

Arlington Commerce Center

Location: 4900 Sherry St

Property Owner: Big Box Property Owner C
 140 W Germantown Pike, Ste 150
 Plymouth Meeting PA 19462

About the Project

The Arlington Commerce Center development includes two existing industrial buildings totaling 776,698 square feet, as well as the undeveloped 45 acres on which Building C is situated. It is an 821,000 sq. ft. speculative industrial building with over \$1 million in off-site public improvements, including median and roadway modifications, water line extension, street lights, and the western two lanes of Sherry Street, which runs along the eastern property boundary.

Goals of the Project

Creation of new, modern industrial space; property tax base enhancement

Current Status

Agreement term has ended. On December 12, 2015, this project was assigned to Big Box Property Owner C, LLC via Resolution 15-308. The owner qualified for the abatement in FY16 and FY17, but failed to submit an exemption application to Tarrant Appraisal District in FY18. The owner qualified for the abatement in FY19-FY22. Tax Year 2021 (FY22) was the final year of the abatement.

Benefit to City

Development of 821,502 square feet of new industrial space to market to businesses looking to relocate to Arlington; Job creation and additional business personal property tax revenue when tenant(s) secured.

Reinvestment Zone	36	
Ordinance	13-018	
Year Approved by Council	2013	
Base Year	2013	Tax Year beginning Jan 1, 2013
Beginning Year	2015	Tax Year beginning Jan 1, 2015 (Oct 1, 2015 tax bill due Jan 2016)
Ending Year	2021	Tax Year beginning Jan 1, 2021
Duration	7 years	
Base Year Value	\$ 2,470,404	Real Property (Land only, account 41397932)
Property Tax Account Number(s)	41638549	Real Property
Total Abatement Allowed	75%	
Total Estimated Investment by Company	\$ 20,000,000	

Criteria Evaluated Complete Eligible Property improvements resulting in added taxable value above the base year value by at least \$15m by January 1, 2015
 Operate and maintain the Eligible Property on the Premises for the term of the agreement
 Eligible Property shall conform to applicable building codes, zoning ordinances and all other regulations
 Owner shall not knowingly employ undocumented workers

Incentives Allowed 75% if Added Taxable Value of \$15m over the Base Year Value is achieved

Year	Abatement Percentage Allowed on Eligible Property	Appraised Value	Percentage of Total Value Abated	Abated Value	Abated Levy	Jobs Reported	Average Salary	Levy Abated as % of Total Tax Liability
2015 (FY16)	75%	21,769,803	66.49%	14,474,549	93,795	n/a	n/a	16%
2016 (FY17)	75%	22,210,000	66.66%	14,804,697	95,461	n/a	n/a	16%
2017 (FY18)	75%	23,002,056	0%	-	-	n/a	n/a	0%
2018 (FY19)	75%	26,288,064	68%	17,863,245	113,396	n/a	n/a	17%
2019 (FY20)	75%	29,412,464	69%	20,206,545	126,089	n/a	n/a	17%
2020 (FY21)	75%	32,860,080	69%	22,792,257	141,882	n/a	n/a	17%
2021 (FY22)	75%	32,860,080	69%	22,792,257	141,266	n/a	n/a	17%
				TOTAL	\$ 711,889			

Levy Paid by Taxing Entity

Year	City of Arlington (024)	Tarrant County (220)	Tarrant County Hospital District (224)	Tarrant County College District (225)	Arlington ISD (901)	Mansfield ISD (908)	Kennedale ISD (914)	Total Annual Tax Bill
2015 (FY16)	47,273.25	57,472.28	49,612.73	32,545.86	307,596.87	-	-	494,500.99
2016 (FY17)	47,749.39	56,413.40	50,615.92	32,144.53	308,736.77	-	-	495,660.01
2017 (FY18)	147,167.15	56,125.02	51,623.28	32,216.68	314,822.24	-	-	601,954.37
2018 (FY19)	53,480.75	61,514.07	58,998.04	35,770.17	359,796.85	-	-	569,559.88
2019 (FY20)	57,444.93	68,825.17	66,010.10	38,286.20	381,970.85	-	-	612,537.25
2020 (FY21)	62,672.20	76,892.59	73,747.55	42,773.97	455,802.17	-	-	711,888.48
2021 (FY22)	62,400.37	75,249.58	73,747.55	42,773.97	447,159.97	-	-	701,331.44
	\$ 478,188.04	\$ 452,492.11	\$ 424,355.17	\$ 256,511.38	\$ 2,575,885.72	\$ -	\$ -	\$ 4,187,432.42

Ordinance No. 13-018

An ordinance establishing Reinvestment Zone Number Thirty-Six; providing this ordinance be cumulative; providing for severability; providing for governmental immunity; providing for injunctions; and becoming effective upon second reading

WHEREAS, the City Council of the City of Arlington, Texas, desires to promote the development or redevelopment of a certain area within its jurisdiction by the establishment of a Reinvestment Zone for commercial-industrial tax abatement; and

WHEREAS, on April 7, 2009, the City Council of the City of Arlington, Texas passed Resolution No. 09-079 authorizing staff, following a briefing to City Council regarding creation of the zone, to give notice required by law to call public hearings relative to creation of reinvestment zones for tax abatement; and

WHEREAS, on November 26, 2012, staff briefed City Council on the creation of Reinvestment Zone Number Thirty-Six; and

WHEREAS, a public hearing was held at which time interested persons were entitled to speak and present evidence for or against the designation of the property described in Exhibit "A" as Reinvestment Zone Number Thirty-Six, and notice of such public hearing was published in a newspaper of general circulation in the City of Arlington not later than the seventh day before the date of the scheduled hearing; and

WHEREAS, the City Council of the City of Arlington has established guidelines and criteria governing tax abatement agreements and has stated that the City elects to become eligible to participate in tax abatement; NOW THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ARLINGTON, TEXAS:

1.

That all of the recitals contained in the preambles of this ordinance are found to be true and are adopted as findings of fact by this governing body and as part of its official record.

2.

The City Council, after conducting a public hearing and having considered all relevant evidence and testimony, has made the following findings and determinations based on such evidence and testimony:

- A. That a public hearing on the designation of Reinvestment Zone Number Thirty-Six has been properly called, held and conducted, and that notice of such hearing was published in accordance with the law; and
- B. That the boundaries of Reinvestment Zone Number Thirty-Six should be the proposed area of land more fully described in the property description attached hereto as Exhibit "A" and depicted on the map attached hereto as Exhibit "B"; and
- C. That the improvements sought to be made in Reinvestment Zone Number Thirty-Six are feasible and practical and would be a benefit to the land to be included in the Zone and to the City of Arlington following the expiration of an executed Tax Abatement Agreement; and
- D. That the proposed area of land to be designated Reinvestment Zone Number Thirty-Six is reasonably likely, as a result of this designation, to contribute to the retention or expansion of primary employment or to attract major investment in the Zone that would be a benefit to the property, thereby contributing to the economic development of the City of Arlington.

3.

In accordance with State law, the City of Arlington hereby officially creates Reinvestment Zone Number Thirty-Six for commercial-industrial tax abatement, which Zone shall hereafter encompass only that certain area of land more fully described in the property description attached hereto as Exhibit "A" and depicted on the map attached hereto as Exhibit "B"; and such Reinvestment Zone shall be officially designated as Tax Abatement Reinvestment Zone Number Thirty-Six of the City of Arlington, Texas.

4.

The designation of Reinvestment Zone Number Thirty-Six of the City of Arlington, Texas shall expire Five (5) years after the effective date of its designation and may be renewed.

5.

This ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Arlington; and this ordinance shall not operate to repeal or affect any of such other ordinances except insofar as the provisions thereof might be

inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

6.

If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

7.

All of the regulations provided in this ordinance are hereby declared to be governmental and for the health, safety and welfare of the general public. Any member of the City Council or any City official or employee charged with the enforcement of this ordinance, acting for the City of Arlington in the discharge of his/her duties, shall not thereby render himself/herself personally liable; and he/she is hereby relieved from all personal liability for any damage that might accrue to persons or property as a result of any act required or permitted in the discharge of his/her said duties.

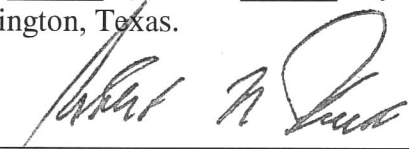
8.

Any violation of this ordinance can be enjoined by a suit filed in the name of the City of Arlington in a court of competent jurisdiction, and this remedy shall be in addition to any penal provision in this ordinance or in the Code of the City of Arlington.

9.

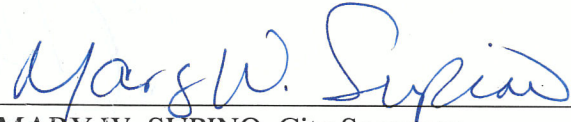
This ordinance shall become effective upon second reading.

PRESENTED AND GIVEN FIRST READING on the 7th day of May, 2013, at a regular meeting of the City Council of the City of Arlington, Texas; and GIVEN SECOND READING, passed and approved on the 21st day of May, 2013, by a vote of 9 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.



ROBERT N. CLUCK, Mayor

ATTEST:



MARY W. SUPINO, City Secretary

APPROVED AS TO FORM:
JAY DOEGEY, City Attorney

BY

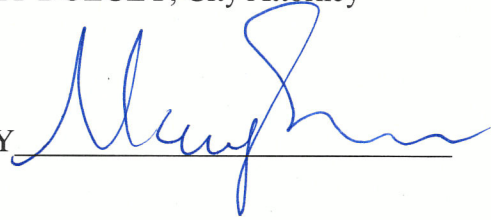


Exhibit "A"

TRACT III

PROPERTY DESCRIPTION

STATE OF TEXAS

COUNTY OF TARRANT

Being a 45.370 acre tract of land situated in the J. O 'Daniel Survey, Abstract No. 1186, City of Arlington, Tarrant County, Texas, being a portion of Lot 2, Block 2 of the final plat of Lots 1R, 2, and 3, Block 2, Arlington Commerce Center, an addition to the City of Arlington, Tarrant County, Texas as recorded in Cabinet A, Side 12541, Plat Records, Tarrant County, Texas (PRTCT) and being a portion of a called 92.353 acre tract of land as described in deed to Arlington Commerce Center, L.P. recorded in Volume 14868, Page 150, Deed Records, Tarrant County, Texas (DRTCT) and being more particularly described as follows:

BEGINNING at a ½" rebar with a yellow plastic cap stamped "Goodwin & Marshall" set (hereafter referred to as ½" rebar capped set) in the west line of Sherry Street (45' R.O.W. per Cabinet A. Slide 12541, PRTCT) at the northeast corner of said Lot 2, Block 2 and the southwest corner of a Right-Of-Way dedication for said Sherry Street, recorded in Volume 14860, Page 165 DRTCT;

THENCE along the west line of said Sherry Street (per Cabinet A. Slide 12541. PRTCT) and the east line of said Lot 2, Block 2 as follows:

S 00° 12' 02" E. a distance of 1247.64 feet to a ½" rebar capped set at the point of curvature of a curve to the left, having a radius of 845.00 feet;

Southeasterly, along said curve, having a central angle of 18° 46' 58" an arc distance of 277.01 feet and a chord that bears S 09° 35' 31" E, 275.77 feet to a ½" rebar capped set;

THENCE S 00° 12' 02" E, non tangent to said curve, along the west line of a Right-Of-Way dedication for said Sherry Street, recorded in Volume 16425, Page 236, DRTCT and the east line of said Lot 2, Block 2, at a distance of 13.48 feet passing a ½" rebar capped set at the southwest corner of said Right-Of-Way dedication for said Sherry Street, continuing a total distance of 589.88 feet to a ½" rebar capped set at the southeast corner of said Lot 2, Block 2, from which a ½" steel pipe found bears N 89° 06' E 2.39 feet.

THENCE S 89° 06' 22" W, along the south line of said Lot 2, Block 2 and the north line of Tract 1 as described in deed to Hung Lu, recorded in D205223601 & D208391283,

DRTC a distance of 1080.15 feet to a ½” rebar capped set at the south southwest corner of said Lot 2, Block 2 from which a 5/8” rebar found bears S 00° 16’ E, 0.17 feet;

THENCE N 00° 16’ 03” W, departing the north line of said Lu Tract 1, along a reentrant line of said Lot 2, Block 2 and said Arlington Commerce Center tract and the east line of a tract of land as described in deed to the City of Arlington, Texas, recorded in Volume 13095, Page 212, DRTC, a distance of 560.00 feet (City Deed 560.24 feet) to a 5/8” rebar found at a reentrant corner of said Lot 2, Block 2 and said Arlington Commerce Center tract;

THENCE traversing said Lot 2, Block 2, as follows:

N 89° 44’ 51” E, a distance of 162.73 feet;

N 00° 11’ 30” W, a distance of 1171.47 feet to a ½” rebar capped set:

N 16° 03’ 04” W, a distance of 91.48 feet to a cut “x” in concrete set;

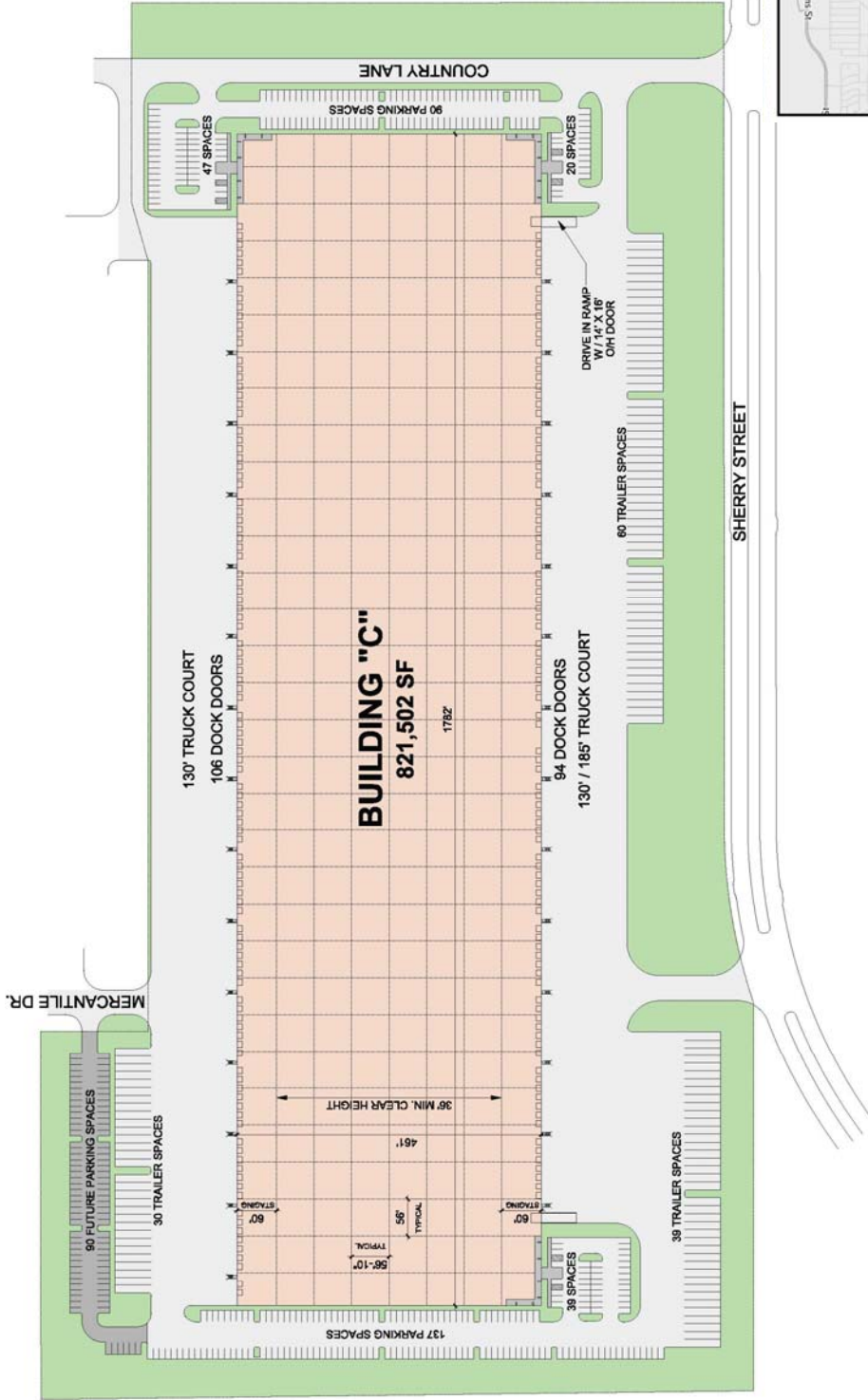
N 00° 11’ 30” W, a distance of 302.36 feet to ½” rebar capped set in the north line of said Lot 2, Block 2 and said Arlington Commerce Center tract and the south line of a tract of land as described in deed to A.R.C. STX Holdings L.L.C. recorded in D209330996

THENCE N 89° 45’ 22” E, along the north line of said Lot 2, Block 2 and said Arlington Commerce Center tract and the south line of said A.R.C. STX Holdings, L.L.C. tract, a distance of 897.75feet to the POINT OF BEGINNING and containing 1,976,323 square feet or 45.370 acres of land.

ARLINGTON COMMERCE CENTER - BUILDING C
ARLINGTON, TEXAS



Exhibit "B"



THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

Tax Abatement and
Chapter 380 Grant Agreement

THIS Agreement is executed by and between **EXETER 4900 SHERRY, L.P.**, a Texas Limited Partnership, duly authorized to do business in the State of Texas, acting by and through its authorized officer (hereafter referred to as “**OWNER**”) and the **CITY OF ARLINGTON, TEXAS**, a home-rule city and municipal corporation of Tarrant County, Texas, acting by and through its City Manager or his designee, (hereafter referred to as “**CITY**”).

WITNESSETH:

- WHEREAS, CITY has found that providing a program of incentives to OWNER in exchange for OWNER’s construction of a new industrial building will promote local economic development and stimulate business and commercial activity and retain jobs within the City of Arlington (hereafter referred to as “PROGRAM”);
- WHEREAS, the CITY has determined that the PROGRAM authorized by Resolution No. 13-158 will directly estimable a public purpose and that all transactions involving the use of public funds and resources in establishment and administration of the PROGRAM contain controls likely to ensure that the public purpose is accomplished; and
- WHEREAS, Chapter 380 of the Local Government Code provides statutory authority for establishing and administering the PROGRAM provided herein; and
- WHEREAS, the City Council of CITY has resolved that the CITY may elect to participate in tax abatements; and
- WHEREAS, the City Council of CITY, in accordance with the law, has adopted a Policy Statement for Tax Abatements; and
- WHEREAS, the Policy Statement constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the CITY; and
- WHEREAS, the City Council passed Ordinance No. 13-018 establishing Reinvestment Zone Number Thirty-Six in the City of Arlington, Texas, being a commercial-industrial reinvestment zone for tax abatement as authorized by Texas Tax Code Chapter 311 and 312 (hereafter referred to as “the Code”); and
- WHEREAS, the use of the Premises (as hereafter defined), the Eligible Property (as hereafter defined) and the other terms hereof are consistent with

encouraging development within Reinvestment Zone Number Thirty-Six, and are in compliance with the Policy Statement and the Ordinance and similar guidelines and criteria adopted by CITY and all applicable law; and

WHEREAS, the City Council finds that the terms of this Agreement meet applicable guidelines and criteria adopted by the City Council; and

WHEREAS, a copy of this Agreement has been furnished, in the manner prescribed by the Code, to the presiding officers of the governing bodies of each of the taxing units in which the Premises to be subject to the Agreement is located; and

WHEREAS, the City Council finds that it is in the public interest to provide the tax abatement and Chapter 380 grant; NOW THEREFORE,

The CITY and OWNER, for and in consideration of the mutual premises and promises contained herein, do hereby agree, covenant and contract as set forth below:

I.
Definitions

- A. “Added Taxable Value” is defined as the value of the Eligible Property above the Base Year Value, as appraised by the Tarrant Appraisal District.
- B. “Base Year Value” is defined as the tax year 2013 taxable value of OWNER’s real property located at the Premises in Reinvestment Zone Number Thirty-Six, on January 1, 2013, as finally determined by Tarrant Appraisal District.
- C. “Eligible Property” is defined as Real Property Improvements as provided in **Exhibit “A”** erected or affixed to the Premises after this agreement is signed and through January 1, 2015. **Exhibit “A”** is attached hereto and incorporated herein for all purposes.
- D. “Premises” are defined as the real property (land and improvements) as described by metes and bounds in **Exhibit “B”** which existed on January 1, 2013, Reinvestment Zone Number Thirty-Six, that is owned by and operated by OWNER. **Exhibit “B”** is attached hereto and incorporated herein for all purposes.
- E. “Real Property Improvements” are defined as improvements to the Premises and shall include buildings, structures or fixtures erected or affixed to land.
- F. “Reinvestment Zone Number Thirty-Six” is defined as the real property located in the City of Arlington and described by City of Arlington Ordinance No. 13-018, attached hereto as **Exhibit “C”**.

II.
General Provisions

- A. The Premises are not in an improvement project financed by tax increment bonds.
- B. The Premises are not owned or leased by any member of the City Council or any member of the Planning and Zoning Commission of CITY.
- C. It is acknowledged and agreed by the parties that the completion of the Eligible Property Improvements is consistent with the purposes of encouraging development or redevelopment of the Reinvestment Zone.

III.
Improvement Conditions and Requirements

- A. OWNER shall improve the Premises by completing the Eligible Property described in **Exhibit "A"** by January 1, 2015.
- B. OWNER's completion of the Eligible Property described in **Exhibit "A"** of this Agreement must result in Added Taxable Value above the Base Year Value of at least Fifteen Million Dollars (\$15,000,000) not later than January 1, 2015.
- C. OWNER shall operate and maintain on the Premises the Eligible Property described in **Exhibit "A"** for the term of this agreement.
- D. All proposed Eligible Property shall conform to the applicable building codes, zoning ordinances and all other ordinances and regulations.
- E. OWNER covenants and certifies that OWNER does not and will not knowingly employ an undocumented worker as that term is defined by section 2264.001(4) of the Texas Government Code. In accordance with section 2264.052 of the Texas Government Code, if OWNER is convicted of a violation under 8 U.S.D. Section 132a(f), OWNER shall repay to the CITY the full amount of taxes abated under Section IV of this Agreement, plus 10% per annum from the date the abatement was made. Repayment shall be paid within 120 days after the date following such conviction that OWNER receives notice of violation from the CITY as provided by 2264.101(c) of the Texas Government Code, OWNER shall not be liable for a violation by a subsidiary, affiliate, or franchisee of OWNER or by a person with whom OWNER contracts.

IV.
Incentives

- A. If the Improvement Conditions and Requirements set forth in Section III are met, CITY agrees to exempt from taxation seventy-five percent (75%) of the Added Taxable Value of the Eligible Property. The exemption shall be for a period as

follows, from the tax year beginning January 1, 2015 through and including the tax year beginning January 1, 2021.

1. The Base Year Value and any value added to the Premises or located within Reinvestment Zone Number Thirty-Six and not contained in **Exhibit "A"** shall be fully taxable in accordance with the Texas Property Tax Code.
- B. CITY also agrees to make a one-time grant payment in the amount of \$187,000 to be used towards OWNER's assessed impact fees related to the Real Property Improvements. Such grant payment shall be made by the CITY to OWNER within thirty (30) days of OWNER's submission to CITY proof of payment of impact fees related to the Real Property Improvements.

V.

Reports, Audits and Inspections

- A. Annual Certification and Reports - Pursuant to state law, OWNER shall certify annually to taxing units that OWNER is in compliance with the terms of the tax abatement agreement, and shall provide taxing units with reports and records reasonably necessary to support each year of the agreement, as follows:
1. Certification -- OWNER shall complete and certify a Tax Abatement Certification to be provided by CITY for each year of the tax abatement agreement, to be due annually not later than April 1. This certification shall include reports on Eligible Property values and costs, a narrative description of the project's progress, and other submittals required by the tax abatement agreement.
 2. Eligible Property Reports -- At a minimum, OWNER shall make available on request the following information annually on all Eligible Property for which OWNER seeks tax abatement:
 - a. Property description;
 - b. Asset number;
 - c. For property located on Premises, the date on which the property was acquired and/or paid for; and
 - d. Cost.
 3. Eligible Property Reports for Projects in Progress -- For projects in progress for which fixed asset numbers have not been assigned, the Eligible Property Report shall provide information in sufficient detail to

identify the Eligible Property to be installed on the Premises. At a minimum, this information shall include:

- a. Description of materials, machinery and equipment;
 - b. Vendor name, invoice date, invoice number and invoice amount; and
 - c. Payment date for property located on Premises.
4. Reports on Equipment Replaced or Removed -- Additionally, OWNER agrees to provide CITY, on request, information on Eligible Property for which OWNER has received tax abatement and which has been replaced or removed from the Premises. At a minimum, this information shall include:
- a. Property description;
 - b. Asset number; and
 - c. Approximate date of disposal.
5. Report Upon Project Completion -- Within one-hundred eighty (180) days of completion of the Eligible Property, and in no event later than June 29, 2015, OWNER shall provide CITY with a final Eligible Property Report that shall describe all Eligible Property for which the owner is granted tax abatement. The report may contemplate a reconciliation of the general ledger to the personal property rendition to satisfy this requirement.
6. Additional Reports -- Additionally, throughout the term of this agreement, OWNER shall furnish CITY any additional records and information reasonably requested to support the reports required by this agreement.
- B. Right to Audit Books and Records - CITY shall have the right to audit the books and records related to the Eligible Property and supporting the Eligible Property reports. CITY shall notify OWNER in advance in writing of their intent to audit in order to allow OWNER adequate time to make such books and records available.
- C. OWNER agrees to provide CITY with copies of each section of each lease which contains the following information, if any, related to the Eligible Property for which tax abatement is sought:
1. The beginning and termination dates of the leases;
 2. The cost of the property to which the leases pertain;

3. The names and addresses of the parties to the lease, and the name, address and telephone number of a contact person for each party;
4. Asset numbers for personal property to which the leases pertain;
5. The party responsible for property taxes on the leased property; and
6. Termination provisions of the leases.

Copies of the above-referenced information from the leases shall be provided upon request by the CITY. In the event that the above information exists but is not contained in the lease, that information shall be provided with the applicable copies. This subsection is for the purpose of providing CITY the means to enforce its tax collection and assessment duties, while respecting that each lease may contain proprietary or confidential information which, if made public, could expose secret patterns and procedures of OWNER to theft. To further the ends of both parties, CITY may inspect, but may not copy, the lease documents upon thirty (30) days' notice at a place on the Premises.

- D. Inspection - At all times throughout the term of this Agreement, CITY and the Tarrant Appraisal District (TAD) shall have reasonable access to the Premises for the purpose of inspecting the Premises to ensure that the Eligible Property is constructed, installed, maintained and operated in accordance with the terms of this Agreement. All inspections shall be conducted in a manner as to not unreasonably interfere with the installation of the Eligible Property or the operation of the Premises. The inspections shall be conducted within a reasonable time period after notice by CITY or TAD to OWNER, provided, however, that all inspections shall be made with one (1) or more representative(s) of OWNER present and in accordance with the safety standards of OWNER.

VI. **Use of Premises**

The Premises at all times shall be used in a manner that is consistent with CITY's zoning ordinances and consistent with the general purpose of encouraging development within Reinvestment Zone Number Thirty-Six.

VII. **Breach and Recapture**

- A. Breach - A breach of this Agreement may result in termination or modification of this Agreement and recapture by CITY of grants made and taxes which otherwise would have been paid since the execution of this Agreement to CITY without the benefit of the Abatement, as set forth in Sections VII(B) and VII(C). Penalty and interest on recaptured taxes will be charged at the statutory rate for delinquent

taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas. Recaptured taxes and grants shall become due sixty (60) days following notice of breach and after the expiration of any cure period as provided in Section VII(B). The following conditions shall constitute a breach of this Agreement:

1. OWNER terminates the use of the Premises for an industrial building and related activities at any time during the duration of the Agreement; or
2. OWNER fails to meet the Conditions and Requirements as specified in Section III above; or
3. OWNER allows its ad valorem taxes on any property located within the City of Arlington owed to CITY to become delinquent.

- B. Notice of Breach - In the event that CITY makes a reasonable determination that OWNER has breached this Agreement, then CITY shall give OWNER written notice of such default. OWNER has sixty (60) days following receipt of said written notice to reasonably cure such breach, or this Agreement may be terminated by CITY, and recapture of abated taxes and grants made may occur. Notice of default shall be in writing and shall be delivered by personal delivery or certified mail to OWNER at its address provided in Section IX of this Agreement. It shall be the duty of CITY to determine whether to require recapture and payment of abated taxes and grants made and to demand payment of such.
- C. Recapture - During the term of this Agreement, should OWNER commit a breach of this Agreement according to items A(1), (2) or (3) of this Section VII, CITY may terminate this Agreement and recapture all taxes abated and grants made under this Agreement up to the time of breach, subject to Section IV(B) herein.
- D. Tax Lien Not Impaired - It is expressly agreed and acknowledged between the parties to this Agreement that nothing in this Agreement shall be deemed or construed to affect the lien for taxes against the property established by Section 32.01 of the Tax Code of the State of Texas. Such lien shall secure the payment of all taxes, penalties and interest ultimately imposed on the property, including any taxes abated and subject to recapture under this Agreement. Any such lien may be fully enforced pursuant to the provisions of the Code. For purposes of this Subsection, "property" refers to the Premises and Eligible Property described herein.

VIII.

Effect of Sale or Lease of Property

The incentives granted by this Agreement shall not be assignable to any new owner of all or a portion of the Premises or Eligible Property unless such assignment is approved in writing by the CITY with approval of the City Council, which approval shall not be unreasonably withheld.

IX.
Notice

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

OWNER: Exeter 4900 Sherry, L.P.
Attn: Jason A. Borrelli
140 West Germantown Pike, Suite 150
Plymouth Meeting, Pennsylvania 19462

CITY: City of Arlington
Attention: Economic Development Manager
Post Office Box 90231
Arlington, Texas 76004-3231

X.
City Council Authorization

This Agreement was authorized by resolution of the City Council authorizing the City Manager or his designee to execute this Tax Abatement and Chapter 380 Grant Agreement on behalf of the CITY.

XI.
Severability

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

XII.
Estoppel Certificate

Any party hereto may request an estoppel certificate from another party hereto, so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which if requested will be addressed to a subsequent purchaser or assignee of OWNER, shall include, but not necessarily be limited to statements that this Agreement is in full force and effect without default (or if default exists the nature of same), the remaining term of this Agreement, the levels and remaining term of the abatement in effect and such other matters reasonably requested by the party(ies) to receive the certificates.

XIII.
Owner's Standing

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

XIV.
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's District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas.

XV.
Indemnification

It is understood and agreed between the parties that the OWNER, in performing its obligations hereunder, is acting independently, and CITY assumes no responsibility or liability to third parties in connection therewith, and OWNER agrees to indemnify and hold harmless CITY from any such responsibility or liability. It is further understood and agreed among the parties that CITY, in performing its obligations hereunder, is acting independently, and the OWNER assumes no responsibility or liability to third parties in connection therewith, and CITY agrees to the extent allowed by law to indemnify and hold harmless OWNER from any such responsibility or liability.

XVI.
Force Majeure

It is expressly understood and agreed by the parties to this Agreement that the parties shall not be found in default of this Agreement if any party's failure to meet the requirements of this Agreement is delayed by reason of war, Act of God, fire or other casualty of a similar nature.

XVII.
No Other Agreement

This Agreement embodies all of the agreements of the parties relating to its subject matter as specifically set out herein, supersedes all prior understandings and agreements regarding such subject matter, and may be amended, modified or supplemented only by an instrument or instruments in writing executed by the parties.

XVIII.
Recordation of Agreement

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

XIX.
**Procurement of Goods and Services from Arlington Businesses
and/or Historically Underutilized Businesses**

In performing this Agreement, OWNER agrees to use diligent efforts to purchase all goods and services from Arlington or Tarrant County businesses whenever such goods and services are comparable in availability, quality and price.

As a matter of policy with respect to CITY projects and procurements, CITY also encourages the use, if applicable, of qualified contractors, subcontractors and suppliers where at least fifty-one percent (51%) of the ownership of such contractor, subcontractor or supplier is vested in racial or ethnic minorities or women. In the selection of subcontractors, suppliers or other persons or organizations proposed for work on this Agreement, the OWNER agrees to consider this policy and to use their reasonable and best efforts to select and employ such companies and persons for work on this Agreement.

XX.
Headings

The headings of this Agreement are for the convenience of reference only and shall not affect in any manner any of the terms and conditions hereof.

XXI.
Successors and Assigns

The parties to this Agreement each bind themselves and their successors, executors, administrators and assigns to the other party of this Agreement and to the successors, executors, administrators and assigns of such other party in respect to all covenants of this Agreement.

No successor, executor, administrator or assign is valid in the place of the parties to this Agreement without the written consent of CITY and such consent shall not be unreasonably withheld.

XXII.
Termination

This Agreement shall terminate, in accordance with the terms of this Agreement, unless extended by written agreement of the parties or a written instrument signed by all

parties evidencing a delay by force majeure; however, in no event shall the abatement exceed 10 years.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written above.

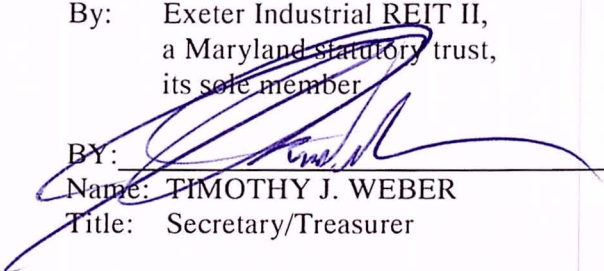
EXETER 4900 SHERRY, L.P.,
a Texas limited partnership

By: Exeter 4900 Sherry, LLC,
a Delaware limited liability company,
its sole general partner

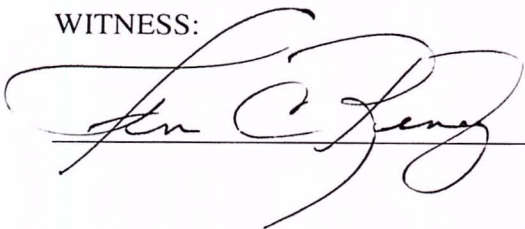
By: Exeter Operating Partnership II, L.P.,
a Delaware limited partnership,
its sole member

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

By: Exeter Industrial REIT II,
a Maryland statutory trust,
its sole member

BY: 
Name: TIMOTHY J. WEBER
Title: Secretary/Treasurer


WITNESS:



CITY OF ARLINGTON, TEXAS

BY: 
DONALD E. JAKEWAY
Deputy City Manager

ATTEST:



MARY W. SUPINO, City Secretary

APPROVED AS TO FORM:
JAY DOEGEY, City Attorney

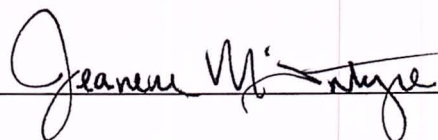
BY  _____

Exhibit "A"

ELIGIBLE PROPERTY

ARLINGTON COMMERCE CENTER - BUILDING C
ARLINGTON, TEXAS

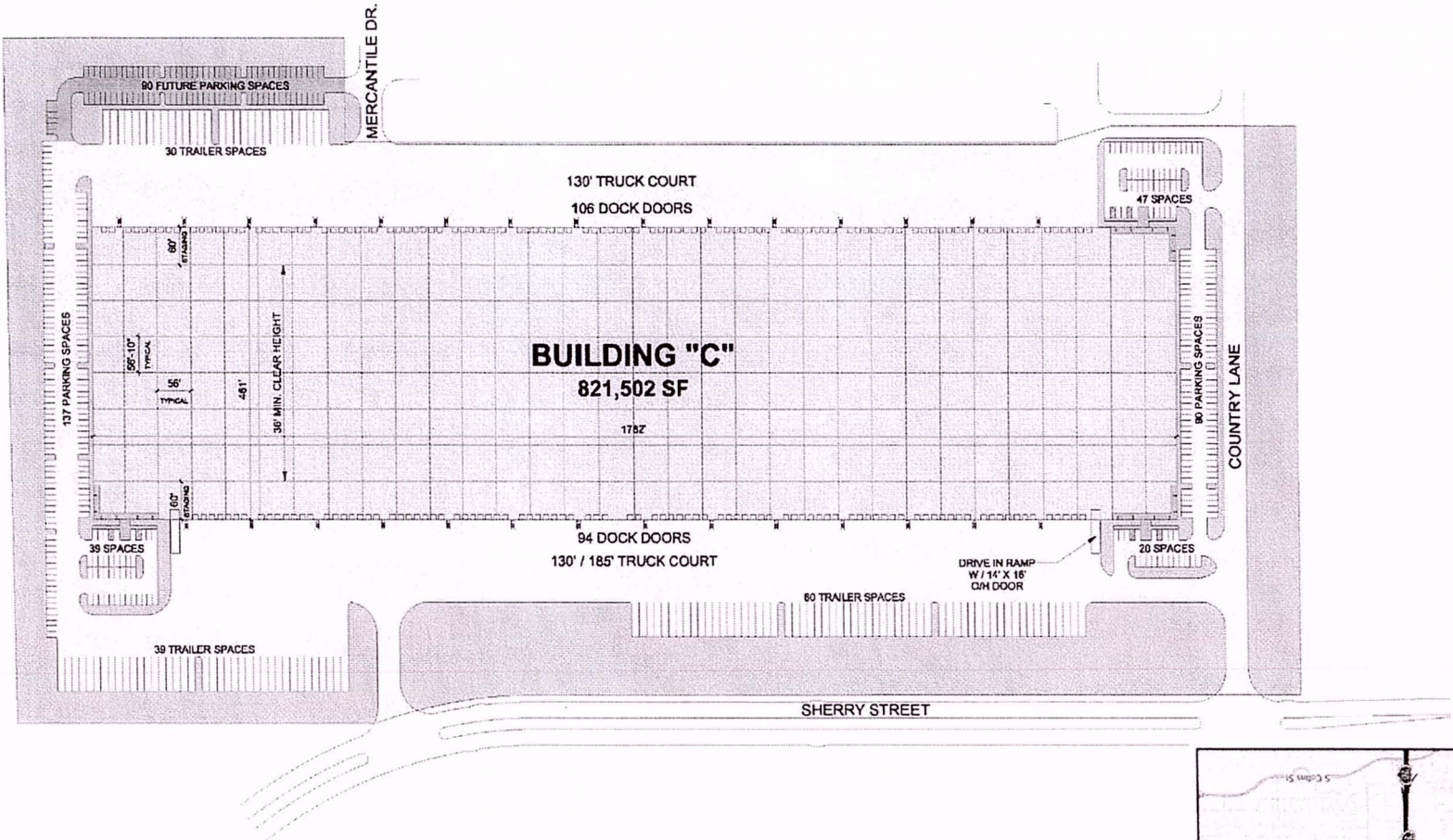


Exhibit "A"

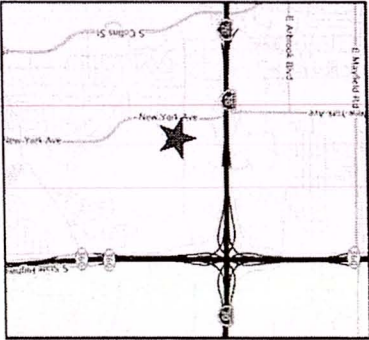


Exhibit "B"

METES AND BOUNDS

Exhibit "B"

TRACT III

PROPERTY DESCRIPTION

STATE OF TEXAS

COUNTY OF TARRANT

Being a 45.370 acre tract of land situated in the J. O 'Daniel Survey, Abstract No. 1186, City of Arlington, Tarrant County, Texas, being a portion of Lot 2, Block 2 of the final plat of Lots 1R, 2, and 3, Block 2, Arlington Commerce Center, an addition to the City of Arlington, Tarrant County, Texas as recorded in Cabinet A, Side 12541, Plat Records, Tarrant County, Texas (PRTCT) and being a portion of a called 92.353 acre tract of land as described in deed to Arlington Commerce Center, L.P. recorded in Volume 14868, Page 150, Deed Records, Tarrant County, Texas (DRTCT) and being more particularly described as follows:

BEGINNING at a ½" rebar with a yellow plastic cap stamped "Goodwin & Marshall" set (hereafter referred to as ½" rebar capped set) in the west line of Sherry Street (45' R.O.W. per Cabinet A. Slide 12541, PRTCT) at the northeast corner of said Lot 2, Block 2 and the southwest corner of a Right-Of-Way dedication for said Sherry Street, recorded in Volume 14860, Page 165 DRTCT;

THENCE along the west line of said Sherry Street (per Cabinet A. Slide 12541. PRTCT) and the east line of said Lot 2, Block 2 as follows:

S 00° 12' 02" E. a distance of 1247.64 feet to a ½" rebar capped set at the point of curvature of a curve to the left, having a radius of 845.00 feet;

Southeasterly, along said curve, having a central angle of 18° 46' 58" an arc distance of 277.01 feet and a chord that bears S 09° 35' 31" E, 275.77 feet to a ½" rebar capped set;

THENCE S 00° 12' 02" E, non tangent to said curve, along the west line of a Right-Of-Way dedication for said Sherry Street, recorded in Volume 16425, Page 236, DRTCT and the east line of said Lot 2, Block 2, at a distance of 13.48 feet passing a ½" rebar capped set at the southwest corner of said Right-Of-Way dedication for said Sherry Street, continuing a total distance of 589.88 feet to a ½" rebar capped set at the southeast corner of said Lot 2, Block 2, from which a ½" steel pipe found bears N 89° 06' E 2.39 feet.

THENCE S 89° 06' 22" W, along the south line of said Lot 2, Block 2 and the north line of Tract 1 as described in deed to Hung Lu, recorded in D205223601 & D208391283, DRTC a distance of 1080.15 feet to a ½" rebar capped set at the south southwest corner of said Lot 2, Block 2 from which a 5/8" rebar found bears S 00° 16' E, 0.17 feet;

THENCE N 00° 16' 03" W, departing the north line of said Lu Tract 1, along a reentrant line of said Lot 2, Block 2 and said Arlington Commerce Center tract and the east line of a tract of land as described in deed to the City of Arlington, Texas, recorded in Volume 13095, Page 212, DRTC, a distance of 560.00 feet (City Deed 560.24 feet) to a 5/8" rebar found at a reentrant corner of said Lot 2, Block 2 and said Arlington Commerce Center tract;

THENCE traversing said Lot 2, Block 2, as follows:

N 89° 44' 51" E, a distance of 162.73 feet;

N 00° 11' 30" W, a distance of 1171.47 feet to a ½" rebar capped set:

N 16° 03' 04" W, a distance of 91.48 feet to a cut "x" in concrete set;

N 00° 11' 30" W, a distance of 302.36 feet to ½" rebar capped set in the north line of said Lot 2, Block 2 and said Arlington Commerce Center tract and the south line of a tract of land as described in deed to A.R.C. STX Holdings L.L.C. recorded in D209330996

THENCE N 89° 45' 22" E, along the north line of said Lot 2, Block 2 and said Arlington Commerce Center tract and the south line of said A.R.C. STX Holdings, L.L.C. tract, a distance of 897.75 feet to the POINT OF BEGINNING and containing 1,976,323 square feet or 45.370 acres of land.

Exhibit "C"

ORDINANCE 13-018
creating
Reinvestment Zone Thirty-Six

Ordinance No. 13-018

An ordinance establishing Reinvestment Zone Number Thirty-Six; providing this ordinance be cumulative; providing for severability; providing for governmental immunity; providing for injunctions; and becoming effective upon second reading

WHEREAS, the City Council of the City of Arlington, Texas, desires to promote the development or redevelopment of a certain area within its jurisdiction by the establishment of a Reinvestment Zone for commercial-industrial tax abatement; and

WHEREAS, on April 7, 2009, the City Council of the City of Arlington, Texas passed Resolution No. 09-079 authorizing staff, following a briefing to City Council regarding creation of the zone, to give notice required by law to call public hearings relative to creation of reinvestment zones for tax abatement; and

WHEREAS, on November 26, 2012, staff briefed City Council on the creation of Reinvestment Zone Number Thirty-Six; and

WHEREAS, a public hearing was held at which time interested persons were entitled to speak and present evidence for or against the designation of the property described in Exhibit "A" as Reinvestment Zone Number Thirty-Six, and notice of such public hearing was published in a newspaper of general circulation in the City of Arlington not later than the seventh day before the date of the scheduled hearing; and

WHEREAS, the City Council of the City of Arlington has established guidelines and criteria governing tax abatement agreements and has stated that the City elects to become eligible to participate in tax abatement; NOW THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ARLINGTON, TEXAS:

1.

That all of the recitals contained in the preambles of this ordinance are found to be true and are adopted as findings of fact by this governing body and as part of its official record.

2.

The City Council, after conducting a public hearing and having considered all relevant evidence and testimony, has made the following findings and determinations based on such evidence and testimony:

- A. That a public hearing on the designation of Reinvestment Zone Number Thirty-Six has been properly called, held and conducted, and that notice of such hearing was published in accordance with the law; and
- B. That the boundaries of Reinvestment Zone Number Thirty-Six should be the proposed area of land more fully described in the property description attached hereto as Exhibit "A" and depicted on the map attached hereto as Exhibit "B"; and
- C. That the improvements sought to be made in Reinvestment Zone Number Thirty-Six are feasible and practical and would be a benefit to the land to be included in the Zone and to the City of Arlington following the expiration of an executed Tax Abatement Agreement; and
- D. That the proposed area of land to be designated Reinvestment Zone Number Thirty-Six is reasonably likely, as a result of this designation, to contribute to the retention or expansion of primary employment or to attract major investment in the Zone that would be a benefit to the property, thereby contributing to the economic development of the City of Arlington.

3.

In accordance with State law, the City of Arlington hereby officially creates Reinvestment Zone Number Thirty-Six for commercial-industrial tax abatement, which Zone shall hereafter encompass only that certain area of land more fully described in the property description attached hereto as Exhibit "A" and depicted on the map attached hereto as Exhibit "B"; and such Reinvestment Zone shall be officially designated as Tax Abatement Reinvestment Zone Number Thirty-Six of the City of Arlington, Texas.

4.

The designation of Reinvestment Zone Number Thirty-Six of the City of Arlington, Texas shall expire Five (5) years after the effective date of its designation and may be renewed.

5.

This ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Arlington; and this ordinance shall not operate to repeal or affect any of such other ordinances except insofar as the provisions thereof might be

inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

6.

If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

7.

All of the regulations provided in this ordinance are hereby declared to be governmental and for the health, safety and welfare of the general public. Any member of the City Council or any City official or employee charged with the enforcement of this ordinance, acting for the City of Arlington in the discharge of his/her duties, shall not thereby render himself/herself personally liable; and he/she is hereby relieved from all personal liability for any damage that might accrue to persons or property as a result of any act required or permitted in the discharge of his/her said duties.

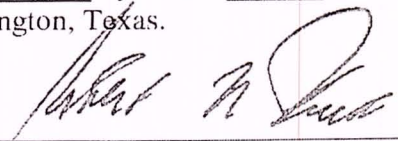
8.

Any violation of this ordinance can be enjoined by a suit filed in the name of the City of Arlington in a court of competent jurisdiction, and this remedy shall be in addition to any penal provision in this ordinance or in the Code of the City of Arlington.

9.

This ordinance shall become effective upon second reading.

PRESENTED AND GIVEN FIRST READING on the 7th day of May, 2013, at a regular meeting of the City Council of the City of Arlington, Texas; and GIVEN SECOND READING, passed and approved on the 21st day of May, 2013, by a vote of 9 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.



ROBERT N. CLUCK, Mayor

Exhibit "A"

TRACT III

PROPERTY DESCRIPTION

STATE OF TEXAS

COUNTY OF TARRANT

Being a 45.370 acre tract of land situated in the J. O 'Daniel Survey, Abstract No. 1186, City of Arlington, Tarrant County, Texas, being a portion of Lot 2, Block 2 of the final plat of Lots 1R, 2, and 3, Block 2, Arlington Commerce Center, an addition to the City of Arlington, Tarrant County, Texas as recorded in Cabinet A, Side 12541, Plat Records, Tarrant County, Texas (PRTCT) and being a portion of a called 92.353 acre tract of land as described in deed to Arlington Commerce Center, L.P. recorded in Volume 14868, Page 150, Deed Records, Tarrant County, Texas (DRTCT) and being more particularly described as follows:

BEGINNING at a ½" rebar with a yellow plastic cap stamped "Goodwin & Marshall" set (hereafter referred to as ½" rebar capped set) in the west line of Sherry Street (45' R.O.W. per Cabinet A. Slide 12541, PRTCT) at the northeast corner of said Lot 2, Block 2 and the southwest corner of a Right-Of-Way dedication for said Sherry Street, recorded in Volume 14860, Page 165 DRTCT;

THENCE along the west line of said Sherry Street (per Cabinet A. Slide 12541. PRTCT) and the east line of said Lot 2, Block 2 as follows:

S 00° 12' 02" E. a distance of 1247.64 feet to a ½" rebar capped set at the point of curvature of a curve to the left, having a radius of 845.00 feet;

Southeasterly, along said curve, having a central angle of 18° 46' 58" an arc distance of 277.01 feet and a chord that bears S 09° 35' 31" E, 275.77 feet to a ½" rebar capped set;

THENCE S 00° 12' 02" E, non tangent to said curve, along the west line of a Right-Of-Way dedication for said Sherry Street, recorded in Volume 16425, Page 236, DRTCT and the east line of said Lot 2, Block 2, at a distance of 13.48 feet passing a ½" rebar capped set at the southwest corner of said Right-Of-Way dedication for said Sherry Street, continuing a total distance of 589.88 feet to a ½" rebar capped set at the southeast corner of said Lot 2, Block 2, from which a ½" steel pipe found bears N 89° 06' E 2.39 feet.

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DRTC a distance of 1080.15 feet to a ½” rebar capped set at the south southwest corner of said Lot 2, Block 2 from which a 5/8” rebar found bears S 00° 16’ E, 0.17 feet;

THENCE N 00° 16’ 03” W, departing the north line of said Lu Tract 1, along a reentrant line of said Lot 2, Block 2 and said Arlington Commerce Center tract and the east line of a tract of land as described in deed to the City of Arlington, Texas, recorded in Volume 13095, Page 212, DRTC, a distance of 560.00 feet (City Deed 560.24 feet) to a 5/8” rebar found at a reentrant corner of said Lot 2, Block 2 and said Arlington Commerce Center tract;

THENCE traversing said Lot 2, Block 2, as follows:

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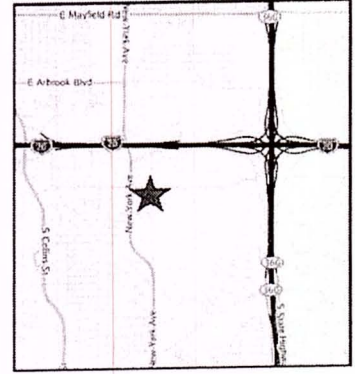
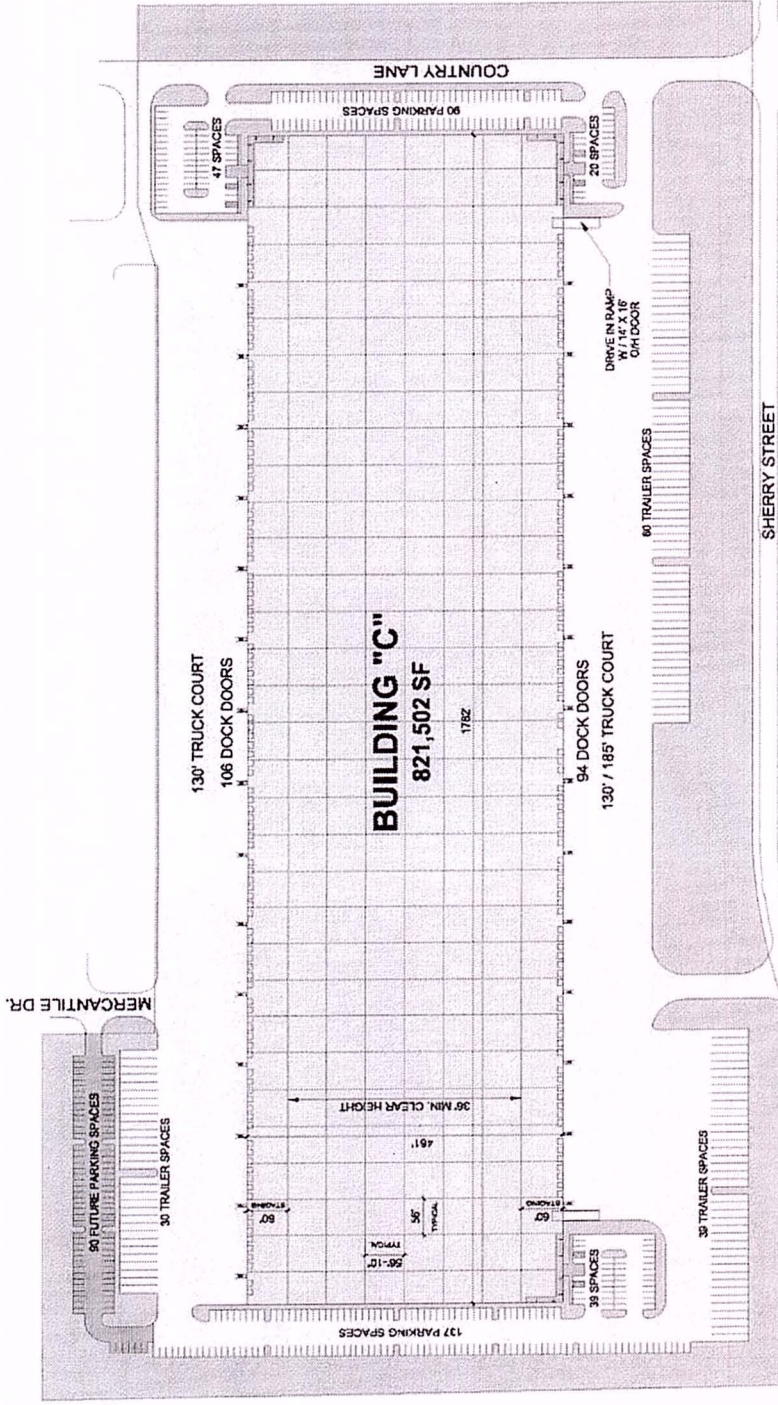
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THENCE N 89° 45’ 22” E, along the north line of said Lot 2, Block 2 and said Arlington Commerce Center tract and the south line of said A.R.C. STX Holdings, L.L.C. tract, a distance of 897.75 feet to the POINT OF BEGINNING and containing 1,976,323 square feet or 45.370 acres of land.

ARLINGTON COMMERCE CENTER - BUILDING C
 ARLINGTON, TEXAS



Exhibit "B"



Resolution No. 15-308

A resolution approving the assignment of all the rights and obligations accruing to Exeter 4900 Sherry, L.P. under that certain Tax Abatement and Chapter 380 Grant Agreement by and between Exeter 4900 Sherry, L.P. and the City of Arlington, Texas, previously approved by City Council Resolution No. 13-158

- WHEREAS, on June 18, 2013, by Resolution No. 13-158, City Council authorized the execution of a Tax Abatement and Chapter 380 Grant Agreement (“Agreement”) with Exeter 4900 Sherry, L.P. (“EXETER”) relating to the project at 4900 Sherry Street, Arlington, Texas; and
- WHEREAS, EXETER has sold the property to Big Box Property Owner C, LLC (“BIG BOX”); and
- WHEREAS, EXETER desires to assign all of its rights and obligations under the Agreement to BIG BOX; and
- WHEREAS, EXETER has requested that the City Council approve an assignment of EXETER’s rights and obligations under the Agreement to BIG BOX; and
- WHEREAS, as of the date hereof, to the knowledge of the City, no factual circumstances or conditions exist which, with notice or the lapse of time, or both, would give rise to any obligation of any party to the Agreement which, if not satisfied, will constitute a default on the part of either party to the Agreement, or constitute the basis for a claim or cause of action against EXETER; and
- WHEREAS, the Agreement provides that the Agreement can be assigned with approval of the City Council, which approval shall not be unreasonably withheld;
NOW THEREFORE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ARLINGTON, TEXAS:

I.

That all of the recitals contained in the preamble of this resolution are found to be true and are adopted as findings of fact by this governing body and as part of its official record.

II.

That the City Council hereby approves an assignment of all of EXETER's rights and obligations under the Agreement authorized by Resolution 13-158 to BIG BOX.

III.

That the City Manager or his designee is authorized to execute a Consent and Estoppel establishing the conditions of the City's approval of the assignment of the Agreement. A substantial copy of the Consent and Estoppel for the Tax Abatement and Chapter 380 Grant Agreement is attached.

IV.

In approving assignment of the referenced Agreement, the City of Arlington, Texas, through its City Council, hereby exercises a governmental function in accordance with but not limited to Section 101.0215 of the Texas Civil Practices and Remedies Code.

PRESENTED AND PASSED on this the 15th day of December, 2015, by a vote of 9 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.



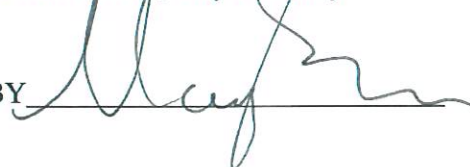
W. JEFF WILLIAMS, Mayor

ATTEST:



MARY W. SUPINO, City Secretary

APPROVED AS TO FORM:
TERIS SOLIS, City Attorney

BY 

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

CONSENT AND ESTOPPEL

THIS CONSENT AND ESTOPPEL (this "Consent") dated as of the 17 day of December, 2015, is made by and between the **CITY OF ARLINGTON, TEXAS** (the "CITY"), a home-rule city and municipal corporation of Tarrant County, Texas, acting by and through its City Manager or his designee, **EXETER 4900 SHERRY, L.P.** ("EXETER"), an entity duly authorized to do business in the State of Texas, and **BIG BOX PROPERTY OWNER C, LLC** ("BIG BOX"), a Delaware limited liability company.

WITNESSETH:

- WHEREAS, the CITY and EXETER are parties to that certain Tax Abatement and Chapter 380 Grant Agreement (the "Agreement") authorized by Resolution No. 13-158 passed by City Council on June 18, 2013, relating to certain premises located at 4900 Sherry Street, Arlington, Texas (the "Premises"); and
- WHEREAS, EXETER recently sold the property (the "Transfer") to BIG BOX; and
- WHEREAS, in connection with the Transfer, EXETER, as Owner under the Agreement, desires to assign all of EXETER's rights and obligations under the Agreement to BIG BOX (the "Assignment"); NOW, THEREFORE,

In consideration of the mutual covenants and agreement set forth in the Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the CITY hereby agrees as follows:

1. The CITY hereby consents to the Assignment.
2. The Agreement is in full force and effect and has not been modified, supplemented or amended in any way except as set forth herein.
3. All conditions under the Agreement to be performed by the Owner which are prerequisite to the full effectiveness of the Agreement have been satisfied as of the date hereof.
4. As of the date hereof, to the knowledge of CITY, there exist no factual circumstances or conditions which, with notice or the lapse of time, or both, would give rise to any obligation of any party to the Agreement which, if not satisfied, will constitute a default on the part of either party to the Agreement, or constitute the basis for a claim or cause of action against EXETER.
5. The CITY hereby agrees that BIG BOX shall be entitled to rely upon the statements made herein and shall be a third party beneficiary hereof.
6. This Consent may not be modified orally, but only by written instrument, and constitutes the entire agreement between the parties with respect to the subject matter hereof.

7. The Agreement and all of the terms, covenants and conditions thereof remain in full force and effect and BIG BOX agrees to be bound thereby.
8. All notices which are required or desired to be sent to the BIG BOX under the Agreement shall be delivered, pursuant to the terms of the Agreement, to the following:

Big Box Property Owner C, LLC
c/o Exeter Property Group
140 West Germantown Pike, Suite 150
Plymouth Meeting, Pennsylvania 19462
9. This Consent may be executed in one or more facsimile counterparts, each of which shall be deemed an original but, when taken together, shall constitute one Consent.
10. Notwithstanding anything to the contrary, nothing contained herein shall relieve EXETER or its successors or assigns from the CITY's right of recapture pursuant to Paragraph VII.C. of the Agreement.

IN WITNESS WHEREOF, the CITY has caused this Consent to be executed the day and year first above written.

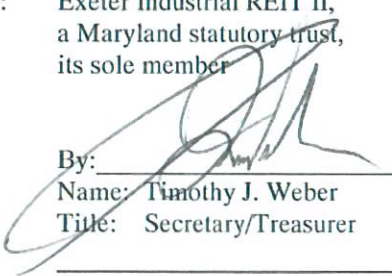
EXETER 4900 SHERRY, L.P., a Texas limited partnership

By: Exeter 4900 Sherry, LLC, a Delaware limited liability company,
its sole general partner

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

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

By: Exeter Industrial REIT II,
a Maryland statutory trust,
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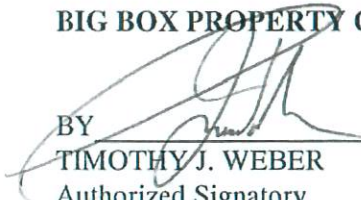
By: 
Name: Timothy J. Weber
Title: Secretary/Treasurer

Date 12/17/2015

WITNESS:



BIG BOX PROPERTY OWNER C, LLC


BY _____
TIMOTHY J. WEBER
Authorized Signatory

Date 12/17/2015

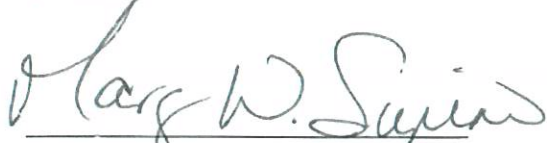
WITNESS:



CITY OF ARLINGTON, TEXAS

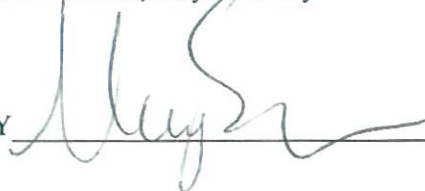

BY _____
JIM PARAJON
Deputy City Manager
Date 2/19/16

ATTEST:



MARY W. SUPINO, City Secretary


APPROVED AS TO FORM:
TERIS SOLIS, City Attorney

BY  _____

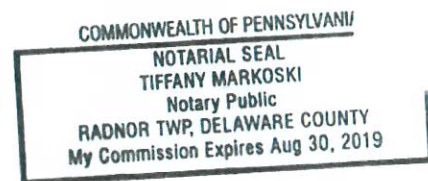
COMMONWEALTH OF PENNSYLVANIA)
)ss.:
COUNTY OF DELAWARE)

On this the 17 day of December, 2015, before me, the undersigned officer, personally appeared Timothy J. Weber who acknowledged himself to be the Secretary/Treasurer of Exeter Industrial REIT II, a Maryland statutory trust, which is the sole member of Exeter Operating Partnership II GP LLC, a Delaware limited liability company, which is the sole general partner of Exeter Operating Partnership II, L.P., a Delaware limited partnership, which is the sole member of Exeter 4900 Sherry, LLC, a Delaware limited liability company, which is the general partner of Exeter 4900 Sherry, L.P., a Texas limited partnership, and that, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.




Notary Public
My commission expires:



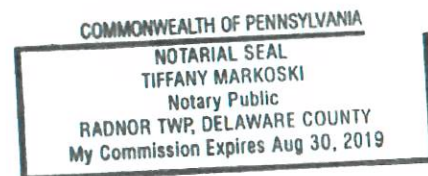
COMMONWEALTH OF PENNSYLVANIA)
)ss.:
COUNTY OF DELAWARE)

On this the 17 day of December, 2015, before me, the undersigned officer, personally appeared Timothy J. Weber who acknowledged himself to be the Authorized Signatory of Bix Box Property Owner C, LLC, a Delaware limited liability company, and that, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Notary Public
My commission expires:



THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

CONSENT AND ESTOPPEL

THIS CONSENT AND ESTOPPEL (this "Consent") dated as of the 17 day of December, 2015, is made by and between the **CITY OF ARLINGTON, TEXAS** (the "CITY"), a home-rule city and municipal corporation of Tarrant County, Texas, acting by and through its City Manager or his designee, **EXETER 4900 SHERRY, L.P.** ("EXETER"), an entity duly authorized to do business in the State of Texas, and **BIG BOX PROPERTY OWNER C, LLC** ("BIG BOX"), a Delaware limited liability company.

WITNESSETH:

WHEREAS, the CITY and EXETER are parties to that certain Tax Abatement and Chapter 380 Grant Agreement (the "Agreement") authorized by Resolution No. 13-158 passed by City Council on June 18, 2013, relating to certain premises located at 4900 Sherry Street, Arlington, Texas (the "Premises"); and

WHEREAS, EXETER recently sold the property (the "Transfer") to BIG BOX; and

WHEREAS, in connection with the Transfer, EXETER, as Owner under the Agreement, desires to assign all of EXETER's rights and obligations under the Agreement to BIG BOX (the "Assignment"); NOW, THEREFORE,

In consideration of the mutual covenants and agreement set forth in the Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the CITY hereby agrees as follows:

1. The CITY hereby consents to the Assignment.
2. The Agreement is in full force and effect and has not been modified, supplemented or amended in any way except as set forth herein.
3. All conditions under the Agreement to be performed by the Owner which are prerequisite to the full effectiveness of the Agreement have been satisfied as of the date hereof.
4. As of the date hereof, to the knowledge of CITY, there exist no factual circumstances or conditions which, with notice or the lapse of time, or both, would give rise to any obligation of any party to the Agreement which, if not satisfied, will constitute a default on the part of either party to the Agreement, or constitute the basis for a claim or cause of action against EXETER.
5. The CITY hereby agrees that BIG BOX shall be entitled to rely upon the statements made herein and shall be a third party beneficiary hereof.
6. This Consent may not be modified orally, but only by written instrument, and constitutes the entire agreement between the parties with respect to the subject matter hereof.

7. The Agreement and all of the terms, covenants and conditions thereof remain in full force and effect and BIG BOX agrees to be bound thereby.
8. All notices which are required or desired to be sent to the BIG BOX under the Agreement shall be delivered, pursuant to the terms of the Agreement, to the following:

Big Box Property Owner C, LLC
c/o Exeter Property Group
140 West Germantown Pike, Suite 150
Plymouth Meeting, Pennsylvania 19462
9. This Consent may be executed in one or more facsimile counterparts, each of which shall be deemed an original but, when taken together, shall constitute one Consent.
10. Notwithstanding anything to the contrary, nothing contained herein shall relieve EXETER or its successors or assigns from the CITY's right of recapture pursuant to Paragraph VII.C. of the Agreement.

IN WITNESS WHEREOF, the CITY has caused this Consent to be executed the day and year first above written.

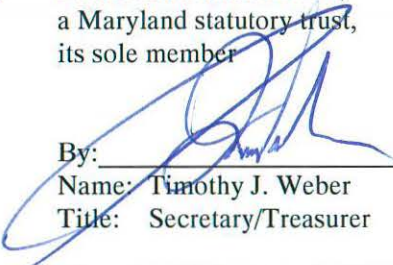
EXETER 4900 SHERRY, L.P., a Texas limited partnership

By: Exeter 4900 Sherry, LLC, a Delaware limited liability company,
its sole general partner

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

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

By: Exeter Industrial REIT II,
a Maryland statutory trust,
its sole member

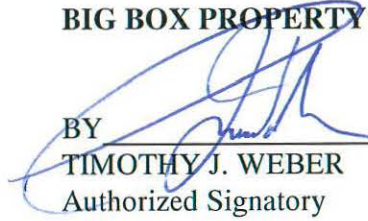
By: 
Name: Timothy J. Weber
Title: Secretary/Treasurer

Date 12/17/2015

WITNESS:



BIG BOX PROPERTY OWNER C, LLC


BY _____
TIMOTHY J. WEBER
Authorized Signatory

Date 12/17/2015

WITNESS:




CITY OF ARLINGTON, TEXAS


BY _____
JIM FARAJON
Deputy City Manager

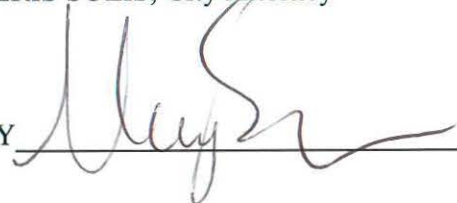
Date 2/19/16

ATTEST:



MARY W. SUPINO, City Secretary

APPROVED AS TO FORM:
TERIS SOLIS, City Attorney

BY  _____

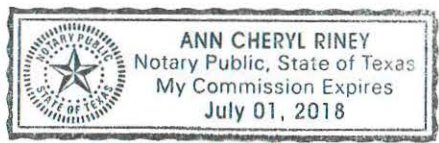
THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

CITY OF ARLINGTON, TEXAS
Acknowledgment

Before me, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **JIM PARAJON**, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for and as the act and deed of the **CITY OF ARLINGTON, TEXAS**, a Texas municipal corporation, and as **Deputy City Manager** thereof, and for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 19th day of February, ~~2015~~ 2016 A.M.
[Seal]

Ann Cheryl Riney
Notary Public, State of Texas
ANN C RINEY
Notary's Printed Name



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