shall be in the State District Court of Dallas County, Texas. The parties agree to submit to the personal and subject matter jurisdiction of said court.

6.8 **Amendment.** This Agreement may only be amended by the mutual written agreement of the parties.

6.9 **Legal Construction.** In the event 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 other provisions, and it is the intention of the parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

6.10 **Exhibits.** All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

6.11 **Successors and Assigns.** This Agreement may not be assigned without the City's prior written consent, except to a Company subsidiary. Neither the Company nor its legal representatives or successors in interest shall, by operation of law or otherwise, assign, mortgage, pledge, encumber or otherwise transfer this Agreement or any part hereof, or the interest of the Company under this Agreement in either case except to a Company subsidiary, without obtaining the City's prior written consent, which consent shall not be unreasonably withheld. Any attempted assignment by the Company, except to a Company subsidiary, in violation of the terms and provisions of this Agreement shall be void and shall constitute a material breach of this Agreement.

6.12 **Recitals.** The recitals to this Agreement are incorporated herein.

6.13 **Counterparts.** This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

6.14 **Conditions Precedent.** This Agreement is subject to and conditioned upon the following conditions which are conditions precedent to the obligations of the parties: (i) Company shall diligently and faithfully, in a good and workmanlike manner, make or cause the construction and finish out improvements to the Premises in accordance with all applicable state and local laws and regulations or a valid waiver thereof; (ii) Company shall obtain a Certificate of Occupancy for the Premises.

Signature page to follow

EXECUTED on this 27th day of June, 2016.

CITY OF LANCASTER, TEXAS

By: Opal Mauldin-Robertson
Opal Mauldin-Robertson, City Manager

Attest:

By: Sorangel O. Arenas
Sorangel O. Arenas, City Secretary

Approved as to Form:

By: Robert E. Hager
Robert E. Hager, City Attorney

EXECUTED on this 8 day of August, 2016.

White Tract, LLC

a Delaware limited liability company

By: White Tract, LLC,
a Delaware limited liability company,
Managing Member

By: PDC Dallas LLC,
a Delaware limited liability company,
its Manager

By: Ed Kepner
Ed Kepner
Senior Development Manager

EXHIBIT "A"

LEGAL DESCRIPTION

DESCRIPTION of a 99.493 acre tract of land situated in the Smith Elkins Survey, Abstract No. 430, Dallas County, Texas; said tract being part of a tract of land described in Special Warranty Deed with Vendor's Lien to White Property Co. No. 2, Ltd. recorded in Instrument No. 200600115509 of the Official Public Records of Dallas County, Texas and all of those tracts of land described in Special Warranty Deeds to Lancaster BLT I LLC recorded in Instrument No. 201400282641 and Instrument No. 201400282641 of said Official Public Records; said 99.493 acre tract being more particularly described as follows:

BEGINNING, at a 1/2-inch iron rod with "RSCT" cap found for corner in the southwest right-of-way line of North Dallas Avenue (State Highway No. 342) (a 120-foot wide right-of-way); said point being the northernmost corner of said White Property Co. No. 2, Ltd. tract and the easternmost corner of a tract of land described as "Tract 2" in Special Warranty Deed with Vendor's Lien to Shenadoah Properties, Inc. recorded in Instrument No. 200503589080 of said Official Public Records;

THENCE, in a southeasterly direction, along the said southwest line of North Dallas Avenue, the following two (2) calls:

South 27 degrees, 29 minutes, 14 seconds East, a distance of 686.88 feet to a "+" cut in concrete set at the beginning of a non-tangent curve to the right;

Along said curve to the right, having a central angle of 05 degrees, 31 minutes, 14 seconds, a radius of 3,760.24 feet, a chord bearing and distance of South 24 degrees, 32 minutes, 18 seconds East, 362.17 feet, an arc distance of 362.31 feet to a point at the end of said curve; said point being the northernmost corner of Lot 1-A, Block B, Cedar Valley Industrial Park, Section One, an addition to the City of Lancaster, Texas according to the plat recorded in Volume 96211, Page 970 of the Deed Records of Dallas County, Texas;

THENCE, South 59 degrees, 07 minutes, 31 seconds West, departing the said southwest line of North Dallas Avenue and along the northwest line of said Lot 1-A and Lot 2-A, Block B of said Cedar Valley Industrial Park, Section One, a distance of 1,004.35 feet to a 1/2-inch iron rod with "A&W SURV 4888" cap found for the westernmost corner of said Lot 2-A;

THENCE, South 31 degrees, 45 minutes, 17 seconds East, along the southwest line of said Lot 2-A, a distance of 90.40 feet to a 1/2-inch iron rod found for corner in the terminus of Capital Drive (a 60-foot wide right-of-way);

THENCE, South 59 degrees, 12 minutes, 36 seconds West, departing the said southwest line of Lot 2-A and along the said terminus of Capital Drive, at a distance of 60.00 feet passing the southwest right-of-way line of said Capital Drive and the northernmost corner of Lot 1A, Block C of said Cedar Valley Industrial Park, Section 1, an addition to the City of Lancaster, Texas according to the plat recorded in Volume 87076, Page 1503 of said Deed Records, continuing along the northwest line of said Lot 1A and Lot 1B, Block C of said Cedar Valley Industrial Park, Section 1, in all a total distance of 361.51 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap set for the westernmost corner of said Lot 1B;

THENCE, North 31 degrees, 07 minutes, 09 seconds West, a distance of 71.95 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap set for corner;

THENCE, South 58 degrees, 57 minutes, 44 seconds West, a distance of 2,179.53 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap set for corner in the northeast right-of-way line of Dizzy Dean Drive (a variable width right-of-way, 42.5 feet wide at this point);

THENCE, North 31 degrees, 02 minutes, 16 seconds West, along the said northeast line of Dizzy Dean Drive, at a distance of 829.52 feet passing a 5/8-inch iron rod with "Wycoskie Mcinnis" cap found in the terminus of said Dizzy Dean Drive at the easternmost corner of a tract of land described as "Tract 3" in Special Warranty Deed to Starpeach Texas LP recorded in Instrument No. 201100223618 of said Official Public Records, continuing along the northeast line of said Starpeach Texas LP tract in all a total distance of 1,033.89 feet to a point for corner in the centerline of Floyd Branch; said point being the southernmost corner of Lancaster Gardens Addition, an addition to the City of Lancaster, Texas according to the plat recorded in Volume 12, Page 295 of the Map Records of Dallas County, Texas;

THENCE, in a northeasterly direction, departing the said northeast line of the Starpeach Texas LP tract and along the said centerline of Floyd Branch, the southeast line of said Lancaster Gardens Addition, the southeast line of Taylor Bros. Addition, an addition to the City of Lancaster, Texas according to the plat recorded in Volume 32, Page 243 of said Map Records, the southeast line of Taylor Bros. Addition, an addition to the City of Lancaster, Texas according to the plat recorded in Volume 43, Page 73 of said Map Records, and the southeast line of 2nd Installment Taylor Bros. Addition, an addition to the City of Lancaster, Texas according to the plat recorded in Volume 35, Page 109 of said Map Records, the following twenty three (23) calls:

North 55 degrees, 03 minutes, 37 seconds East, a distance of 135.66 feet to a point for corner;
North 43 degrees, 23 minutes, 48 seconds East, a distance of 77.35 feet to a point for corner;
North 38 degrees, 04 minutes, 59 seconds East, a distance of 76.51 feet to a point for corner;
North 47 degrees, 18 minutes, 40 seconds East, a distance of 167.14 feet to a point for corner;
North 44 degrees, 46 minutes, 00 seconds East, a distance of 153.82 feet to a point for corner;
North 46 degrees, 37 minutes, 54 seconds East, a distance of 106.95 feet to a point for corner;
North 41 degrees, 32 minutes, 39 seconds East, a distance of 80.98 feet to a point for corner;
North 49 degrees, 23 minutes, 49 seconds East, a distance of 76.78 feet to a point for corner;
North 43 degrees, 02 minutes, 19 seconds East, a distance of 215.65 feet to a point for corner;
North 52 degrees, 10 minutes, 54 seconds East, a distance of 278.40 feet to a point for corner;
North 69 degrees, 01 minutes, 01 seconds East, a distance of 95.86 feet to a point for corner;
North 57 degrees, 37 minutes, 37 seconds East, a distance of 138.36 feet to a point for corner;
South 77 degrees, 34 minutes, 37 seconds East, a distance of 131.50 feet to a point for corner;
North 78 degrees, 41 minutes, 53 seconds East, a distance of 51.89 feet to a point for corner;
North 47 degrees, 02 minutes, 08 seconds East, a distance of 40.40 feet to a point for corner;
North 13 degrees, 55 minutes, 21 seconds West, a distance of 77.05 feet to a point for corner;
North 50 degrees, 27 minutes, 16 seconds East, a distance of 122.92 feet to a point for corner;
North 39 degrees, 44 minutes, 04 seconds East, a distance of 86.41 feet to a point for corner;
North 56 degrees, 43 minutes, 17 seconds East, a distance of 134.37 feet to a point for corner;
North 48 degrees, 16 minutes, 13 seconds East, a distance of 189.06 feet to a point for corner;
North 48 degrees, 19 minutes, 29 seconds East, a distance of 136.04 feet to a point for corner;
North 22 degrees, 00 minutes, 31 seconds East, a distance of 98.89 feet to a point for corner;
North 57 degrees, 10 minutes, 34 seconds East, a distance of 66.07 feet to a point for corner in the southwest line of a tract of land described in Warranty Deed to Cherry Valley Church of Christ recorded in Volume 90166, Page 434 of said Deed Records;

THENCE, South 28 degrees, 38 minutes, 48 seconds East, departing the said centerline of Floyd Branch and the said southeast line of 2nd Installment Taylor Bros. Addition, and along the southwest line of said Cherry Valley Church of Christ tract, a distance of 321.28 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap set for the southernmost corner of said Cherry Valley Church of Christ tract;

THENCE, North 62 degrees, 40 minutes, 02 seconds East, along the said southeast line of the Cherry Valley Church of Christ tract and the southeast line of said Shenadoah Properties, Inc., a distance of 1,065.01 feet to the POINT OF BEGINNING;

CONTAINING: 4,333,937 square feet or 99.493 acres of land, more or less

SAVE AND EXCEPT:

DESCRIPTION of a 0.992 acre tract of land situated in the Smith Elkins Survey, Abstract No. 430, Dallas County, Texas; said tract being part of that tract of land described in Trustee's Deed to Juanita Smith Alexander recorded in Volume 92094, Page 1453 of the Deed Records of Dallas County, Texas; said 0.992 acre tract being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found in the southwest right-of-way line of N. Dallas Avenue (State Highway No. 342) (a 120-foot wide right-of-way); said point being the northernmost corner of a tract of land described in Warranty Deed to Clarence L. Smith, Jr., recorded in Volume 84082, Page 675 of said Deed Records;

THENCE South 62 degrees 34 minutes 06 seconds West, departing the said southwest line of N. Dallas Avenue and along the northwest line of said Smith tract, a distance of 400.33 feet to a 1/2-inch iron rod found for corner in a northeast line of a tract of land described in Special Warranty Deed with Vendor's Lien to White Property Co. No., 2, Ltd. recorded in Instrument No.

200600115509 of the Official Public Records of Dallas County, Texas;

THENCE North 27 degrees 29 minutes 57 seconds West, along the said northeast line of the White Property tract, a distance of 108.13 feet to a point of corner; said point being an ell corner of said White Property tract;

THENCE North 62 degrees 37 minutes 16 seconds East, along a southeast line of said White Property tract, a distance of 400.35 feet to a point for corner in the said southwest line of N. Dallas Avenue; said point being an east corner of said White Property tract;

THENCE 27 degrees 29 minutes 14 seconds East, along the said southeast line of N. Dallas Avenue, a distance of 107.76 feet to the POINT OF BEGINNING;

CONTAINING 43,215 square feet or 0.992 acres of land, more or less.

FURTHER SAVE AND EXCEPT:

DESCRIPTION OF a 2.493 acre tract of land situated in the Smith Elkins Survey, Abstract No. 430, Dallas County, Texas; said tract being all of that tract of land described in Warranty Deed to Clarence L. Smith, Jr. recorded in Volume 84082, Page 675 of the Deed Records of Dallas County, Texas; said 2.493 acre tract being more particularly described as follows:

BEGINNING at a point in the southwest right-of-way line of N. Dallas Avenue (State Highway No. 342) (a 120-foot wide right-of-way), said point being the easternmost corner of said Smith tract and a north corner of a tract of land described in Special Warranty Deed with Vendor's Lien to White Property Co. No. 2 Ltd. recorded in Instrument No. 200600115509 of the Official Public Records of Dallas County, Texas; from said point a 1/2-inch iron rod found bears North 54 degrees 18 minutes East, a distance of 0.3 feet;

THENCE South 59 degrees 12 minutes 06 seconds West, departing the said southwest line of N. Dallas Avenue and along a northwest line of said White Property tract, a distance of 400.75 feet to a 1/2-inch iron rod for the southernmost corner of said Smith tract;

THENCE North 27 degrees 29 minutes 57 seconds West, along a northeast line of said White Property tract, a distance of 283.06 feet to a 1/2-inch rod found for the westernmost corner of said Smith tract;

THENCE North 62 degrees 37 minutes 16 seconds East, departing the said northeast line of the White Property tract, a distance of 400.33 feet to a point for corner in the said southwest line of N. Dallas Avenue; said point being the northernmost corner of said Smith tract;

THENCE in a southeasterly direction, along the said southwest line of N. Dallas Avenue, the following two (2) calls:

South 27 degrees 29 minutes 14 seconds East, a distance of 232.50 feet to a point at the beginning of a non-tangent curve to the right;

Along said curve to the right, having a central angle of 00 degrees 24 minutes 42 seconds, a radius of 3,760.24 feet, a chord bearing and distance of South 27 degrees 05 minutes 34 seconds East, 27.03 feet, an arc distance of 27.03 feet to the POINT OF BEGINNING;

CONTAINING 108,594 square feet or 2.493 acres of land, more or less. TRACT 1

ACKNOWLEDGMENT

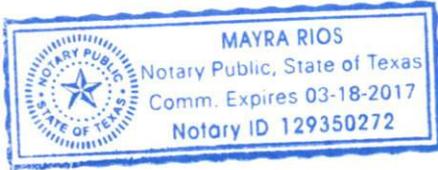
STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Opal Mauldin-Robertson, City Manager of the City of Lancaster, a Texas non-profit 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 corporation, and that he executed the same as the act of said corporation for the purpose and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND SEAL OF OFFICE this the 27th day of June, 2016.

Mayra Rios
Notary Public, State of Texas

My Commission Expires:
03-18-2017



ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

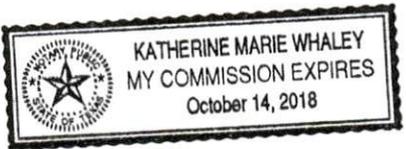
BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Ed Kepner of White Tract, LLC, a Delaware limited liability company known to me to be the person and agent whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said corporation, and that he executed the same as the act of said corporation for the purpose and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND SEAL OF OFFICE this the 8th day of August,
2016.



Notary Public, State of Texas

My Commission Expires:
10-18-2018



RESOLUTION NO. 2016-03

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LANCASTER ECONOMIC DEVELOPMENT CORPORATION OF LANCASTER TEXAS, (LEDC), IN SUPPORT OF A GRANT TO WHITE TRACT, LLC FROM FUNDS COLLECTED FROM ¼ OF 1 PERCENT ADDITIONAL SALES AND USE TAX FOR THE PROMOTION AND DEVELOPMENT OF NEW AND EXPANDED BUSINESS ENTERPRISES, AS AUTHORIZED BY STATE LAW; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Lancaster Economic Development Corporation recognizes how important business and community development is to the vitality and growth of Lancaster; and

WHEREAS, White Tract, LLC has selected Lancaster as the location for their newest warehouse-distribution facility; and

WHEREAS, White Tract, LLC has requested a grant for assistance with the costs of infrastructure improvements associated with the construction and finish out of an approximately 1,600,000 square foot warehouse-distribution facility located on property owned by White Tract, LLC in Lancaster, Texas; and

WHEREAS, the Board of Directors of LEDC are responsible for the review and evaluation of Type A incentive applications; and

WHEREAS, the board of LEDC is also responsible for recommending Type A Incentive Grants to the Lancaster City Council for review and approval;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LANCASTER ECONOMIC DEVELOPMENT CORPORATION:

SECTION 1. That the Board of Directors of the Lancaster Economic Development Corporation approves the resolution and Incentive Agreement which is attached hereto.

SECTION 2. That this resolution shall take effect immediately from and after its passage and it is so duly resolved.

DULY PASSED and adopted on this 7th day of June, 2016

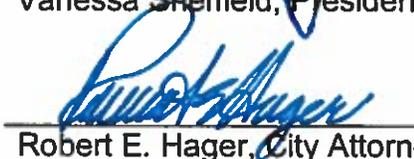
APPROVED:


Vanessa Sheffield, President

ATTEST:


Mayra A. Ortiz, Executive Secretary

APPROVED
AS TO FORM:


Robert E. Hager, City Attorney

INCENTIVE AGREEMENT

This Incentive Agreement (the "Agreement") is entered into by and between the Lancaster Economic Development Corporation, a non-profit corporation chartered by the State of Texas, acting by and through its Board of Directors (hereinafter referred to as the "LEDC") and White Tract, LLC, a Delaware limited liability company (hereinafter referred to as "the Company"), acting by and through its authorized officer, hereinafter referred to as ("the Company").

W I T N E S S E T H :

WHEREAS, the Lancaster Economic Development Corporation was established to promote enhanced business opportunities within the corporate limits of the City of Lancaster, Texas; and

WHEREAS, the LEDC recognizes the need to offer business incentives to develop real property within the City of Lancaster; and

WHEREAS, in order to maintain and enhance the economic and employment base within the City of Lancaster, it is in the best interests of the LEDC to enter into this Agreement in accordance with the terms provided herein; and

WHEREAS, the Company wishes to expand its operations as a viable economic project within the City thereby creating new business investment and new jobs in the City; and

WHEREAS, the Board of Directors of LEDC finds that the intended scope of the Project, hereinafter defined, is to construct and lease to tenants approximately 1,600,000 square feet of warehouse-distribution space on one hundred (100) acres in Lancaster owned by the company.

NOW THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, including the expansion of employment, the attraction of major investment within the City which contributes to the economic development of Lancaster, and to the enhancement of the tax base for the City, the parties agree as follows:

I. EFFECTIVE DATE; TERM OF AGREEMENT

This Agreement shall become effective upon the City Council of the City of Lancaster authorizing the LEDC to enter into an agreement with the Company and on the last date of execution of this Agreement by the LEDC and the Company, (Effective Date), and shall continue for a period of six months (6 months) following the issuance of a Certificate of Occupancy or the equivalent for the Improvements.

II. DEFINITIONS

Whenever used in this Agreement, the following term shall have the meaning ascribed to it:

"City" shall mean the City of Lancaster, Texas

"Company" shall mean White Tract, LLC.

"Event(s) of Force Majeure" shall mean any contingency or cause beyond the reasonable control of a party including, without limitation, acts of God or the public enemy, war, terrorist act, or threat thereof, riot, civil commotion, insurrection, government action or inaction, fires, earthquake, tornado, hurricane, explosions, floods, strikes, slowdowns or work stoppages.

"Improvements" shall mean the construction and finish out work necessary to commence operations in an approximately 1,600,000 square foot facility located on the Premises.

"Premises" shall mean the property described in **Exhibit A**, attached hereto and made a part hereof for all purposes.

"Project" shall mean the improvements and Related Infrastructure associated with the location, construction and finish out of the Company's approximately 1,600,000 square foot facility to be located on the Premises.

"Related Infrastructure" shall mean construction of the Improvements in accordance with all City development and building code requirements related to site preparation, water, wastewater, storm water, building construction etc. necessary to receive a City issue "Certificate of Occupancy" at completion of project activities.

III. PROVISIONS RELATING TO INCENTIVE AGREEMENT

White Tract, LLC Obligations:

- A. The Company will commence construction within twenty-four months (24 months) from the date of execution of this agreement on their approximately 1,600,000 square foot building located on approximately one hundred (100) acres owned by the Company in Lancaster, Texas as described in Exhibit A.
- B. The Premises and improvements constructed thereon at all times shall be used in a manner that is consistent with the City of Lancaster's Comprehensive Zoning Ordinance, as amended and other applicable ordinances.
- C. The Company agrees to provide, if requested by LEDC, any and all documentation necessary to confirm that the construction of the Project has met all agreement requirements in order for grant payment to be executed.

LEDC's Obligations:

- A. LEDC agrees to pay a grant to the Company in an amount not to exceed one hundred and fifty thousand dollars (\$150,000) to assist with the costs of infrastructure improvements associated with the construction of the Project. LEDC will issue payment of the grant within sixty (60) days of the Company receiving a final Certificate of Occupancy for the Improvements.
- B. Should actual square footage of constructed building be reduced from the originally planned one million six hundred thousand square feet (1,600,000), agreement will be amended to reflect a reduced grant amount calculated as follows:
- Less than 1,600,000 to 1,000,000 square foot building = \$100,000 grant
Less than 1,000,000 to 750,000 square foot building = \$75,000 grant
Less than 750,000 to 500,000 square foot building = \$50,000 grant
Less than 500,000 square foot building = \$0 grant
- C. All grant of funds shall be made from available sales tax proceeds from the LEDC. If such funds are not available to cover the entirety of the grant set forth in (A) above, then any unpaid portion of such grant shall be paid to the Company as soon as funds become available from subsequent sales tax proceeds, together with interest on any unpaid amounts at the rate of eight percent (8%) per annum from the date due until paid. and, any grant made herein, is not pledged against future sales tax proceeds or the full faith and credit of LEDC or the City of Lancaster; except as provided herein.

IV.

DEFAULT; RECAPTURE OF GRANT FUNDS

- A. In the event the Company (i) fails to commence the Project within twenty four (24) months of the Effective Date, subject to Events of Forced Majeure, (ii) fails to complete the Project in accordance with this Agreement; or (iii) materially breaches any of the terms or conditions of this Agreement, then the Company, after the expiration of the notice and cure periods described in Paragraph IV (B) below, shall be in default of this Agreement. As liquidated damages in the event of such non-cured default, Company shall refund to LEDC all grants previously paid by LEDC to Company. The parties acknowledge that actual damages in the event of default termination would be speculative and difficult to determine. The parties further agree that the recapture of grant funds plus the cost of recovery including attorney fees due LEDC as a result of the Company's default under this Agreement, shall be the sole and exclusive remedy of LEDC and shall be recoverable against the Company, its successors and assigns and shall continue as a lien on the Premises.
- B. Upon breach by the Company, of any obligations under this Agreement, the LEDC shall notify the Company, in writing. The Company shall have ninety (90) days from receipt of the notice in which to cure any such default.

- C. If the Company fails to cure the default within the time provided as specified in Paragraph IV B) above, or, as such time period may be extended by written agreement of the parties, then the LEDC at its sole option and as its sole and exclusive remedy, shall have the right to terminate this Agreement, in which event neither party shall have any further rights or obligations under this Agreement, except for any that are specifically stated to survive termination.
- D. Upon the LEDC's election under the preceding paragraph, all incentives shall be repaid as set forth in paragraph IV(A), and shall become due and payable ninety (90) days after notice to the Company of a non-cured default. The LEDC shall have all remedies provided by law for the collection of the grant funds. The LEDC at its sole discretion has the option to provide a repayment schedule. The obligation of the Company, to repay the grant funds to LEDC in the event of default shall survive the termination of this Agreement.

V.

SUCCESSORS AND ASSIGNS

This Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors, and assigns. This Agreement may be assigned only with the consent of the LEDC, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that no consent of the LEDC shall be required for an assignment of this Agreement in connection with a transfer of the Premises.

VI.

NOTICES

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

White Tract, LLC to:

Mr. Ed Kepner
Senior Development Manager
Panattoni Development Company
10000 N. Central Expressway Suite 1450
Dallas, Texas 75231

LEDC to:

Ed Brady
Lancaster Economic Development Corporation
P.O. Box 940
Lancaster, Texas 75146

**VII.
LEDC AUTHORIZATION**

This Agreement was authorized by resolution of the LEDC and approved by its Board of Directors, authorizing its officer to execute this Agreement on behalf of the LEDC.

**VIII.
SEVERABILITY**

In the event any section, subsection, paragraph, sentence, phrase or word herein is held invalid, illegal, unenforceable or unconstitutional, the balance of this Agreement shall be enforceable and shall be enforced as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word.

**IX.
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 Dallas County, Texas. This Agreement is performable in Dallas County, Texas.

**X.
COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

**XI.
ENTIRE AGREEMENT**

This Agreement embodies the complete agreement between the parties and relating to the matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the parties here. The provisions of this Agreement are hereby declared covenants running with the Premises and are fully binding on all successors, heirs, and assigns of the Company who acquire any right, title, or interest in or to the Premises, or any part hereof, and such successors, heirs and assigns, agrees and covenants to abide by and fully perform any outstanding provisions of Company under this Agreement. While there is no obligation for the LEDC to fund future expansion, nothing herein precludes the Company or its successors, heirs or assigns from requesting further assistance on future projects.

**XII.
RECORDATION OF AGREEMENT**

A certified copy of this Agreement may be recorded in the Deed Records of Dallas County, Texas.

**XIII.
INCORPORATION OF RECITALS**

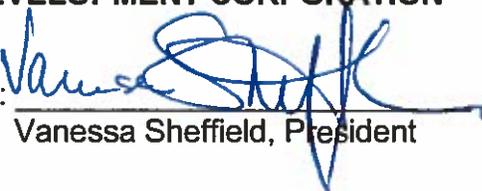
The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein a part of this Agreement.

**XIV.
EXHIBITS**

All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

EXECUTED in triplicate originals this the 7th day of June, 2016.

**LANCASTER ECONOMIC
DEVELOPMENT CORPORATION**

By: 
Vanessa Sheffield, President

WHITE TRACT, LLC

a Delaware limited liability company

By: White Tract PDC, LLC,
a Delaware limited liability company,
Managing Member

By: PDC Dallas LLC,
a Delaware limited liability company,
its Manager

By: 
Ed Kepner
Senior Development Manager

EXHIBIT A

LEGAL DESCRIPTION

DESCRIPTION of a 99.493 acre tract of land situated in the Smith Elkins Survey, Abstract No. 430, Dallas County, Texas; said tract being part of a tract of land described in Special Warranty Deed with Vendor's Lien to White Property Co. No. 2, Ltd. recorded in Instrument No. 200600115509 of the Official Public Records of Dallas County, Texas and all of those tracts of land described in Special Warranty Deeds to Lancaster BLT I LLC recorded in Instrument No. 201400282641 and Instrument No. 201400282641 of said Official Public Records; said 99.493 acre tract being more particularly described as follows:

BEGINNING, at a 1/2-inch iron rod with "RSCT" cap found for corner in the southwest right-of-way line of North Dallas Avenue (State Highway No. 342) (a 120-foot wide right-of-way); said point being the northernmost corner of said White Property Co. No. 2, Ltd. tract and the easternmost corner of a tract of land described as "Tract 2" in Special Warranty Deed with Vendor's Lien to Shenadoah Properties, Inc. recorded in Instrument No. 200503589080 of said Official Public Records;

THENCE, in a southeasterly direction, along the said southwest line of North Dallas Avenue, the following two (2) calls:

South 27 degrees, 29 minutes, 14 seconds East, a distance of 686.88 feet to a "+" cut in concrete set at the beginning of a non-tangent curve to the right;

Along said curve to the right, having a central angle of 05 degrees, 31 minutes, 14 seconds, a radius of 3,760.24 feet, a chord bearing and distance of South 24 degrees, 32 minutes, 18 seconds East, 362.17 feet, an arc distance of 362.31 feet to a point at the end of said curve; said point being the northernmost corner of Lot 1-A, Block B, Cedar Valley Industrial Park, Section One, an addition to the City of Lancaster, Texas according to the plat recorded in Volume 96211, Page 970 of the Deed Records of Dallas County, Texas;

THENCE, South 59 degrees, 07 minutes, 31 seconds West, departing the said southwest line of North Dallas Avenue and along the northwest line of said Lot 1-A and Lot 2-A, Block B of said Cedar Valley Industrial Park, Section One, a distance of 1,004.35 feet to a 1/2-inch iron rod with "A&W SURV 4888" cap found for the westernmost corner of said Lot 2-A;

THENCE, South 31 degrees, 45 minutes, 17 seconds East, along the southwest line of said Lot 2-A, a distance of 90.40 feet to a 1/2-inch iron rod found for corner in the terminus of Capital Drive (a 60-foot wide right-of-way);

THENCE, South 59 degrees, 12 minutes, 36 seconds West, departing the said southwest line of Lot 2-A and along the said terminus of Capital Drive, at a distance of 60.00 feet passing the southwest right-of-way line of said Capital Drive and the northernmost corner of Lot 1A, Block C of said Cedar Valley Industrial Park, Section 1, an addition to the City of Lancaster, Texas according to the plat recorded in Volume 87076, Page 1503 of said Deed Records, continuing along the northwest line of said Lot 1A and Lot 1B, Block C of said Cedar Valley Industrial Park, Section 1, in all a total distance of 361.51 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap set for the westernmost corner of said Lot 1B;

THENCE, North 31 degrees, 07 minutes, 09 seconds West, a distance of 71.95 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap set for corner;

THENCE, South 58 degrees, 57 minutes, 44 seconds West, a distance of 2,179.53 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap set for corner in the northeast right-of-way line of Dizzy Dean Drive (a variable width right-of-way, 42.5 feet wide at this point);

THENCE, North 31 degrees, 02 minutes, 16 seconds West, along the said northeast line of Dizzy Dean Drive, at a distance of 829.52 feet passing a 5/8-inch iron rod with "Wycoskie Mcinnis" cap found in the terminus of said Dizzy Dean Drive at the easternmost corner of a tract of land described as "Tract 3" in Special Warranty Deed to Starpeach Texas LP recorded in Instrument No. 201100223618 of said Official Public Records, continuing along the northeast line of said Starpeach Texas LP tract in all a total distance of 1,033.89 feet to a point for corner in the centerline of Floyd Branch; said point being the southernmost corner of Lancaster Gardens Addition, an addition to the City of Lancaster, Texas according to the plat recorded in Volume 12, Page 295 of the Map Records of Dallas County, Texas;

THENCE, in a northeasterly direction, departing the said northeast line of the Starpeach Texas LP tract and along the said centerline of Floyd Branch, the southeast line of said Lancaster Gardens Addition, the southeast line of Taylor Bros. Addition, an addition to the City of Lancaster, Texas according to the plat recorded in Volume 32, Page 243 of said Map Records, the southeast line of Taylor Bros. Addition, an addition to the City of Lancaster, Texas according to the plat recorded in Volume 43, Page 73 of said Map Records, and the southeast line of 2nd Installment Taylor Bros. Addition, an addition to the City of Lancaster, Texas according to the plat recorded in Volume 35, Page 109 of said Map Records, the following twenty three (23) calls:

North 55 degrees, 03 minutes, 37 seconds East, a distance of 135.66 feet to a point for corner;

North 43 degrees, 23 minutes, 48 seconds East, a distance of 77.35 feet to a point for corner;

North 38 degrees, 04 minutes, 59 seconds East, a distance of 76.51 feet to a point for corner;

North 47 degrees, 18 minutes, 40 seconds East, a distance of 167.14 feet to a point for corner;

North 44 degrees, 46 minutes, 00 seconds East, a distance of 153.82 feet to a point for corner;

North 46 degrees, 37 minutes, 54 seconds East, a distance of 106.95 feet to a point for corner;

North 41 degrees, 32 minutes, 39 seconds East, a distance of 80.98 feet to a point for corner;

North 49 degrees, 23 minutes, 49 seconds East, a distance of 76.78 feet to a point for corner;

North 43 degrees, 02 minutes, 19 seconds East, a distance of 215.65 feet to a point for corner;

North 52 degrees, 10 minutes, 54 seconds East, a distance of 278.40 feet to a point for corner;

North 69 degrees, 01 minutes, 01 seconds East, a distance of 95.86 feet to a point for corner;

North 57 degrees, 37 minutes, 37 seconds East, a distance of 138.36 feet to a point for corner;

South 77 degrees, 34 minutes, 37 seconds East, a distance of 131.50 feet to a point for corner;

North 78 degrees, 41 minutes, 53 seconds East, a distance of 51.89 feet to a point for corner;

North 47 degrees, 02 minutes, 08 seconds East, a distance of 40.40 feet to a point for corner;

North 13 degrees, 55 minutes, 21 seconds West, a distance of 77.05 feet to a point for corner;

North 50 degrees, 27 minutes, 16 seconds East, a distance of 122.92 feet to a point for corner;

North 39 degrees, 44 minutes, 04 seconds East, a distance of 86.41 feet to a point for corner;

North 56 degrees, 43 minutes, 17 seconds East, a distance of 134.37 feet to a point for corner;

North 48 degrees, 16 minutes, 13 seconds East, a distance of 189.06 feet to a point for corner;

North 48 degrees, 19 minutes, 29 seconds East, a distance of 136.04 feet to a point for corner;

North 22 degrees, 00 minutes, 31 seconds East, a distance of 98.89 feet to a point for corner;

North 57 degrees, 10 minutes, 34 seconds East, a distance of 66.07 feet to a point for corner in the southwest line of a tract of land described in Warranty Deed to Cherry Valley Church of Christ recorded in Volume 90166, Page 434 of said Deed Records;

THENCE, South 28 degrees, 38 minutes, 48 seconds East, departing the said centerline of Floyd Branch and the said southeast line of 2nd Installment Taylor Bros. Addition, and along the southwest line of said Cherry Valley Church of Christ tract, a distance of 321.28 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap set for the southernmost corner of said Cherry Valley Church of Christ tract;

THENCE, North 62 degrees, 40 minutes, 02 seconds East, along the said southeast line of the Cherry Valley Church of Christ tract and the southeast line of said Shenadoah Properties, Inc., a distance of 1,065.01 feet to the POINT OF BEGINNING;

CONTAINING: 4,333,937 square feet or 99.493 acres of land, more or less

SAVE AND EXCEPT:

DESCRIPTION of a 0.992 acre tract of land situated in the Smith Elkins Survey, Abstract No. 430, Dallas County, Texas; said tract being part of that tract of land described in Trustee's Deed to Juanita Smith Alexander recorded in Volume 92094, Page 1453 of the Deed Records of Dallas County, Texas; said 0.992 acre tract being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found in the southwest right-of-way line of N. Dallas Avenue (State Highway No. 342) (a 120-foot wide right-of-way); said point being the northernmost corner of a tract of land described in Warranty Deed to Clarence L. Smith, Jr., recorded in Volume 84082, Page 675 of said Deed Records;

THENCE South 62 degrees 34 minutes 06 seconds West, departing the said southwest line of N. Dallas Avenue and along the northwest line of said Smith tract, a distance of 400.33 feet to a 1/2-inch iron rod found for corner in a northeast line of a tract of land described in Special Warranty Deed with Vendor's Lien to White Property Co. No., 2, Ltd. recorded in Instrument No. 200600115509 of the Official Public Records of Dallas County, Texas;

THENCE North 27 degrees 29 minutes 57 seconds West, along the said northeast line of the White Property tract, a distance of 108.13 feet to a point of corner; said point being an ell corner of said White Property tract;

THENCE North 62 degrees 37 minutes 16 seconds East, along a southeast line of said White Property tract, a distance of 400.35 feet to a point for corner in the said southwest line of N. Dallas Avenue; said point being an east corner of said White Property tract;

THENCE 27 degrees 29 minutes 14 seconds East, along the said southeast line of N. Dallas Avenue, a distance of 107.76 feet to the POINT OF BEGINNING;

CONTAINING 43,215 square feet or 0.992 acres of land, more or less.

FURTHER SAVE AND EXCEPT:

DESCRIPTION OF a 2.493 acre tract of land situated in the Smith Elkins Survey, Abstract

No. 430, Dallas County, Texas; said tract being all of that tract of land described in Warranty Deed to Clarence L. Smith, Jr. recorded in Volume 84082, Page 675 of the Deed Records of Dallas County, Texas; said 2.493 acre tract being more particularly described as follows: BEGINNING at a point in the southwest right-of-way line of N. Dallas Avenue (State Highway No. 342) (a 120-foot wide right-of-way), said point being the easternmost corner of said Smith tract and a north corner of a tract of land described in Special Warranty Deed with Vendor's Lien to White Property Co. No. 2 Ltd. recorded in Instrument No. 200600115509 of the Official Public Records of Dallas County, Texas; from said point a 1/2-inch iron rod found bears North 54 degrees 18 minutes East, a distance of 0.3 feet; THENCE South 59 degrees 12 minutes 06 seconds West, departing the said southwest line of N. Dallas Avenue and along a northwest line of said White Property tract, a distance of 400.75 feet to a 1/2-inch iron rod for the southernmost corner of said Smith tract; THENCE North 27 degrees 29 minutes 57 seconds West, along a northeast line of said White Property tract, a distance of 283.06 feet to a 1/2-inch rod found for the westernmost corner of said Smith tract; THENCE North 62 degrees 37 minutes 16 seconds East, departing the said northeast line of the White Property tract, a distance of 400.33 feet to a point for corner in the said southwest line of N. Dallas Avenue; said point being the northernmost corner of said Smith tract; THENCE in a southeasterly direction, along the said southwest line of N. Dallas Avenue, the following two (2) calls:
South 27 degrees 29 minutes 14 seconds East, a distance of 232.50 feet to a point at the beginning of a non-tangent curve to the right;
Along said curve to the right, having a central angle of 00 degrees 24 minutes 42 seconds, a radius of 3,760.24 feet, a chord bearing and distance of South 27 degrees 05 minutes 34 seconds East, 27.03 feet, an arc distance of 27.03 feet to the POINT OF BEGINNING;
CONTAINING 108,594 square feet or 2.493 acres of land, more or less.

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Vanessa Sheffield, President of the Lancaster Economic Development Corporation, a Texas non-profit 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 corporation, and that he executed the same as the act of said corporation for the purpose and consideration therein expressed and in the capacity therein stated.

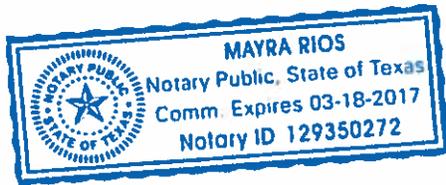
GIVEN UNDER MY HAND SEAL OF OFFICE this the 7th day of June, 2016.



Notary Public, State of Texas

My Commission Expires:

March 18, 2017



ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

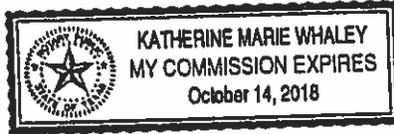
BEFORE ME, the undersigned authority, a Notary Public in and for the State of California, on this day personally appeared Ed Kepner of White Tract, LLC, a Delaware Limited Liability Company, known to me to be the person and agent whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said corporation, and that he executed the same as the act of said corporation for the purpose and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND SEAL OF OFFICE this the 8th day of August, 2016.



Notary Public, State of Texas

My Commission Expires
10-14-2018



RESOLUTION NO. 2016-06-44

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, RATIFYING THE TERMS AND CONDITIONS OF AN INCENTIVE GRANT BY AND BETWEEN WHITE TRACT, LLC AND THE LANCASTER ECONOMIC DEVELOPMENT CORPORATION (LEDC) AUTHORIZING LEDC TO ENTER INTO A FORMAL AGREEMENT; PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Lancaster Economic Development Corporation (hereinafter "LEDC") Resolution 2016-03 which was passed and approved on the 7th day of June, 2016 by the Board of Directors of the Lancaster Economic Development Corporation (LEDC), offering an incentive grant to White Tract, LLC.; and

WHEREAS, White Tract, LLC has purchased approximately one hundred (100) acres of real property in the City of Lancaster, Texas with the intent to construct and lease to tenants a warehouse-distribution building totaling approximately one million six hundred thousand (1,600,000) square feet combined; and

WHEREAS, the City of Lancaster and LEDC recognize the importance of their continued role in economic development in the community of Lancaster; and

WHEREAS, the City may provide incentives promoting economic development pursuant to Chapter 380 of the Texas Local Government Code, which authorizes loans and grants of a city's general funds pursuant to a "program" to stimulate business and commercial activity in the municipality; and

WHEREAS, pursuant to Texas Local Government Code, Chapter 501, et seq, as amended, LEDC, as a non-profit corporation, in accordance with the Act, shall promote development and redevelopment within the municipality and its vicinity and create new manufacturing and industrial facilities, distribution centers, warehouse facilities and related facilities, through the use of a sales tax, which development and redevelopment would not otherwise occur solely through private investment in the reasonably foreseeable future; and

WHEREAS, pursuant to the City's Charter, the Act and applicable Texas Statutes, the City has the authority to enter into agreements as the City considers necessary or convenient to implement economic development in Lancaster, Texas; and

WHEREAS, pursuant to the Act and the bylaws of the Lancaster Economic Development Corporation, LEDC has the authority to enter into agreements as LEDC considers necessary or convenient to implement economic development in Lancaster, Texas.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS:

SECTION 1. The City Council ratifies the June 7, 2016 actions of the Board of Directors of the LEDC approving an incentive grant in an amount not to exceed one hundred fifty thousand dollars (\$150,000) to White Tract, LLC.

SECTION 2. The City Council authorizes LEDC to enter into an incentive agreement with White Tract, LLC which is attached hereto and incorporated herein as Exhibit A.

SECTION 3. This resolution shall be effective from and after its passage as provided by law.

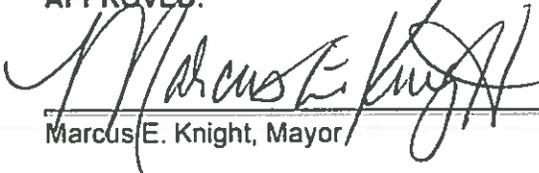
DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 27th day of June, 2016.

ATTEST:



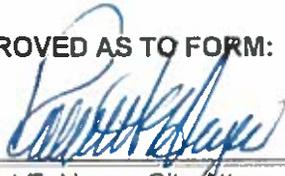
Sorangel O. Arenas, City Secretary

APPROVED:



Marcus E. Knight, Mayor

APPROVED AS TO FORM:



Robert E. Hager, City Attorney

RESOLUTION NO. 2016-03

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LANCASTER ECONOMIC DEVELOPMENT CORPORATION OF LANCASTER TEXAS, (LEDC), IN SUPPORT OF A GRANT TO WHITE TRACT, LLC FROM FUNDS COLLECTED FROM ¼ OF 1 PERCENT ADDITIONAL SALES AND USE TAX FOR THE PROMOTION AND DEVELOPMENT OF NEW AND EXPANDED BUSINESS ENTERPRISES, AS AUTHORIZED BY STATE LAW; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Lancaster Economic Development Corporation recognizes how important business and community development is to the vitality and growth of Lancaster; and

WHEREAS, White Tract, LLC has selected Lancaster as the location for their newest warehouse-distribution facility; and

WHEREAS, White Tract, LLC has requested a grant for assistance with the costs of infrastructure improvements associated with the construction and finish out of an approximately 1,6000,000 square foot warehouse-distribution facility located on property owned by White Tract, LLC in Lancaster, Texas; and

WHEREAS, the Board of Directors of LEDC are responsible for the review and evaluation of Type A incentive applications; and

WHEREAS, the board of LEDC is also responsible for recommending Type A Incentive Grants to the Lancaster City Council for review and approval;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LANCASTER ECONOMIC DEVELOPMENT CORPORATION:

SECTION 1. That the Board of Directors of the Lancaster Economic Development Corporation approves the resolution and Incentive Agreement which is attached hereto.

SECTION 2. That this resolution shall take effect immediately from and after its passage and it is so duly resolved.

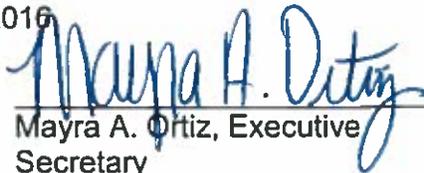
DULY PASSED and adopted on this 7th day of June, 2016

APPROVED:



Vanessa Sheffield, President

ATTEST:



Mayra A. Ortiz, Executive Secretary

APPROVED AS TO FORM:



Robert E. Hager, City Attorney

INCENTIVE AGREEMENT

This Incentive Agreement (the "Agreement") is entered into by and between the Lancaster Economic Development Corporation, a non-profit corporation chartered by the State of Texas, acting by and through its Board of Directors (hereinafter referred to as the "LEDC") and White Tract, LLC, a Delaware limited liability company (hereinafter referred to as "the Company"), acting by and through its authorized officer, hereinafter referred to as ("the Company").

W I T N E S S E T H :

WHEREAS, the Lancaster Economic Development Corporation was established to promote enhanced business opportunities within the corporate limits of the City of Lancaster, Texas; and

WHEREAS, the LEDC recognizes the need to offer business incentives to develop real property within the City of Lancaster; and

WHEREAS, in order to maintain and enhance the economic and employment base within the City of Lancaster, it is in the best interests of the LEDC to enter into this Agreement in accordance with the terms provided herein; and

WHEREAS, the Company wishes to expand its operations as a viable economic project within the City thereby creating new business investment and new jobs in the City; and

WHEREAS, the Board of Directors of LEDC finds that the intended scope of the Project, hereinafter defined, is to construct and lease to tenants approximately 1,600,000 square feet of warehouse-distribution space on one hundred (100) acres in Lancaster owned by the company.

NOW THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, including the expansion of employment, the attraction of major investment within the City which contributes to the economic development of Lancaster, and to the enhancement of the tax base for the City, the parties agree as follows:

I. EFFECTIVE DATE; TERM OF AGREEMENT

This Agreement shall become effective upon the City Council of the City of Lancaster authorizing the LEDC to enter into an agreement with the Company and on the last date of execution of this Agreement by the LEDC and the Company, (Effective Date), and shall continue for a period of six months (6 months) following the issuance of a Certificate of Occupancy or the equivalent for the Improvements.

II. DEFINITIONS

Whenever used in this Agreement, the following term shall have the meaning ascribed to it:

"City" shall mean the City of Lancaster, Texas

"Company" shall mean White Tract, LLC.

"Event(s) of Force Majeure" shall mean any contingency or cause beyond the reasonable control of a party including, without limitation, acts of God or the public enemy, war, terrorist act, or threat thereof, riot, civil commotion, insurrection, government action or inaction, fires, earthquake, tornado, hurricane, explosions, floods, strikes, slowdowns or work stoppages.

"Improvements" shall mean the construction and finish out work necessary to commence operations in an approximately 1,600,000 square foot facility located on the Premises.

"Premises" shall mean the property described in **Exhibit A**, attached hereto and made a part hereof for all purposes.

"Project" shall mean the improvements and Related Infrastructure associated with the location, construction and finish out of the Company's approximately 1,600,000 square foot facility to be located on the Premises.

"Related Infrastructure" shall mean construction of the Improvements in accordance with all City development and building code requirements related to site preparation, water, wastewater, storm water, building construction etc. necessary to receive a City issue "Certificate of Occupancy" at completion of project activities.

III. PROVISIONS RELATING TO INCENTIVE AGREEMENT

White Tract, LLC Obligations:

- A. The Company will commence construction within twenty-four months (24 months) from the date of execution of this agreement on their approximately 1,600,000 square foot building located on approximately one hundred (100) acres owned by the Company in Lancaster, Texas as described in Exhibit A.
- B. The Premises and improvements constructed thereon at all times shall be used in a manner that is consistent with the City of Lancaster's Comprehensive Zoning Ordinance, as amended and other applicable ordinances.
- C. The Company agrees to provide, if requested by LEDC, any and all documentation necessary to confirm that the construction of the Project has met all agreement requirements in order for grant payment to be executed.

LEDC's Obligations:

- A. LEDC agrees to pay a grant to the Company in an amount not to exceed one hundred and fifty thousand dollars (\$150,000) to assist with the costs of infrastructure improvements associated with the construction of the Project. LEDC will issue payment of the grant within sixty (60) days of the Company receiving a final Certificate of Occupancy for the Improvements.
- B. Should actual square footage of constructed building be reduced from the originally planned one million six hundred thousand square feet (1,600,000), agreement will be amended to reflect a reduced grant amount calculated as follows:

Less than 1,600,000 to 1,000,000 square foot building = \$100,000 grant

Less than 1,000,000 to 750,000 square foot building = \$75,000 grant

Less than 750,000 to 500,000 square foot building = \$50,000 grant

Less than 500,000 square foot building = \$0 grant

- C. All grant of funds shall be made from available sales tax proceeds from the LEDC. If such funds are not available to cover the entirety of the grant set forth in (A) above, then any unpaid portion of such grant shall be paid to the Company as soon as funds become available from subsequent sales tax proceeds, together with interest on any unpaid amounts at the rate of eight percent (8%) per annum from the date due until paid. and, any grant made herein, is not pledged against future sales tax proceeds or the full faith and credit of LEDC or the City of Lancaster; except as provided herein.

IV.

DEFAULT; RECAPTURE OF GRANT FUNDS

- A. In the event the Company (i) fails to commence the Project within twenty four (24) months of the Effective Date, subject to Events of Forced Majeure, (ii) fails to complete the Project in accordance with this Agreement; or (iii) materially breaches any of the terms or conditions of this Agreement, then the Company, after the expiration of the notice and cure periods described in Paragraph IV (B) below, shall be in default of this Agreement. As liquidated damages in the event of such non-cured default, Company shall refund to LEDC all grants previously paid by LEDC to Company. The parties acknowledge that actual damages in the event of default termination would be speculative and difficult to determine. The parties further agree that the recapture of grant funds plus the cost of recovery including attorney fees due LEDC as a result of the Company's default under this Agreement, shall be the sole and exclusive remedy of LEDC and shall be recoverable against the Company, its successors and assigns and shall continue as a lien on the Premises.
- B. Upon breach by the Company, of any obligations under this Agreement, the LEDC shall notify the Company, in writing. The Company shall have ninety (90) days from receipt of the notice in which to cure any such default.

- C. If the Company fails to cure the default within the time provided as specified in Paragraph IV B) above, or, as such time period may be extended by written agreement of the parties, then the LEDC at its sole option and as its sole and exclusive remedy, shall have the right to terminate this Agreement, in which event neither party shall have any further rights or obligations under this Agreement, except for any that are specifically stated to survive termination.
- D. Upon the LEDC's election under the preceding paragraph, all incentives shall be repaid as set forth in paragraph IV(A), and shall become due and payable ninety (90) days after notice to the Company of a non-cured default. The LEDC shall have all remedies provided by law for the collection of the grant funds. The LEDC at its sole discretion has the option to provide a repayment schedule. The obligation of the Company, to repay the grant funds to LEDC in the event of default shall survive the termination of this Agreement.

V.

SUCCESSORS AND ASSIGNS

This Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors, and assigns. This Agreement may be assigned only with the consent of the LEDC, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that no consent of the LEDC shall be required for an assignment of this Agreement in connection with a transfer of the Premises.

VI.

NOTICES

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

White Tract, LLC to:

Mr. Ed Kepner
Senior Development Manager
Panattoni Development Company
10000 N. Central Expressway Suite 1450
Dallas, Texas 75231

LEDC to:

Ed Brady
Lancaster Economic Development Corporation
P.O. Box 940
Lancaster, Texas 75146

**VII.
LEDC AUTHORIZATION**

This Agreement was authorized by resolution of the LEDC and approved by its Board of Directors, authorizing its officer to execute this Agreement on behalf of the LEDC.

**VIII.
SEVERABILITY**

In the event any section, subsection, paragraph, sentence, phrase or word herein is held invalid, illegal, unenforceable or unconstitutional, the balance of this Agreement shall be enforceable and shall be enforced as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word.

**IX.
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 Dallas County, Texas. This Agreement is performable in Dallas County, Texas.

**X.
COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

**XI.
ENTIRE AGREEMENT**

This Agreement embodies the complete agreement between the parties and relating to the matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the parties here. The provisions of this Agreement are hereby declared covenants running with the Premises and are fully binding on all successors, heirs, and assigns of the Company who acquire any right, title, or interest in or to the Premises, or any part hereof, and such successors, heirs and assigns, agrees and covenants to abide by and fully perform any outstanding provisions of Company under this Agreement. While there is no obligation for the LEDC to fund future expansion, nothing herein precludes the Company or its successors, heirs or assigns from requesting further assistance on future projects.

**XII.
RECORDATION OF AGREEMENT**

A certified copy of this Agreement may be recorded in the Deed Records of Dallas County, Texas.

**XIII.
INCORPORATION OF RECITALS**

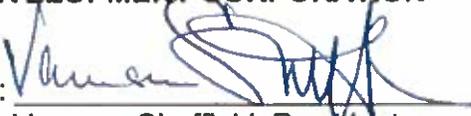
The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein a part of this Agreement.

**XIV.
EXHIBITS**

All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

EXECUTED in triplicate originals this the 7th day of June, 2016.

**LANCASTER ECONOMIC
DEVELOPMENT CORPORATION**

By: 
Vanessa Sheffield, President

WHITE TRACT, LLC

a Delaware limited liability company

By: White Tract PDC, LLC,
a Delaware limited liability company,
Managing Member

By: PDC Dallas LLC,
a Delaware limited liability company,
its Manager

By: 
Ed Kepner
Senior Development Manager

EXHIBIT A

LEGAL DESCRIPTION

DESCRIPTION of a 99.493 acre tract of land situated in the Smith Elkins Survey, Abstract No. 430, Dallas County, Texas; said tract being part of a tract of land described in Special Warranty Deed with Vendor's Lien to White Property Co. No. 2, Ltd. recorded in Instrument No. 200600115509 of the Official Public Records of Dallas County, Texas and all of those tracts of land described in Special Warranty Deeds to Lancaster BLT I LLC recorded in Instrument No. 201400282641 and Instrument No. 201400282641 of said Official Public Records; said 99.493 acre tract being more particularly described as follows:

BEGINNING, at a 1/2-inch iron rod with "RSCT" cap found for corner in the southwest right-of-way line of North Dallas Avenue (State Highway No. 342) (a 120-foot wide right-of-way); said point being the northernmost corner of said White Property Co. No. 2, Ltd. tract and the easternmost corner of a tract of land described as "Tract 2" in Special Warranty Deed with Vendor's Lien to Shenadoah Properties, Inc. recorded in Instrument No. 200503589080 of said Official Public Records;

THENCE, in a southeasterly direction, along the said southwest line of North Dallas Avenue, the following two (2) calls:

South 27 degrees, 29 minutes, 14 seconds East, a distance of 686.88 feet to a "+" cut in concrete set at the beginning of a non-tangent curve to the right;

Along said curve to the right, having a central angle of 05 degrees, 31 minutes, 14 seconds, a radius of 3,760.24 feet, a chord bearing and distance of South 24 degrees, 32 minutes, 18 seconds East, 362.17 feet, an arc distance of 362.31 feet to a point at the end of said curve; said point being the northernmost corner of Lot 1-A, Block B, Cedar Valley Industrial Park, Section One, an addition to the City of Lancaster, Texas according to the plat recorded in Volume 96211, Page 970 of the Deed Records of Dallas County, Texas;

THENCE, South 59 degrees, 07 minutes, 31 seconds West, departing the said southwest line of North Dallas Avenue and along the northwest line of said Lot 1-A and Lot 2-A, Block B of said Cedar Valley Industrial Park, Section One, a distance of 1,004.35 feet to a 1/2-inch iron rod with "A&W SURV 4888" cap found for the westernmost corner of said Lot 2-A;

THENCE, South 31 degrees, 45 minutes, 17 seconds East, along the southwest line of said Lot 2-A, a distance of 90.40 feet to a 1/2-inch iron rod found for corner in the terminus of Capital Drive (a 60-foot wide right-of-way);

THENCE, South 59 degrees, 12 minutes, 36 seconds West, departing the said southwest line of Lot 2-A and along the said terminus of Capital Drive, at a distance of 60.00 feet passing the southwest right-of-way line of said Capital Drive and the northernmost corner of Lot 1A, Block C of said Cedar Valley Industrial Park, Section 1, an addition to the City of Lancaster, Texas according to the plat recorded in Volume 87076, Page 1503 of said Deed Records, continuing along the northwest line of said Lot 1A and Lot 1B, Block C of said Cedar Valley Industrial Park, Section 1, in all a total distance of 361.51 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap set for the westernmost corner of said Lot 1B;

THENCE, North 31 degrees, 07 minutes, 09 seconds West, a distance of 71.95 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap set for corner;

THENCE, South 58 degrees, 57 minutes, 44 seconds West, a distance of 2,179.53 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap set for corner in the northeast right-of-way line of Dizzy Dean Drive (a variable width right-of-way, 42.5 feet wide at this point);

THENCE, North 31 degrees, 02 minutes, 16 seconds West, along the said northeast line of Dizzy Dean Drive, at a distance of 829.52 feet passing a 5/8-inch iron rod with "Wycoskie Mcinnis" cap found in the terminus of said Dizzy Dean Drive at the easternmost corner of a tract of land described as "Tract 3" in Special Warranty Deed to Starpeach Texas LP recorded in Instrument No. 201100223618 of said Official Public Records, continuing along the northeast line of said Starpeach Texas LP tract in all a total distance of 1,033.89 feet to a point for corner in the centerline of Floyd Branch; said point being the southernmost corner of Lancaster Gardens Addition, an addition to the City of Lancaster, Texas according to the plat recorded in Volume 12, Page 295 of the Map Records of Dallas County, Texas; THENCE, in a northeasterly direction, departing the said northeast line of the Starpeach Texas LP tract and along the said centerline of Floyd Branch, the southeast line of said Lancaster Gardens Addition, the southeast line of Taylor Bros. Addition, an addition to the City of Lancaster, Texas according to the plat recorded in Volume 32, Page 243 of said Map Records, the southeast line of Taylor Bros. Addition, an addition to the City of Lancaster, Texas according to the plat recorded in Volume 43, Page 73 of said Map Records, and the southeast line of 2nd Installment Taylor Bros. Addition, an addition to the City of Lancaster, Texas according to the plat recorded in Volume 35, Page 109 of said Map Records, the following twenty three (23) calls:

North 55 degrees, 03 minutes, 37 seconds East, a distance of 135.66 feet to a point for corner;

North 43 degrees, 23 minutes, 48 seconds East, a distance of 77.35 feet to a point for corner;

North 38 degrees, 04 minutes, 59 seconds East, a distance of 76.51 feet to a point for corner;

North 47 degrees, 18 minutes, 40 seconds East, a distance of 167.14 feet to a point for corner;

North 44 degrees, 46 minutes, 00 seconds East, a distance of 153.82 feet to a point for corner;

North 46 degrees, 37 minutes, 54 seconds East, a distance of 106.95 feet to a point for corner;

North 41 degrees, 32 minutes, 39 seconds East, a distance of 80.98 feet to a point for corner;

North 49 degrees, 23 minutes, 49 seconds East, a distance of 76.78 feet to a point for corner;

North 43 degrees, 02 minutes, 19 seconds East, a distance of 215.65 feet to a point for corner;

North 52 degrees, 10 minutes, 54 seconds East, a distance of 278.40 feet to a point for corner;

North 69 degrees, 01 minutes, 01 seconds East, a distance of 95.86 feet to a point for corner;

North 57 degrees, 37 minutes, 37 seconds East, a distance of 138.36 feet to a point for corner;

South 77 degrees, 34 minutes, 37 seconds East, a distance of 131.50 feet to a point for corner;

North 78 degrees, 41 minutes, 53 seconds East, a distance of 51.89 feet to a point for corner;

North 47 degrees, 02 minutes, 08 seconds East, a distance of 40.40 feet to a point for corner;

North 13 degrees, 55 minutes, 21 seconds West, a distance of 77.05 feet to a point for corner;

North 50 degrees, 27 minutes, 16 seconds East, a distance of 122.92 feet to a point for corner;

North 39 degrees, 44 minutes, 04 seconds East, a distance of 86.41 feet to a point for corner;

North 56 degrees, 43 minutes, 17 seconds East, a distance of 134.37 feet to a point for corner;

North 48 degrees, 16 minutes, 13 seconds East, a distance of 189.06 feet to a point for corner;

North 48 degrees, 19 minutes, 29 seconds East, a distance of 136.04 feet to a point for corner;

North 22 degrees, 00 minutes, 31 seconds East, a distance of 98.89 feet to a point for corner;

North 57 degrees, 10 minutes, 34 seconds East, a distance of 66.07 feet to a point for corner in the southwest line of a tract of land described in Warranty Deed to Cherry Valley Church of Christ recorded in Volume 90166, Page 434 of said Deed Records;

THENCE, South 28 degrees, 38 minutes, 48 seconds East, departing the said centerline of Floyd Branch and the said southeast line of 2nd Installment Taylor Bros. Addition, and along the southwest line of said Cherry Valley Church of Christ tract, a distance of 321.28 feet to a 1/2-inch iron rod with "PACHECO KOCH" cap set for the southernmost corner of said Cherry Valley Church of Christ tract;

THENCE, North 62 degrees, 40 minutes, 02 seconds East, along the said southeast line of the Cherry Valley Church of Christ tract and the southeast line of said Shenadoah Properties, Inc., a distance of 1,065.01 feet to the POINT OF BEGINNING;

CONTAINING: 4,333,937 square feet or 99.493 acres of land, more or less
SAVE AND EXCEPT:

DESCRIPTION of a 0.992 acre tract of land situated in the Smith Elkins Survey, Abstract No. 430, Dallas County, Texas; said tract being part of that tract of land described in Trustee's Deed to Juanita Smith Alexander recorded in Volume 92094, Page 1453 of the Deed Records of Dallas County, Texas; said 0.992 acre tract being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod found in the southwest right-of-way line of N. Dallas Avenue (State Highway No. 342) (a 120-foot wide right-of-way); said point being the northernmost corner of a tract of land described in Warranty Deed to Clarence L. Smith, Jr., recorded in Volume 84082, Page 675 of said Deed Records;

THENCE South 62 degrees 34 minutes 06 seconds West, departing the said southwest line of N. Dallas Avenue and along the northwest line of said Smith tract, a distance of 400.33 feet to a 1/2-inch iron rod found for corner in a northeast line of a tract of land described in Special Warranty Deed with Vendor's Lien to White Property Co. No., 2, Ltd. recorded in Instrument No. 200600115509 of the Official Public Records of Dallas County, Texas;

THENCE North 27 degrees 29 minutes 57 seconds West, along the said northeast line of the White Property tract, a distance of 108.13 feet to a point of corner; said point being an ell corner of said White Property tract;

THENCE North 62 degrees 37 minutes 16 seconds East, along a southeast line of said White Property tract, a distance of 400.35 feet to a point for corner in the said southwest line of N. Dallas Avenue; said point being an east corner of said White Property tract;

THENCE 27 degrees 29 minutes 14 seconds East, along the said southeast line of N. Dallas Avenue, a distance of 107.76 feet to the POINT OF BEGINNING;

CONTAINING 43,215 square feet or 0.992 acres of land, more or less.

FURTHER SAVE AND EXCEPT:

DESCRIPTION OF a 2.493 acre tract of land situated in the Smith Elkins Survey, Abstract

No. 430, Dallas County, Texas; said tract being all of that tract of land described in Warranty Deed to Clarence L. Smith, Jr. recorded in Volume 84082, Page 675 of the Deed Records of Dallas County, Texas; said 2.493 acre tract being more particularly described as follows: BEGINNING at a point in the southwest right-of-way line of N. Dallas Avenue (State Highway No. 342) (a 120-foot wide right-of-way), said point being the easternmost corner of said Smith tract and a north corner of a tract of land described in Special Warranty Deed with Vendor's Lien to White Property Co. No. 2 Ltd. recorded in Instrument No. 200600115509 of the Official Public Records of Dallas County, Texas; from said point a 1/2-inch iron rod found bears North 54 degrees 18 minutes East, a distance of 0.3 feet; THENCE South 59 degrees 12 minutes 06 seconds West, departing the said southwest line of N. Dallas Avenue and along a northwest line of said White Property tract, a distance of 400.75 feet to a 1/2-inch iron rod for the southernmost corner of said Smith tract; THENCE North 27 degrees 29 minutes 57 seconds West, along a northeast line of said White Property tract, a distance of 283.06 feet to a 1/2-inch rod found for the westernmost corner of said Smith tract; THENCE North 62 degrees 37 minutes 16 seconds East, departing the said northeast line of the White Property tract, a distance of 400.33 feet to a point for corner in the said southwest line of N. Dallas Avenue; said point being the northernmost corner of said Smith tract; THENCE in a southeasterly direction, along the said southwest line of N. Dallas Avenue, the following two (2) calls:
South 27 degrees 29 minutes 14 seconds East, a distance of 232.50 feet to a point at the beginning of a non-tangent curve to the right;
Along said curve to the right, having a central angle of 00 degrees 24 minutes 42 seconds, a radius of 3,760.24 feet, a chord bearing and distance of South 27 degrees 05 minutes 34 seconds East, 27.03 feet, an arc distance of 27.03 feet to the POINT OF BEGINNING;
CONTAINING 108,594 square feet or 2.493 acres of land, more or less.

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

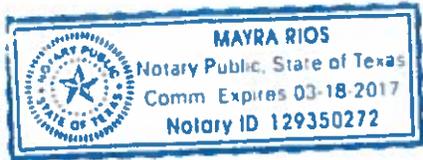
BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Vanessa Sheffield, President of the Lancaster Economic Development Corporation, a Texas non-profit corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said corporation, and that he executed the same as the act of said corporation for the purpose and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND SEAL OF OFFICE this the 7th day of June, 2016.

Mayra A. Ortiz
Notary Public, State of Texas

My Commission Expires:

March 18, 2017



ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of California, on this day personally appeared Ed Kepner of White Tract, LLC, a Delaware Limited Liability Company, known to me to be the person and agent whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said corporation, and that he executed the same as the act of said corporation for the purpose and consideration therein expressed and in the capacity therein stated.

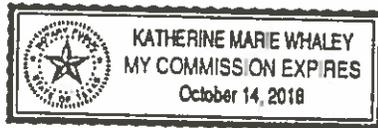
GIVEN UNDER MY HAND SEAL OF OFFICE this the 8th day of August, 2016.



Notary Public, State of Texas

My Commission Expires

10-14-2018



LANCASTER CITY COUNCIL

City Council Regular Meeting

Item 7.

Meeting Date: 06/27/2016

Policy Statement: This request supports the City Council 2015-2016 Policy Agenda

Goal(s): Quality Development

Submitted by: Ed Brady, Director of Economic Development

Agenda Caption:

Discuss and consider a resolution ratifying the terms and conditions of an incentive grant by and between the Lancaster Economic Development Corporation and White Tract, LLC.

Background:

The board of directors of the Lancaster Economic Development Corporation, convened on Tuesday, June 7, 2016, to consider a grant applied for by White Tract, LLC, in an amount equal to \$150,000, to assist with permit and infrastructure costs, associated with the construction of a warehouse distribution building, totaling approximately 1,600,000 square feet in Lancaster. The grant is not to exceed \$150,000.

Operational Considerations:

Upon receiving a City Certificate of Occupancy for the constructed buildings, the company will submit a request for the grant payment.

Legal Considerations:

The City Attorney has reviewed and approved the resolution and agreement as to form.

Public Information Considerations:

This item is being considered at a meeting of the City Council noticed and held in accordance with the Texas Open Meetings Act.

Options/Alternatives:

1. The City Council may approve the resolution as presented.
2. The City Council may reject the resolution.

Recommendation:

Staff recommends approval of the resolution.

Financial Considerations:

The grant will not exceed \$150,000 and is within the LEDC incentive fund.

Attachments

Resolution

LEDC Resolution 2016-03 and Agreement
