CHAPTER 381 ECONOMIC DEVELOPMENT AGREEMENT

This Economic Development Incentive Agreement ("Agreement") is made by and between Hays County, a political subdivision of the State of Texas (the "County"), acting by and through its Commissioners Court, and Exeter Buda Land, L.P. ("EXETER"), a Texas limited partnership.

RECITALS

WHEREAS, in compliance with Chapter 381 of the Texas Local Government Code ("Chapter 381"), the Hays County Commissioners Court hereby establishes an Economic Development Program ("the Program") to promote state and local economic development and to stimulate business and commercial activity within the County; and

WHEREAS, the County enters into this Agreement with EXETER pursuant to Chapter 381 of the Texas Local Government Code; and

WHEREAS, the Hays County Commissioners Court has determined that this Agreement will provide a substantial economic benefit and lead to the creation of new employment opportunities within the County; and

WHEREAS, EXETER and the Buda Economic Development Corporation ("BEDC") also entered or are entering into an agreement during November 2017 wherein EXETER is incentivized to construct a 300,000+ square foot facility within Buda's Extra Territorial Jurisdiction ("ETJ") and within Hays County ("the Property") for the purpose of providing commercial lease space within the area of Buda and northern Hays County ("the Project"); and

WHEREAS, EXETER intends to invest approximately seven million dollars ($7,000,000.00 USD) in land and capital improvements for the Project; and

WHEREAS, the Project will create jobs and provide economic benefits to the Buda community; and

WHEREAS, in consideration of the incentives provided by the County under this Agreement, and in conjunction with the Project, EXETER herein agrees to make the aforementioned capital improvements and provide commercial lease space to a tenant or tenants that create approximately fifty (50) or more full-time jobs on the Property; and

WHEREAS, the parties mutually desire to participate in the Program by entering into this Agreement; and

WHEREAS, the Hays County Commissioners Court finds and determines that this Agreement will effectuate the purposes set forth in the Program, and that EXETER's performance of its obligations herein will promote local economic development and stimulate business and commercial activity in the County; and

WHEREAS, the Hays County Commissioners Court finds that the Incentives provided under this Agreement will promote the development and diversification of the economy of the state, elimination of unemployment or underemployment in the state, and development and expansion of commerce in the state and within Hays County; and

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

I. FINDINGS OF FACT; AUTHORIZATION

1.01. **Legislative Intent.** The Hays County Commissioners Court finds that the above recitals are true and factual legislative findings, which are hereby incorporated into this Agreement for all purposes.

1.02. **Legal Authorization.** This Agreement is authorized and governed by Section 381.001 of the Texas Local Government Code, and by Art. III, Sec. 52, of the Texas Constitution.

II. TERM

2.01. **Term.** This Agreement shall be effective as of the date of execution by all parties and shall continue in effect for six (6) years from 12:00 a.m. on January 1, 2021, and expiring on December 31, 2026, except as to Sec. 6.03.

III. DEFINITIONS

"Assessment" means the assessed value of the Property levied by the County with respect to the Property.

"Base Value" means the cumulative taxable valuation of all taxable property on the Property as certified by the Hays County Appraisal District for the 2017 tax year.

"County Grant Payments" means the payments described in Article 5 from the County to EXETER in consideration of the Project.

"Improvements" means the improvements constructed or to be constructed in connection with the Project.

"Project" means the acquisition of the Property and construction of capital improvements necessary to establish a facility for the purpose of commercial lease space on the Property.

"Project Tax Increment" means the ad valorem tax revenues received by the County from tax accounts located on the Property for a tax year subsequent to the 2017 tax year less the ad valorem taxes received by the County on the Property attributable to the Base Value.

"The Property" shall mean the property acquired or to be acquired by EXETER in the ETJ of Buda, Texas, and within Hays County, Texas upon which the Project shall be constructed, and being more fully described in the property description attached hereto as Exhibit "A."

IV. CAPITAL INVESTMENT

4.01. **Capital Investment in the Project and Default.** EXETER reaffirms its commitment to make, and shall make, Capital Investment in the Project of at least seven million dollars ($7,000,000.00). EXETER's failure to comply with this section will constitute a breach of this Agreement and EXETER shall be obligated to re-pay the entire incentive amount paid to EXETER by the County as of the date of default, within thirty (30) days of receipt of written notice from the County, unless, by majority vote of the Hays County Commissioners Court, the County waives or modifies such obligation.

V. JOB CREATION

5.01. **Full-Time Employees.** For the purpose of this Agreement, Full-Time Equivalent Jobs (FTE) are defined as jobs that employees of tenants of the Property that work a minimum of thirty (30) hours per week (or one thousand five hundred sixty (1,560) hours per year) with an wage that meets or exceeds Ten Dollars ($10 USD) per hour (hereinafter "Jobs"). Two part-time jobs of at least fifteen (15) hours per week may be counted as on FTE Job.

5.02. **Jobs Creation – Tenant Declarations.** In consideration of the incentives described above, EXETER agrees to provide certified copies, or other proof satisfactory to the County, of one or more leases to a tenant or tenants of the Property and the tenants' bona fide, written declaration that at least fifty (50) Jobs have been created on or transferred to the Property on or before January 1st of each year beginning in 2021 and that at least fifty (50) Jobs were maintained through the end of the annual reporting period. EXETER agrees to include annual tenant declarations for the prior calendar year in its annual report, described in Section 5.03, below.

5.03. **Annual Report.** EXETER shall provide an annual report to the County detailing the total number of Full-Time Equivalent Jobs created and maintained on the Property. Such reports shall be furnished annually on or before the 31st day of January of each subsequent year detailing the applicable information, in a reasonable form approved by the Hays County Auditor, for the years 2021 through 2026.

5.04. **Employment of Undocumented Workers.** During the term of this Agreement EXETER agrees not to knowingly employ any undocumented workers and if convicted of a violation under 8 U.S.C. Section 1324a(1), EXETER shall repay any other funds received under this Agreement, plus any interest at the annual interest rate of 6% from the date of violation until paid in full.

VI. PROGRAM GRANT

6.01. **Economic Development Program Commitment by the County.** In consideration of the completion of the Capital Investment and creation of jobs by EXETER, the County agrees to provide County Grant Payments to EXETER in an amount not to exceed One Hundred and Twenty-Five Thousand dollars ($125,000.00) during the term of this Agreement. The County Grant Payments shall consist of annual payments that are equal in value to Fifteen percent (15%) of the Project Tax Increment for each tax year beginning Tax Year 2021 during which Forty to Forty-nine (40-49) FTE Jobs are maintained on the Property, except that the annual payments shall be equal in value to Thirty percent (30%) of the Project Tax Increment for each tax year during which Fifty (50) or more FTE Jobs are maintained on the Property.

6.02. **Source of County Grant Payments.** Although the calculation of the County Grant Payments are computed with reference to ad valorem taxation, the County may make such payments from any lawfully available source and ad valorem taxes are not specifically pledged for such payment; provided that the County agrees to set aside funds from lawfully available sources in each budget year sufficient to timely make the annual County Grant Payment. Amounts payable under this Article shall constitute economic development funds under Art. III, Sec. 52-a, Texas Constitution, and therefore are not considered to be a constitutional debt of the County. The obligations of the County are strictly limited to the amount computed in accordance with Sections 6.01. The parties acknowledge that the County Grant Payments may be reduced due to the effect of a lowering of the County's tax rate, from which EXETER will not be considered injured and for which EXETER shall seek no remedy.

6.03. **Time of Making County Grant Payments.** The County shall make payment of the applicable County Grant Payment for each tax year during the term of this Agreement on or before June 1 of each subsequent year following EXETER's qualification under the terms of this Agreement. The County shall make such qualifying County Grant Payments to EXETER on an annual basis for either six (6) years after Hays County issues the first Property Tax Rebate to EXETER, or until Total Rebates issued to EXETER reach the not-to-exceed amount described in Section 6.01, whichever first occurs.

6.04. **Total County Grant Payments.** In no case shall the total of County Grant Payments made by the County to EXETER under this Agreement exceed One Hundred and Twenty-Five Thousand Dollars ($125,000.00 USD).

VII. DEFAULT; REMEDIES

7.01. **FTE Compliance.** If, at the end of any applicable year during the Term, EXETER is not in compliance with the obligations to create and maintain Jobs and/or make capital improvements, as provided in this Agreement, the County may withhold County Grant Payments that would otherwise be due to EXETER for that year. If the County elects to withhold County Grant Payments, the County will resume Grant Payments for any subsequent years during the Term in which EXETER is in compliance; however, any Grant Payments withheld by the County for any years during which EXETER is not in compliance shall be deemed forfeited by EXETER and the County shall, at no time, be liable for later payment of such Grant Payments. .

7.02. **Tax Payments.** EXETER may not qualify for County Grant Payments under this Agreement if EXETER is delinquent on the payment of any taxes from any Tax Year to the Hays County Tax Assessor-Collector.

7.03. **All Legal Rights Reserved.** In the event of default by EXETER, the County reserves all rights and remedies available under law; provided however that EXETER's liability under this Agreement is limited to the amount of funds actually received by EXETER hereunder, plus any and all reasonable fees and costs, including reasonable attorney's fees, associated with the recovery of said funds.

VIII. GENERAL PROVISIONS

8.01. **Access to Information and Audit.** EXETER agrees to provide the County, upon reasonable advanced written notice, access to information related to the construction of the Project, the cost of the Project, and access to employment information reasonably necessary to fulfill this Agreement. The County may, at its expense and no more often than once per calendar year, audit the records of EXETER as the same relate to fulfillment of EXETER's obligations under this Agreement.

8.02. **Mutual Assistance.** EXETER and the County shall do all things necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out the terms and provisions hereof.

8.03. **Representations and Warranties.** EXETER represents and warrants to the County that it has the requisite authority to enter into this Agreement. EXETER represents and warrants to the County that it will not knowingly violate any federal, state or local laws in operating the business.

8.04. **Section or Other Headings.** Section or other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

8.05. **No Third Party Liabilities.** In performing its obligations under this agreement, EXETER is acting independently, and the County assumes no responsibilities or liabilities to third parties in connection with the Property. The County shall not be liable to EXETER, its agents, employees or contractors, or third parties for any damage to persons or property associated with EXETER'S operations on or associated with the Property.

8.06. **Attorneys Fees.** In the event any legal action or process is commenced to enforce or interpret provisions of this Agreement, the prevailing party in any such legal action shall be entitled to recover its necessary and reasonable attorneys' fees and expenses incurred by reason of such action.

8.07. **Entire Agreement.** This Agreement contains the entire agreement between the parties with respect to the transaction contemplated herein.

8.08. **Amendment.** This Agreement may only be amended, altered, or revoked by a written instrument signed by EXETER and the County.

8.09. **Successors and Assigns.** This Agreement shall be binding on and inure to the benefit of the parties, their respective successors, affiliates and assigns. EXETER may not assign all or any part of its rights and obligations hereunder without prior written approval of the County, which may not be unreasonably withheld, conditioned, or delayed. Upon any such approved assignment by EXETER, the assignee shall assume all obligations under this Agreement and EXETER shall be released from any further obligations hereunder.

8.10. **Notice.** Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses, or at such other addresses provided by the parties in writing:

EXETER: Exeter Buda Land, L.P.
101 West Elm Street, Suite 600
Conshohocken, Pennsylvania 19428

COUNTY: Hays County Courthouse
Attention: Hays County Judge
111 E. San Antonio Street, Suite 300
San Marcos, Texas 78666

8.11. **Interpretation.** Regardless of the actual drafter of this Agreement, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against any party.

8.12. **Applicable Law.** This Agreement is made, and shall be construed and interpreted under the laws of the State of Texas and venue shall lie in Hays County, Texas.

8.13. **Severability.** In the event that any provision of this Agreement is illegal, invalid, or unenforceable under present or future laws, then, and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or 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.

8.14. **Continuity.** This Agreement shall be a covenant running with the land and shall be binding upon EXETER, its successors, heirs, assigns, grantees, trustees and/or representatives.

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

8.16. **No Joint Venture.** Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties.

8.17. **Approval by Hays County.** This Agreement was approved by the Hays County Commissioners Court at its meeting on November 21, 2017.

(SIGNATURES FOLLOW ON THE NEXT 2 PAGES)

HAYS COUNTY, TEXAS

By: _____
Judge Bert Cobb, M.D., Hays County Judge

Date: 11/21/17

ATTEST:

By: _____
Liz. Q. Gonzalez, County Clerk

EXETER BUDA LAND, L.P.,
a Texas limited partnership

By: Exeter Buda Land GP, LLC,
a Delaware limited liability company,
its sole general partner

By: Exeter Operating Partnership IV, L.P.,
a Delaware limited partnership,
its sole member

By: Exeter Operating Partnership IV GP LLC,
a Delaware limited liability company,
its sole general partner

By: Exeter Industrial REIT IV LLC,
a Delaware limited liability company,
its sole member

By: _____
Name: Timothy J. Weber
Title: Vice President

EXHIBIT "A"

PROPERTY DESCRIPTION

EXHIBIT A

A METES AND BOUNDS DESCRIPTION OF AN 18.496 ACRE TRACT OF LAND

BEING a 18.496 acre (805,688 square feet) tract of land situtated in the George Herder Survey No. 537, Abstract 347, Travis County, Texas, and the George Herder Survey No. 537, Abstract 239, Hays County, Texas; being a portion of the remainder of that certain tract called 2392.529 acres in instrument to 2428 Partners L.P. in Document No. 2003050340, Official Public Records of Travis County, and in Document No. 03006801, Official Public Records of Hays; also being all of proposed "Lot 2, Block A of Exeter Sunfield Phase 1" subdivision; and being more particularly described as follows;

COMMENCING at a ½-inch iron rod with KHA cap set on the northeasterly right-of-way line of Main Street (width varies – Volume 4589, Page 70, Official Public Records of Hays County) marking the southwestern-most corner of that certain tract called 541.999 acres, in instrument conveyed out of the said 2392.529 acre tract, to A&M Option, L.P. recorded in Document No. 2007062511, Official Public Records of Hays County;

THENCE, North 2°23'03" West, 528.33 feet along the westerly boundary of the said 541.999 acre tract to a ½-inch iron rod with KHA cap set marking the southeastern-most corner of said Lot 2 and the **POINT OF BEGINNING** of the herein described tract;

THENCE, South 88°09'13" West, 1009.96 feet to a ½-inch iron rod with KHA cap set on the easterly right-of-way line of proposed "Camp Del Sol Parkway" (a proposed 64 feet wide street right-of-way) marking the southwestern-most corner of said Lot 2;

THENCE, North 1°50'47" West, 793.63 feet along the boundary of the said street right-of-way to a ½-inch iron rod with KHA cap set marking the northwestern-most corner of said Lot 2 and the southwestern-most corner of Lot 1, Block A of aforesaid proposed Phase 1;

THENCE, North 88°09'13" East, 1017.22 feet to a ½-inch iron rod with KHA cap set on the aforesaid easterly boundary of the 541.999 acre tract marking the eastern-most common corner of said Lots 1 and 2;

THENCE, along the common boundary of said Lot 2 and the 541.999 acre tract the following three (3) courses and distances:

1. South 2°43'40" East, 239.37 feet along the common to a ½-inch iron rod with KHA cap set at a point of curvature;

2. in a southwesterly direction, along a tangent curve to the right, having a central angle of 6°41'36", a radius of 2640.00 feet, a chord bearing and distance of South 0°37'08" West, 308.23 feet, and a total arc length of 308.41 feet to a ½-inch iron rod with KHA cap set at a point of tangency;

3. South 2°23'03" East, 246.36 feet to the **POINT OF BEGINNING**, containing 18.496 acres land in Travis County and Hays County, Texas, as shown in the document saved in the office of Kimley-Horn and Associates, Inc. in San Antonio, Texas.

Note: The bearings shown hereon are Texas State Coordinate System grid, Central Zone (FIPS 4203 - NAD'83). The distances hereon are surface only. The unit of linear measurement is U.S. Survey Feet.

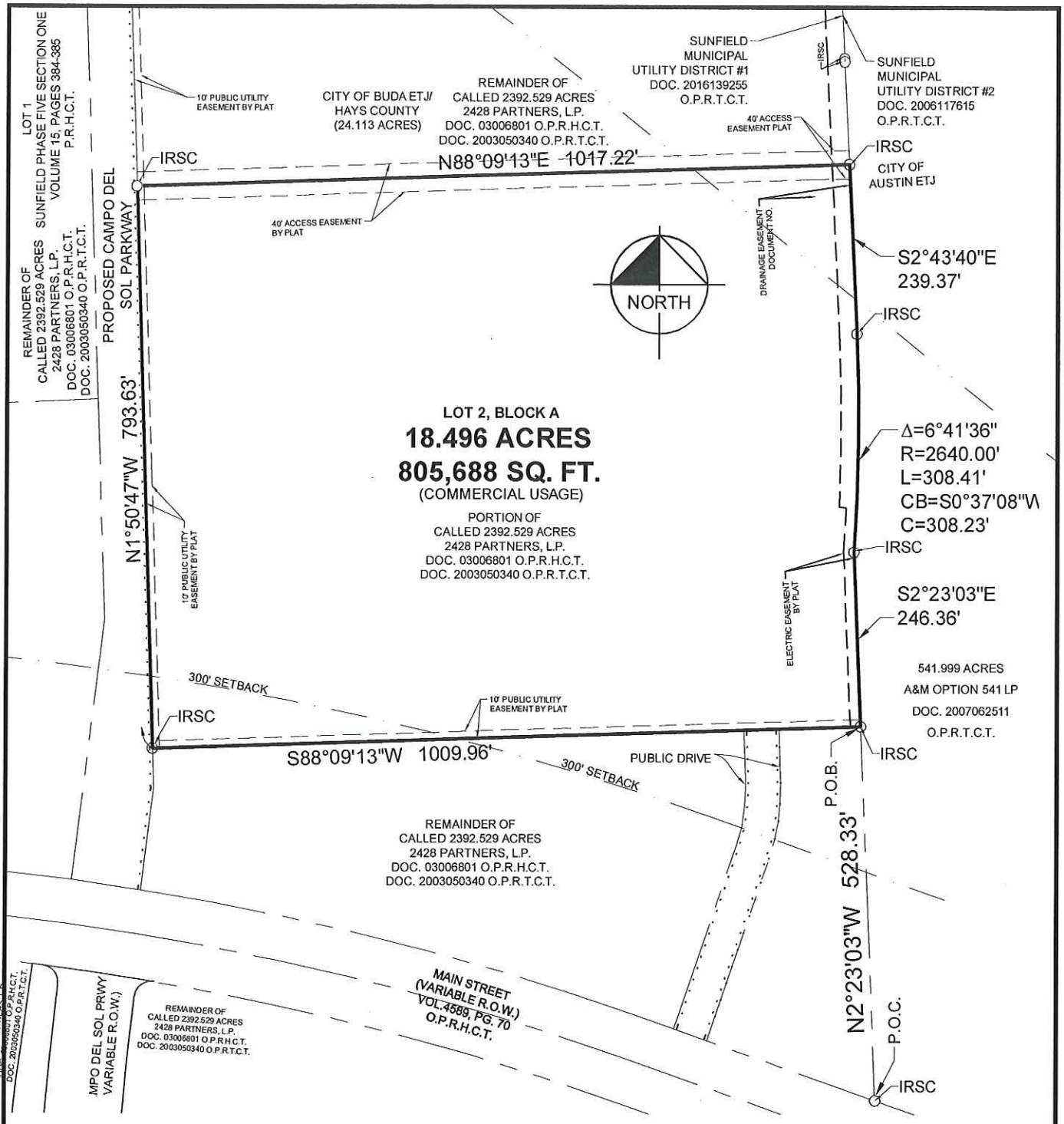
JGM
3/6/2018

JOHN G. MOSIER
REGISTERED PROFESSIONAL
LAND SURVEYOR NO. 6330
601 NW LOOP 410, SUITE 350
SAN ANTONIO, TEXAS 78216
PH. 210-541-9166
greg.mosier@kimley-horn.com

18.496 ACRE TRACT
Part of the
GEORGE HERDER SURVEY, No. 537, Abstract 347,
Travis County, Texas, and the George Herder Survey
No. 537, Abstract 239, Hays County, Texas.

Kimley»Horn
801 Cherry Street, Unit 11, # 950
Fort Worth, Texas 76102
FIRM # 10194040
Tel. No. (817) 335-6511
www.kimley-horn.com

Scale	Drawn by	Checked by	Date	Project No.	Sheet No.
	MAV	JPW	08/24/2017	069256700	1 OF 2



18.496 ACRE TRACT

Part of the
GEORGE HERDER SURVEY, No. 537, Abstract 347,
Travis County, Texas, and the George Herder Survey
No. 537, Abstract 239, Hays County, Texas.

STATE OF TEXAS
REGISTERED
JOHN G. MOSIER
6330
PROFESSIONAL
LAND SURVEYOR

John G. Mosier
3/6/2018

JOHN G. MOSIER
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FIRM # 10115500
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Fax No. (972) 239-3820

Scale	Drawn by	Checked by	Date	Project No.	Sheet No.
1" = 200'	MAV	JGM	03/05/2018	069256700	2 OF 2