

**STATE OF TEXAS
COUNTY OF JOHNSON AND TARRANT
CITY OF BURLESON**

**TAX ABATEMENT AGREEMENT BETWEEN THE CITY OF BURLESON AND
GOLDEN STATE FOODS, CORP.**

This Tax Abatement Agreement (the "Agreement") is entered into as of March 24 (the "Effective Date") by and between the City of Burleson, a Texas municipal corporation of the Counties of Johnson and Tarrant, State of Texas ("City"), and Golden State Foods Corp., a Delaware corporation ("GSF"). 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:

**ARTICLE 1.
DEFINITIONS**

- 1.01 "Affiliate" means Golden State Foods Corp. and any other entity that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with Golden State Foods Corp.
- 1.02 The terms "Agreement," "Effective Date," "City," "GSF," and "Policy Statement," shall have the meanings provided herein.
- 1.03 "Base Year Value" means \$392,040, the assessed value listed for the Property by the Johnson County Appraisal District as of January 1, 2016. The Base Year Value shall not be included in the abatement.
- 1.04 "Capital Investment" means and shall include all costs incurred relating to the acquisition of the Property and construction of the Development, including the actual construction costs, and other costs of all buildings, structures, improvements, infrastructure, fixed machinery and equipment, and tangible personal property. Capital Investment shall include financing costs of fixed machinery and equipment (i.e., equipment leases).
- 1.05 "Certificate of Occupancy" means the document issued by the City of Burleson certifying the Development is in compliance with applicable building codes and other laws and indicating it to be a condition suitable for occupying.
- 1.06 "Class A" means a manufacturing facility of high quality that meets with standards outlined in City ordinance.

- 1.07 "Eligible Property" means property that may be extended an abatement. Eligible Property includes buildings, structures, fixed machinery and equipment, energy efficiency measures and equipment, site improvements plus office space and related fixed improvements necessary to the operation and administration of the facility, plus tangible personal property and furniture.
- 1.08 "Event of Bankruptcy or Insolvency" means the dissolution or termination of a party's existence as a going business, insolvency, appointment of receiver for any part of a party's property and such appointment is not terminated within ninety (90) business 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 a party and in the event such proceeding is not voluntarily commenced by the party, such proceeding is not dismissed within ninety (90) business days after the filing thereof.
- 1.09 "FTE" means any employee on a forty (40) hour or more per week schedule or the combination of two (2) or more employees on part-time schedules equaling at least forty (40) hours.
- 1.10 "Improvements" means the development of and construction on the Property of a Class A facility (comprised of at least 100,000 square feet) with an office and manufacturing and distribution facility.
- 1.11 "Ineligible Property" means property that may not be extended an abatement. Ineligible property includes land and any other property type not classified as "Eligible Property".
- 1.12 (Reserved)
- 1.13 "Property" means a 25.0 acre of Lot 1R1, Block 5, Lot 4, Block 5 and portions of Lot 3, Block 5, Lot 1, Block 9 of the HighPoint Business Park Addition to the City of Burleson, Johnson County, Texas, as described by Exhibit C.
- 1.14 "Qualifying Date" means the date a certificate of occupancy is received by GSF or an Affiliate from the City for the Improvements.
- 1.15 "Reinvestment Zone" or "Zone" means Tax Abatement Reinvestment Zone No. 006-2016 established by City of Burleson Ordinance No. CSO-494-08-2016.
- 1.16 "Tax Abatement" means the full or partial exemption from ad valorem taxes of certain Eligible Property in the Reinvestment Zone designated for economic development purposes pursuant to Chapter 312 of the Texas Tax Code.

ARTICLE 2.
RECITALS

- 2.01 On the May 27, 1993, the City Council of the City of Burleson, Texas ("City Council") adopted Resolution 583 (C1212) (the "Policy Statement"), attached hereto and incorporated herein as Exhibit A.
- 2.02 The Policy Statement constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the City as contemplated by the Texas Tax Code, as amended (the "Code").
- 2.03 On August 15, 2016, the City Council passed Ordinance CSO-494-08-2016, (the "Ordinance") establishing "Tax Abatement Reinvestment Zone Number 006-2016 City of Burleson, Texas", a reinvestment zone for commercial tax abatement (the "Zone"), as authorized by Chapter 312, of the Code.
- 2.04 GSF has submitted an Application for Tax Abatement with various attachments concerning the qualified project (the "Project"), said Application for Tax Abatement being attached hereto and incorporated herein as Exhibit B.
- 2.05 GSF is under contract to purchase the Property which is located totally within the reinvestment zone in the City of Burleson, Johnson County, Texas described on Exhibit C attached hereto, and GSF proposes that it or an Affiliate further develop the Property with a Class A office, manufacturing and distribution center of at least 100,000 square feet and locate at least 100 FTEs at the Property.
- 2.06 The City Council finds that the terms of this Agreement meet the applicable guidelines and criteria heretofore adopted by the City Council, which are set forth in the Policy Statement.
- 2.07 The Property is not owned or leased by any member of the Burleson City Council or any member of the City Planning and Zoning Commission.
- 2.08 Written notice that the City intends to enter into this Agreement, along with a copy of this Agreement has been furnished, in the manner and by the time prescribed by the Code, to the presiding officers of the governing bodies of each of the taxing units in which the Property is located.

ARTICLE 3.
AUTHORIZATION

The City Council finds and determines that this Agreement is authorized and governed by Section 312 of the Texas Tax Code and by the Policy Statement.

ARTICLE 4.
TERM

- 4.01 The term of this Agreement shall commence on the Effective Date and terminate ten (10) years after the Qualifying Date, pursuant to the terms of this Agreement. For no reason shall the provision of any tax abatement be provided for longer than ten (10) years.

ARTICLE 5.
COVENANTS OF PROJECT SOUTHWEST

- 5.01 Covenants Regarding Development and Operations. In consideration of this Agreement, GSF agrees to the following covenants that must be fulfilled by it or an Affiliate in order to receive tax abatement:
- (A) Close and purchase the Property within 45 days after the Effective Date.
 - (B) GSF or an Affiliate will work with EDC to draft a mutually acceptable joint press release to announce GSF's plans, in partnership with the City, for a new liquid food manufacturer to be located in Burleson, Texas. The approved announcement shall not be released without the advance written approval of GSF, but shall be within twelve months from the Effective Date.
 - (C) Submit a draft site plan and request a Pre-Development meeting with City Officials to occur no later than January 1, 2018 for review and initial comments prior to formal application.
 - (D) Submit the survey, Re-Plat and Commercial Site Plan application for the Property by January 31, 2018 for review and approval from City Council.
 - (E) Complete its design phase and apply for a building permit for the construction of the Development no later than April 1, 2018.
 - (F) Design and construct all phases of the Development in conformance with the criteria and development standards set forth in the ordinances of the City of Burleson, as well as applicable state and federal laws, resulting in a Capital Investment by GSF or an Affiliate in an amount equal to at least Forty Million Dollars and no cents (\$40,000,000)
 - (G) Complete construction and obtain a Certificate of Occupancy for the Development no later than September 30, 2019.
 - (H) Operate the Development in a manner which creates at least 100 (100) FTEs at the Property within twelve (12) months after the Certificate of Occupancy has been issued.

- (I) Operate the Development as a manufacturing and distribution facility for at least ten (10) years after the Opening Date.
- (J) Annually certify to EDC the number of FTEs for the Development to the City.
- (K) Be responsible for construction and maintenance of all on-site improvements for the Property and Development.
- (L) Be solely responsible for the design and construction of the Development, and comply with all subdivision regulations, building codes and other ordinances of the City applicable to the Development.
- (M) Remain current and paid on all property taxes, subject to appeal rights in accordance with law and subject to a right to cure delinquency.

If GSF is delayed in performing any of its covenants described above by a delay in construction of the Municipal Improvements, or force majeure, then the deadlines for GSF's performance of those covenants shall be extended an equal time period.

5.02. Community Outreach.

- (A) Prior to the start of construction, but subject to reasonable limits on the time requirements on GSF or an Affiliate's employees and agents of GSF or an Affiliate, at the sole determination of GSF or an Affiliate, GSF or an Affiliate agrees to cause its general contractor or construction manager ("the GSF Contractor") for the Improvements to conduct the following community outreach events:
 - (1) Utilize construction materials and labor available from existing Burleson businesses, assuming commercial availability and competitive pricing, as said availability and pricing is determined solely by GSF or an Affiliate.
 - (2) Utilize support components such as printing services, janitorial services, etc. from existing Burleson businesses, assuming commercially reasonable availability and competitive pricing, as said availability and pricing is determined solely by GSF or an Affiliate.

5.03 Verification of Capital Investment. Within 30 days following the receipt of a Certificate of Occupancy, GSF or an Affiliate shall provide written verification to the City that the Capital Investment made by GSF or an Affiliate for the Improvements meets or exceeds the requirements set forth in Section 5.01 (C) of this Agreement. GSF agrees that City shall not be required to abate any taxes under this Agreement until such time that GSF or an Affiliate provides such written verification. The City may request, and GSF hereby agrees that it or an

Affiliate will permit, reasonable review of information (at no cost, expense or liability to GSF or Affiliate) that permits the City to verify that the Capital Investment made by GSF or an Affiliate for the Development meets or exceeds the requirements of Section 5.01 (C), excluding (i) financial information of GSF or an Affiliate not related to the improvements, and (ii) proprietary information.

ARTICLE 6.
TAX ABATEMENT

- 6.01 In accordance with the provisions of this Agreement, the City agrees that, subject to the terms and conditions contained herein and subject to the rights of holders of any outstanding bonds of the City, it shall abate ad valorem taxes on Eligible Property on the Property according to the schedule provided in Section 6.03.
- 6.02 Abatement shall be available only for the portion of the increase in value of the Improvements on the Property over the Base Year Value.
- 6.03 The Abatement shall be 75% of the increase in value of the Eligible Property on the Property, and shall continue for ten years.
- 6.04 The Abatement shall apply only to taxes on the increase in value of the Eligible Property due to construction of Improvements and shall not apply to Ineligible Property.
- 6.05 GSF or an Affiliate shall have the right to protest and contest any or all appraisals or assessments of the Property and/or Improvements.
- 6.06 The term of the Abatement (the "Term") shall begin on January 1 of the year following the calendar year of the Qualifying Date and, unless sooner terminated as herein provided, shall end on December 31st immediately preceding the tenth (10th) anniversary of the beginning of the Term, provided that GSF may, in its discretion, request in writing that the Term commence on the Qualifying Date, in which event the Term shall expire on the tenth anniversary of such date.

ARTICLE 7.
AUTHORITY; COMPLIANCE WITH LAW

- 7.01 GSF hereby represents and warrants to the City that it has full lawful right, power and authority to execute and deliver and perform the terms and obligations of this Agreement and that the execution and delivery of this Agreement has been duly authorized by all necessary action by GSF and this Agreement constitutes the

legal, valid and binding obligation of GSF, and is enforceable in accordance with its terms and provisions.

- 7.02 Notwithstanding any other provision of this Agreement, GSF shall comply with all applicable federal, state, and local laws.
- 7.03 During the term of this Agreement, GSF agrees not to knowingly employ any undocumented workers at the Project, and if convicted of a violation under 8 U.S.C. Section 1324a(f), GSF shall repay the amount of the total tax abatement provided to GSF as of the date of such violation within 120 business days after the date GSF is notified by the City of such conviction (provided all appeals have been exhausted), plus interest at the rate Burleson is paying on the most recent issuance of bonded indebtedness prior to GSF's violation of this section.

ARTICLE 8. DEFAULT AND REMEDIES

- 8.01 Default by GSF. In the event: (i) GSF or an Affiliate fails to fulfill its obligations under Article 5 of this Agreement; (ii) GSF or an Affiliate has delinquent ad valorem or sales taxes owed to the City (provided that GSF or an Affiliate retains the right to timely and properly protest and/or contest any such taxes); (iii) upon the occurrence of any Event of Bankruptcy or Insolvency by GSF or an Affiliate; or (iv) GSF or an Affiliate materially breaches any of the material terms and conditions of this Agreement, then GSF or an Affiliate after the expiration of the notice and cure periods described herein, shall be in default of this Agreement. For the purposes of this Agreement, the obligations of GSF or an Affiliate under Section 5.02 shall not be considered material terms or conditions. In the event of such a default, City shall give GSF or an Affiliate written notice ("of such breach and/or default ("Notice"), specifying with particularity the nature of any breach or default (each, an "Act of Default"), and if GSF or an Affiliate has not cured such breach or default within 90 days after receipt of such Notice, the City may terminate this Agreement by written notice to GSF or an Affiliate, and the City shall have no further obligation to GSF or an Affiliate. GSF or an Affiliate shall not be liable to City for any alleged consequential damages and City hereby waives any rights or remedies available that are related to consequential damages at law or in equity. Notwithstanding the above, if such Act of Default cannot be cured by reasonably diligent efforts within ninety (90) days of the Notice, then GSF or an Affiliate shall have an additional ninety (90) days to cure the breach so long as GSF or an Affiliate promptly initiates and diligently and continuously attempts to cure the same.
- 8.02 No waiver of any breach of any term or condition of this Agreement shall be construed to waive any subsequent breach of the same or any other term or condition of this Agreement. Any waiver of any term or condition of this Agreement must be in writing and approved by the City Council of Burleson and GSF or an Affiliate.

8.03 Notwithstanding the above, should GSF or an Affiliate fail to comply with its obligations under Section 5.01(E) of this Agreement in regards to the qualifying level of employment at the Property, subject to Force Majeure, City may, following the applicable notice and cure periods, exercise the following remedies as the sole remedies for such default: (i) cease any tax abatement for the then-current calendar year; (ii) terminate this Agreement, and (iii) demand repayment of a certain percentage of the cumulative amount of tax abatements previously provided to GSF or an Affiliate under this Agreement, in accordance with the following (the "Maximum Recapture Amount"):

2018 – 2025 50% repayment of cumulative tax abatement

ARTICLE 9.

[intentionally omitted]

ARTICLE 10.

VENUE AND GOVERNING LAW

This Agreement is fully performable in Johnson County, Texas and venue of any action arising out of this Agreement shall be exclusively in Johnson County, Texas. To the extent permitted by law, the substantive laws of the State of Texas shall apply without regard to applicable principles of conflicts of law, and the parties submit to the jurisdiction of the state courts in Johnson County, Texas.

ARTICLE 11.

FORCE MAJEURE

Performance of GSF's or an Affiliate's obligations under this Agreement shall be subject to extension due to delay by reason of events of force majeure, and GSF's or an Affiliate's obligations shall be abated during any period of force majeure. Force majeure shall include, without limitation, damage or destruction by fire or other casualty, condemnation, strike, lockout, civil disorder, war, inability to obtain (or delay in obtaining) issuance of any permit and/or legal authorization (including engineering approvals by any governmental entity), inability to obtain (or delay in obtaining) governmental approvals and permits, shortage or delay in shipment of materials or fuel occasioned by any event referenced herein, acts of God, unusually adverse weather or wet soil conditions, or other causes beyond the parties' reasonable control, including but not limited to, any court or judgment resulting from any litigation affecting the Property or this Agreement.

ARTICLE 12.

GIFT TO PUBLIC SERVANT OR TO GSF REPRESENTATIVE

12.01 No Benefit. Each party hereto represents to the other that it has not offered, conferred, or agreed to confer and that it will not offer, confer or agree to confer

in the future any benefit upon an employee or official of the other party. For purposes of this section, "benefit" means anything reasonably regarded as economic advantage, including benefit to any other person in whose welfare the beneficiary is interested, but does not include a contribution or expenditure made and reported in accordance with law.

12.02 Right of Reimbursement. Notwithstanding any other legal remedies, City may obtain reimbursement for any expenditure made to GSF or an Affiliate as a result of the improper offer, agreement to confer, or conferring of a benefit to a City employee or official.

ARTICLE 13.
EFFECT OF SALE, ASSIGNMENT OR LEASE OF PROPERTY

This abatement shall vest in GSF, its Affiliate, and any lessors of Eligible Property located on the Property and cannot be assigned, without the consent or approval by the City (which shall not be unreasonably withheld, conditioned or delayed), to a new owner of all or a portion of the Property. Any assignment without such approval shall be grounds for termination of this Agreement as it applies to the portion of Property sold and tax abatement hereunder upon ten (10) days written notice from the City to GSF or an Affiliate. Notwithstanding the foregoing provisions, however, GSF or an Affiliate may assign this Agreement and the abatement to (i) any affiliated corporation, a majority of whose shares are owned by or under common ownership with GSF or an Affiliate; or (ii) to a new owner of the Property, provided that GSF or its Affiliate shall continue to occupy the Property as a tenant.

ARTICLE 14.
INDEMNIFICATION

14.01 **GSF OR AN AFFILIATE EXPRESSLY AGREES TO FULLY AND COMPLETELY DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, AND ITS OFFICERS, AND EMPLOYEES, AGAINST ANY AND ALL CLAIMS, LAWSUITS, LIABILITIES, JUDGMENTS, COSTS, AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE SUFFERED BY ANY PERSON OR PERSONS, THAT MAY ARISE OUT OF OR BE OCCASIONED BY ANY NEGLIGENT, GROSSLY NEGLIGENT, WRONGFUL, OR STRICTLY LIABLE ACT OR OMISSION OF GSF OR ITS AGENTS, EMPLOYEES, OR CONTRACTORS, ARISING IN THE PERFORMANCE OF ITS OBLIGATIONS UNDER SECTION 5.01 OF THIS AGREEMENT.** This provision is solely for the benefit of GSF or an Affiliate and the City, and its officers and employees, and is not intended to create or grant any rights, contractual or otherwise, in or to any other person.

14.02 Nothing in this Agreement may be construed as waiving any governmental immunity available to the City under state law.

14.03 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. The City, its past, present and future officers, elected officials, directors, employees and agents of the City do not assume any responsibility to any third party in connection with GSF's or an Affiliate's construction of the Improvements.

ARTICLE 15.
INSPECTION

GSF or an Affiliate shall provide reasonable access to and authorize inspection of the Property by the City to ensure that the Improvements are made according to the specifications of this Agreement.

ARTICLE 16.
ROUGH PROPORTIONALITY

[intentionally omitted]

ARTICLE 17.
MISCELLANEOUS MATTERS

17.01 Time is of Essence. Time is of the essence in this Agreement. The parties hereto will make commercially reasonable efforts to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires their continued cooperation.

17.02 Future Application. A portion or all of the Property and/or Improvements may be eligible for complete or partial exemption from ad valorem taxes as a result of existing law or future legislation. This Agreement shall not be construed as evidence that such exemptions do not apply.

17.03 Agreement Subject to Law. This Agreement is made subject to and in accordance with the Burluson Home Rule Charter and ordinances of City, as amended, and all applicable State and federal laws, violation of which shall constitute a default of this Agreement.

17.04 Interpretation. Each of the parties has been represented by counsel of their choosing in the negotiation and preparation of this Agreement. In the event of any dispute regarding the interpretation of this Agreement, this Agreement will be interpreted fairly and reasonably and neither more strongly for nor against any party based on draftsmanship.

- 17.05 Counterparts Deemed Original. 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.
- 17.06 Attorney's Fees. If any legal action or proceeding is commenced between the City and GSF or Affiliate to enforce the provisions of this Agreement or to recover damages for its breach, the prevailing party in the legal action will be entitled to recover its reasonable attorney's fees and expenses incurred by reason of such action, to the extent allowed by law. Provided, however, all reasonable attorneys fees incurred by GSF for preparation or review of any revision, modification or amendment of this Agreement proposed by GSF following the original execution of this Agreement, and all reasonable attorneys fees incurred for preparation or review of other GSF-proposed additional or related documents shall be at GSF's sole cost.
- 17.07 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 the party requesting the certificate or its lender, and shall include, but not necessarily be limited to, statements that this Agreement is in full force and effect without default (or if an Act of Default exists, the nature of the Act of Default and curative action taken and/or necessary to effect a cure), 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 or parties to receive the certificates.
- 17.08 Sections or Other Headings. The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.
- 17.09 Entire Agreement. This Agreement embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to matters in the Agreement, and except as otherwise provided herein cannot be modified without written agreement of the parties to be attached and made a part of this Agreement.
- 17.10 Notice. Any notice to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and shall be (i) delivered personally, with a receipt requested therefore; or (ii) sent by a nationally recognized overnight courier service; or (iii) delivered by United States certified mail, return receipt requested, postage prepaid. All notices shall be addressed to the respective party at its address set forth below, and shall be effective (a) upon receipt or refusal if delivered personally; (b) one business day after depositing, with such an overnight courier service or (c) two business days after deposit in the United States mails, if mailed. Any party hereto may change its address for

receipt of notices by service of a notice of such change in accordance with this subsection.

Golden State Foods: Dorn Van Cleave
Golden State Foods Corp.
Senior Director, Corporate Development
18301 Von Karman Ave, Ste. 1100
Irvine, CA 92612
Telephone: (949) 247-8032
Email: dvanceleave@goldenstatefoods.com

With a copy to: John E. Page, Esq.
Golden State Foods Corp.
SVP, Chief Legal Officer
18301 Von Karman Ave, Ste. 1100
Irvine, CA 92612
Telephone: (949) 247-8000
email: JPage@goldenstatefoods.com

and a copy to: Kelley Rendziperis
Site Selection Group
3736 Bee Cave Rd, #1-239
West Lake Hills, TX 78746
(214) 271-0584
Email: krendziperis@siteselectiongroup.com

City: Dale Cheatham
City Manager
City of Burleson, Texas
141 W Renfro Street
Burleson, Texas 76028

With a copy to: Betsy Elam
Taylor, Olson, Adkins, Sralla & Elam, L.L.P.
6000 Western Place
Suite 200
Fort Worth, Texas 76107
(817) 332-2580

17.11 Amendment. This Agreement may only be amended, altered, or revoked by written instrument signed by GSF and the City.

17.12 Severability. In the event any section, subsection, paragraph, subparagraph, sentence, phrase, or word herein is held invalid, illegal, or unenforceable, 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, subparagraph, sentence, phrase, or word. In the event there shall be substituted for such deleted provision a provision as similar in terms and in effect to such deleted provision as may be valid, legal and enforceable.

[Signature pages to follow]

EXECUTED on the respective dates of acknowledgement, to be effective as of the Effective Date first set forth above.

APPROVED AS TO FORM AND LEGALITY:

E. Allen Taylor
City Attorney

**CITY OF BURLESON,
a Texas municipal corporation**

By: *[Signature]*

Name: KEN SHETTER

Title: MAYOR

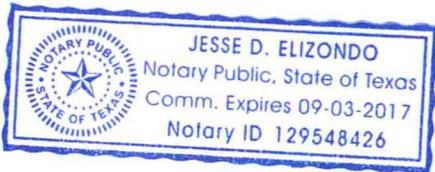
Date: 3/24/17

STATE OF TEXAS
COUNTY OF JOHNSON

This instrument was acknowledged before me on MARCH 24, 2017 by KEN SHETTER, known personally by me to be the MAYOR of the City of Burleson, on behalf of said City.

[Notary Seal]

JESSE ELIZONDO
Notary Public, State of Texas



**Golden State Foods Corp.,
a Delaware Corporation**

By: *John Page*
Name: John Page
Title: SVP, Chief Legal Officer
Date: 3/27/2017

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss.
County of Orange)

On 3/27/2017 before me, Alexander Hoang Luu, Notary Public, personally appeared John Page, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Alex*



**EXHIBIT A
TAX ABATEMENT POLICY**

CITY OF BURLESON

**GUIDELINES AND CRITERIA FOR THE
ECONOMIC DEVELOPMENT INCENTIVES PROGRAM**

SECTION I PURPOSE

The City of Burleson is committed to the promotion and retention of high quality development within the City of Burleson and to better the quality of life for its citizens. These objectives can often be attained by the enhancement and expansion of the local economy. To meet these objectives, the City of Burleson will, on a case-by-case basis, consider providing tax abatements or other economic development incentives to aid in the stimulation of economic development in Burleson. The City of Burleson will give said consideration in accordance with this Guidelines and Criteria document. Nothing herein shall imply or suggest that the City of Burleson is under any obligation to provide tax abatements or incentives to any applicant. All applicants shall be considered on a case-by-case basis. Tax abatements and other economic incentives will be measured against the same criteria.

Participation in an abatement or incentive agreement does not remove any obligation to satisfy all codes and ordinances issued by the City or any other affected taxing jurisdiction that may be in effect and applicable at the time the project is implemented.

SECTION II DEFINITIONS

1. "Abatement" means the full or partial exemption from ad valorem taxes of certain eligible property in a Reinvestment Zone designated for economic development purposes pursuant to Chapter 312 of the Texas Tax Code.
2. "Agreement" means a contractual agreement between a property owner and/or lessee and an eligible jurisdiction for the purposes of tax abatements.
3. "Base Year Value" means the assessed value of eligible property January 1 preceding the execution of the agreement plus the agreed upon value of eligible property improvements made after January 1 but before the execution of the agreement.
4. "City" means the City of Burleson, Texas.
5. "Deferred Maintenance" means improvements necessary for continued operations which do not improve the productivity or alter the process technology.
6. "Manufacturing Facility" means buildings and structures, including machinery and equipment, used primarily to manufacture and distribute goods or materials owned by the facility operator where a majority of the goods or services are distributed to points outside the city limits of Burleson.
7. "Eligible Property" means property that may be extended an abatement. Eligible property includes buildings, structures, fixed machinery and equipment, site improvements plus

office space and related fixed improvements necessary to the operation and administration of the facility.

8. "Expansion" means the addition or enlargement of buildings, structures, fixed machinery, or equipment for purposes of increasing production capacity and creating new full-time permanent jobs.
9. "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.
10. "Ineligible Property" means property that shall be fully taxable and ineligible for abatement. Ineligible property includes land, inventories, supplies, furnishings or other forms of movable personal property, vehicles, deferred maintenance investments and residential property.
11. "Manufacturing Facility" means buildings and structures including machinery and equipment, the primary purpose of which is, or will be, the manufacture of tangible goods or material or the processing of such goods or materials by physical or chemical change, including the assembly of goods and materials from multiple sources, in order to create a finished or semi-finished product.
12. "Modernization" means the replacement and upgrading of existing facilities which increases the productivity input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing or repairing except as may be integral to, or in direct connection with, an existing expansion.
13. "New Facility" means a property previously undeveloped which is placed into service by means other than, or in conjunction with, expansion or modernization.
14. "Other Basic Industry" means buildings or structures including fixed machinery and equipment, not elsewhere described, used, or to be used, for the production of products or services which serve a market primarily outside the City and result in the creation of new permanent jobs and create new wealth in the City.
15. "Productive Life" means the number of years a property improvement is expected to be in service.
16. "Project" means any property improvement including expansions, modernization, and new facilities; but excluding any deferred maintenance.
17. "Reinvestment Zone" means any area of the City which has been designated a reinvestment zone for tax abatement purposes and which is located within the taxing jurisdiction of the City. It is the intent of the City to designate reinvestment zones on a case-by-case basis to maximize the potential incentives for eligible enterprises to locate or expand within the City.

18. "Regional Entertainment Facility" means buildings and structures, including machinery and equipment, used, or to be used, to provide entertainment through the admission of the general public where a significant portion of the users reside outside of the city limits of Burleson.
19. "Regional Retail Facility" means buildings and structures, including fixed machinery and equipment, used, or to be used, to provide retail services from which a majority of revenues generated by activity at the facility are derived from outside of Burleson.
20. "Regional Service Facility" means buildings and structures, including machinery and equipment, used, or to be used, to provide services where a majority of the individuals serviced are outside of the city limits of Burleson.
21. "Research Facility" means buildings and structures, including machinery and equipment, used, or to be used, primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.
22. "Targeted Enterprise" includes, but is not limited, to the following facilities: distribution center facility, manufacturing facility, regional entertainment facility, research facility, regional retail facility, regional service facility, or any other basic industry.
23. "Employment on a full-time permanent basis" means employment of at least 35 hours per week with full benefits, including at a minimum, health and disability insurance and retirement plan options. This does not include seasonal employment.

SECTION III ELIGIBLE FACILITIES

The City Council may enter into tax abatement or incentive agreements with landowners with projects demonstrating an increased investment in buildings and fixed assets, increased employment, or an increase in the City's sales tax.

The value of the abatement shall not exceed 500 percent of investment by the business in eligible property as defined in Section II. The City Council, or its designated representative, shall work with the applicant prior to the execution of an abatement agreement to determine the abatement schedule. For qualifying facilities, the City Council may approve abatement agreements lasting no longer than ten years. However, the length of the abatement agreement shall not exceed one-half of the estimated economic life of the facility, as determined by the City Council. Each year's abatement shall not exceed 100 percent.

SECTION IV CRITERIA

The following are the guidelines and criteria to be considered in determining eligibility for economic development incentives. The City Council retains the right to, on a case-by-case basis, consider an abatement or incentive which may not specifically comply with these guidelines and criteria.

A. General Criteria - All applications should meet the following general criteria before being considered for a tax abatement or incentive.

1. The project expands the local tax base.
2. The project creates permanent full time employment opportunities.
3. The project in all likelihood would not otherwise be developed.
4. The project makes a contribution to enhancing further economic development.
5. The project will not result in any unreasonable aesthetic and/or environmental concerns.
6. The project has not been started and no construction has commenced at the time the application is approved.
7. Projects seeking to qualify for a tax abatement or incentive on the basis of job retention shall document that without the abatement or incentive the company will either reduce or cease operations.
8. The project should not have any of the following objections:
 - a. There would be substantial adverse affect on the provision of government service or tax base.
 - b. The applicant has insufficient financial capacity.
 - c. Planned or potential use of the property would constitute a hazard to public safety.
 - d. Planned or potential use of the property would give adverse impacts to adjacent properties; or
 - e. Any violation of laws of the United States, State of Texas, or ordinances of the City of Burleson would occur.
 - f. Give unfair competitive advantages for one business over another local business.

B. Specific Criteria - If the project in the application meets the general criteria, then abatement or incentive will be considered. Factors to be considered in determining the portion of the increased value to be abated and the duration of the abatement agreement or the type of incentive given include, but are not limited to:

1. Employment Impact

- a. How many permanent full-time positions will be brought to Burleson?

- b. What types of employment will be created?
 - c. What will the total annual payroll be?
 - d. What benefits will be provided to employees?
2. Fiscal Impact
- a. How much real and personal property value will be added to the tax rolls?
 - b. How much direct sales tax will be generated?
 - c. How will this project affect existing businesses and/or facilities?
 - d. What infrastructure construction will be required?
 - e. What is the total annual operating budget of this facility projected to be?
3. Community Impact
- a. What impact will the project have on the local housing market?
 - b. What environmental impact, if any, will be created by the project?
 - c. How compatible is the project with the City's comprehensive plan?
4. Regional Criteria
- a. Development Areas are defined by the "future land use" designations identified in the Comprehensive Plan.
 - b. Each Development Area is intended to have a unique set of incentives meant to guide new and renovated facilities in the area.
 - c. The primary development areas identified for the application of abatement and incentive shall be limited to the categories:
 - a. Industrial Growth Center
 - b. Conventional Freeway Commercial (I-35W)
 - c. 174 Corridor
 - d. Mixed Use Corridor – TOD
 - e. Mixed Use Corridor – Old Town

**SECTION V
DEVELOPMENT AREAS**

A. INDUSTRIAL GROWTH CENTER

1. A New Facility seeking abatement on Eligible Property should qualify at a minimum level of investment and a minimum number of new jobs not currently in the market, both of which must be generated within two years of construction.
 - a. The level of abatement should be determined by the lesser category of jobs added or new investment.
 - b. The abatement should be granted from real property tax.
 - c. An investment of not less than \$1,000,000 and at least 10 new jobs is recommended for an abatement of one (1) year at 50%
 - d. An investment of not less than \$3,000,000 and at least 20 new jobs is recommended for an abatement of three (3) years at 50%.
 - e. An investment of not less than \$10,000,000 and at least 60 new jobs is recommended for an abatement of five (5) years at 50%.
 - f. An investment of not less than \$25,000,000 and at least 80 new jobs is recommended for an abatement of seven (7) years at 50%.
 - g. An investment of not less than \$100,000,000 and at least 120 new jobs is recommended for an abatement of seven (7) years at 75%.
2. A New Facility that is the primary location of a Targeted Enterprise may be eligible for a cash grant to be applied to an assigned area of the Project, namely:
 - a. Development challenges related to site work, infrastructure or other material changes to the property,
 - b. Relocation of those with employment on a full-time basis,
 - c. Relocation or existing equipment or the purchase of new equipment for the New Facility.
3. A New Facility that is below minimum levels of investment and new jobs may be eligible for a Microgrant conditioned upon a repayment plan, associated collateral, and measurable growth in jobs and investment.

B. CONVENTIONAL FREEWAY COMMERCIAL (I-35W)

1. A New Facility seeking abatement on Eligible Property should qualify at a minimum level of investment and a minimum number of new jobs not

currently in the market, both of which must be generated within two years of construction.

- a. The abatement should be granted from either real property tax or sales tax revenue allocated to the general fund.
 - b. A New Facility is only eligible if the property value is improved by more than 50% of Base Year Value.
 - c. An investment of not less than \$25,000,000 and at least 100 new jobs is recommended for an abatement of two (2) years at 50%.
2. A New Facility that is the location of what may be defined as a power center or large scale project may be considered for contributions from a Tax Increment Financing (TIF) district.

C. 174 CORRIDOR

1. A New Facility seeking abatement on Eligible Property should qualify at a minimum level of investment and a minimum number of new jobs not currently in the market, both of which must be generated within two years of construction.
 - a. The abatement should be granted from either real property tax or sales tax revenue allocated to the general fund.
 - b. A New Facility is only eligible if the property value is improved by more than 50% of Base Year Value.
 - c. An investment of not less than \$5,000,000 and at least 20 new jobs is recommended for an abatement of one (1) year at 50%.
 - d. A New Facility or an improved existing facility seeking abatement should construct significant improvements where needed to building façade, seek tenants that generate sales tax, establish cross-access where not present, and limit or reduce driveway count of development.
2. A New Facility that is below minimum levels of investment and new jobs may be eligible for a Microgrant conditioned upon a repayment plan, associated collateral, and a sales concept not present in the market.

D. MIXED USE CORRIDOR – TOD

1. A New Facility seeking abatement on Eligible Property should qualify at a minimum level of investment and a minimum number of new jobs not

currently in the market, both of which must be generated within two years of construction.

- a. The level of abatement should be determined by the lesser category of jobs added or new investment.
- b. The abatement should be granted from real property tax.
- c. The project should promote high density uses within the TOD.
- d. The project should promote multimodal transit options, including but not limited to the incorporation of pedestrians and bicycle traffic and wayfinding and ease of access to other modes of transportation.
- e. An investment of not less than \$1,000,000 and at least 10 new jobs is recommended for an abatement of one (1) year at 50%
- f. An investment of not less than \$3,000,000 and at least 20 new jobs is recommended for an abatement of three (3) years at 50%.
- g. An investment of not less than \$10,000,000 and at least 60 new jobs is recommended for an abatement of five (5) years at 50%.

E. MIXED USE CORRIDOR – OLD TOWN

1. A New Facility seeking abatement on Eligible Property should qualify at a minimum level of investment based on annual sales and a minimum number of new jobs not currently in the market, both of which must be generated within two years of construction.
 - a. The abatement should be granted from either real property tax or sales tax revenue allocated to the general fund.
 - b. An investment of not less than \$1,000,000 in annual sales and at least 10 new jobs is recommended for an abatement of one (1) year at 50%.
 - c. An investment of not less than \$3,000,000 and at least 20 new jobs is recommended for an abatement of two (2) years at 50%.
 - d. A New Facility or an improved existing facility seeking abatement should incorporate public improvements (i.e. alleys, light poles, banners) and either increase the daytime population or promote evening entertainment.
 - e. An existing building should be remodeled to allow for commercial, residential or office use.

2. A New Facility or existing facility that is below minimum levels of investment and new jobs may be eligible for a Microgrant conditioned upon a repayment plan, associated collateral, and a sales concept not present in the market.

SECTION VI PROCEDURAL GUIDELINES

Any person, organization or corporation desiring a tax abatement or incentive to encourage location or expansion of operations within the city limits of Burleson shall be required to comply with the following procedural guidelines. Nothing within these guidelines shall imply or suggest that Burleson is under any obligation to provide tax abatement or incentive in any amount or value to any applicant.

Requests for tax abatement or incentive shall be reviewed by the City Council or, when requested by the City Council, by the Economic Development Incentive Review Committee. The Committee is comprised of three City Council members. The City Manager, or the City Manager's designee, shall serve as an ex officio member of the committee. The Economic Development Incentive Review Committee serves as the recommending body to the City Council. The City Council as a whole, shall vote on the approval of the abatement or incentive.

A. Preliminary Application Steps

1. Complete the attached "Application for Tax Abatement or Economic Development Incentive".
2. Address in narrative form, all criteria questions outlined in Section IV.
3. A plat showing the precise location of the property, all roadways within 500 feet of the site and all existing zoning and land uses within 500 feet of the site, (a complete legal description shall be provided if the property is described by metes and bounds).
4. A complete estimated cost of the project by "line item" approach.
5. A description of the methods of financing all estimated costs and the time when related costs or monetary obligations are to be incurred.
6. A detailed time scheduled for undertaking and completing the project.
7. Complete all forms and information detailed in items 1 through 6 above and submit them to:

Office of Economic Development
141 West Renfro
Burleson, Texas 76028

B. Application Review Steps

1. All information in the application package detailed above will be reviewed for completeness and accuracy. Additional information may be requested as needed.
2. The application may be distributed to the appropriate City departments for internal review and comments. Additional information may be requested as needed.
3. Copies of the complete application package and staff comments will be forwarded to the City Council, or, when requested by the City Council, to the Economic Development Incentive Review Committee.

C. Consideration of the Application

1. When requested by the City Council, the Economic Development Incentive Review Committee will consider the application at a regular or called meeting(s). Additional information may be requested as needed. The Committee will then inform the applicant of their recommendation to the City Council.
2. The City Council by ordinance must designate an area as a reinvestment zone to be eligible for a tax abatement. Prior to adopting such an ordinance, the City Council must conduct a public hearing on the designation that entitles all interested persons to speak and present evidence for or against the designation.
3. The City Council has sole and exclusive authority to choose whether or not to grant any tax abatement.
4. The governing bodies of Johnson County and/or Tarrant County may consider a tax abatement agreement with the applicant.
5. Information provided to the Economic Development Incentive Review Committee or the City Council in connection with an application or request for tax abatement or incentive is confidential and not subject to public disclosure until the tax abatement or incentive agreement is executed.

D. Tax Abatement Agreement – Once authorized by the City Council, the City Manager may execute a tax abatement agreement with the applicant on behalf of the City. At least seven days before entering into the agreement, the City will deliver written notice of its intent to each taxing unit that is included in the reinvestment zone. The tax abatement agreement will include specific terms and conditions of the abatement, including, but not limited to, the amount and duration of the tax abatement. The tax abatement agreement shall not commence until the development has received a certificate of occupancy from the City.

E. Economic Development Incentives - The City by resolution may enter into an economic development incentive agreement. An incentive may include but is not limited to:

1. Loans and grants - The City may provide subsidized loans or grants upon approval of the City Council.
2. Provide personnel - The City may provide personnel and services of the municipality upon approval of the City Council.
3. Waiver of fees - Permit application, utility tap and similar fees may be waived upon approval of the City Council.
4. Infrastructure - Extension, construction or reconstruction of infrastructure necessary for the development of a targeted enterprise may be made upon approval of the City Council.
5. Utility rates - The City Council may consider additional utility rate classes for targeted enterprises that require larger amounts of municipal utilities. Any classification established will be available to all utility users meeting the minimum usage requirements for that group. Consideration will be given to capital improvements required to provide utility service.
6. Any agreement will include, but not be limited to, the following specific items:
 - a. All appropriate stipulations included in the application as outlined by the document for an economic development incentive agreement.
 - b. The amount and type of incentive.
 - c. A method for determining the qualifications of meeting the criteria and applicant's promise to meet and maintain these qualifications over the term of the agreement. This may require the submission of an annual report to the City Manager demonstrating that the terms and conditions required to receive a tax incentive have been met, and the City will be allowed, upon written request and reasonable notice, to inspect and audit such records of the applicant as are necessary to substantiate that the applicant is meeting criteria agreed upon during the term of the incentive.
 - d. A provision that, in the event the agreement is not kept, the incentive will be determined null and void and all actual and planned City expenditures and/or cost of labor will be paid immediately to the City.

Exhibit B

**APPLICATION FOR TAX ABATEMENT
OR ECONOMIC DEVELOPMENT INCENTIVE**

1. Property Owner Golden State Foods Corporation
Contact phone # (949) 247-8032
Email address dvanleave@goldenstatefoods.com
Mailing Address 18301 Von Karman Avenue, Suite 100
Irvine, California, 92612

2. Property Owner's Representative Dorn Van Cleave

Contact phone # (949) 247-8032
Email address dvanleave@goldenstatefoods.com
Mailing Address 18301 Von Karman Avenue, Suite 100
Irvine, California, 92612

3. Property Address 5601 Vantage Drive
Burleson, Texas, 76028

Property Legal Description Portion of Lots 1R1, 3 and 4, Block 5, and portion of Lot 1, Block
9 totalling approximately 25 acres.

(Provide attachment if by metes and bounds)

4. Taxing Jurisdictions:

- City of Burleson
- Johnson County
- Tarrant County
- Burleson ISD
- Joshua ISD

5. Future Land Use from Comprehensive Plan:

- Industrial Growth Center
- Conventional Freeway Commercial (I-35W)
- 174 Corridor
- Mixed Use Corridor - TOD
- Mixed Use Corridor – Old Town

6. Description of Project

This project involves the creation of a new manufacturing and distribution facility for Golden State Foods' Liquid Products Division. The Liquid Products Division supplies liquid products, such as sauces, dressings, condiments, syrups and toppings to the McDonald's System both domestically and internationally along with other QSRs including Wendy's, Arby's, Zaxby's, Pizza Hut, Church's, Long John Silver's, Carl's Jr., Dairy Queen, Whataburger, Popeye's, Kentucky Fried Chicken, Taco Bell, and Del Taco. In addition, GSF has recently expanded its product offerings to customers outside of the QSR industry including ConAgra (Hunt's branded ketchup), Kraft, Nestle, Famous Dave's BBQ, and Denny's. This division produces approximately 30 million cases annually and sells over 125 products across 14 countries.

The Company has decided to make a more significant investment in its next facility by owning and constructing a building, rather than leasing one. The project requires approximately 150,000 square feet with cross dock capabilities. The subject site in Texas is located on 25 acres in the Burleson HighPoint Business Park. While the total investment to be made directly by the Company, and reflected in this application, is approximately \$19.6 million, the total project investment will be approximately \$50 million (with the differential consisting primarily of leased assets).

The Company will employ 150 employees over a five-year period, with the majority being hired in the first couple years of operation.

DEVELOPMENT AREAS

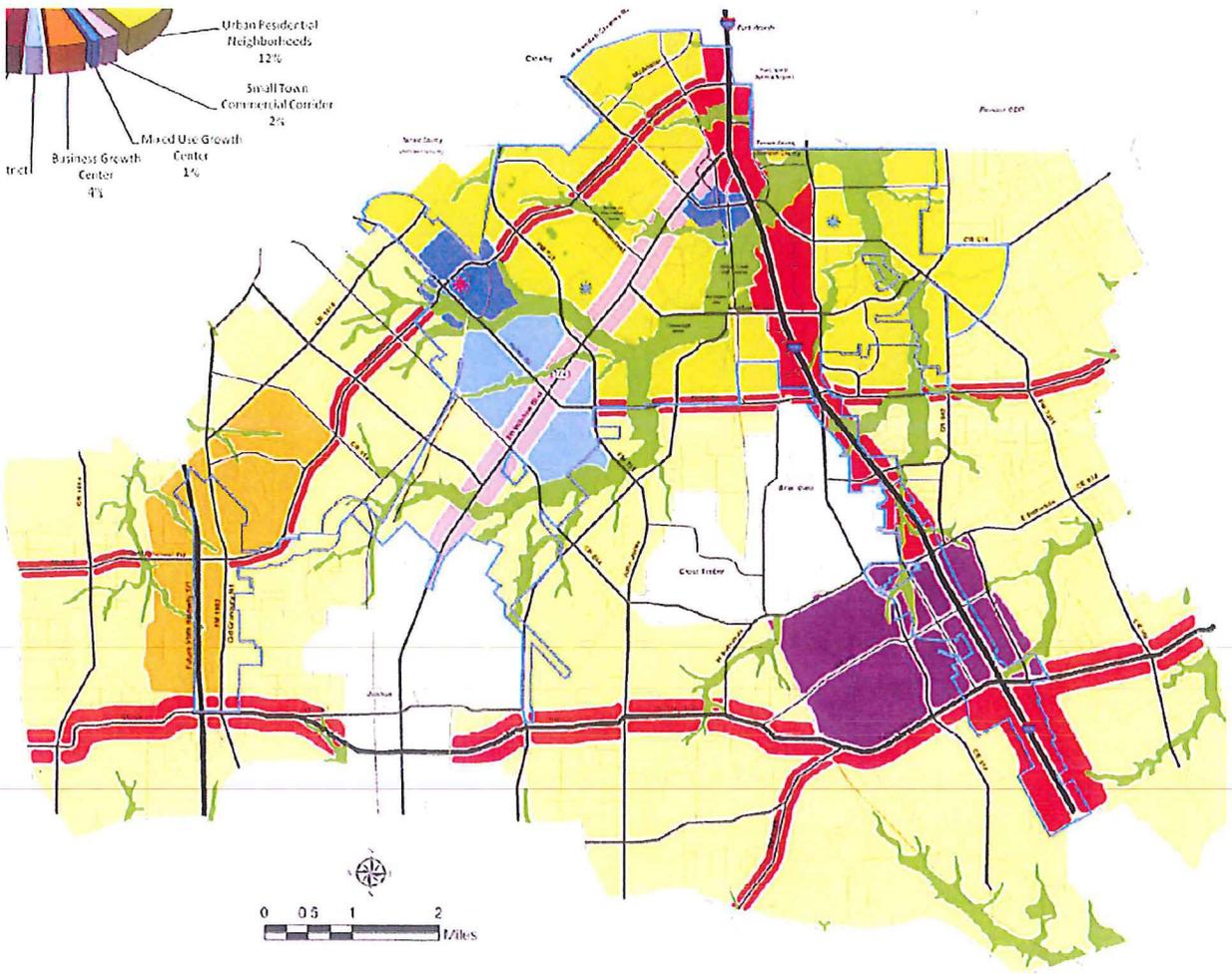
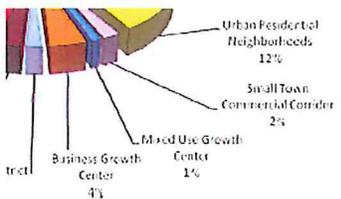
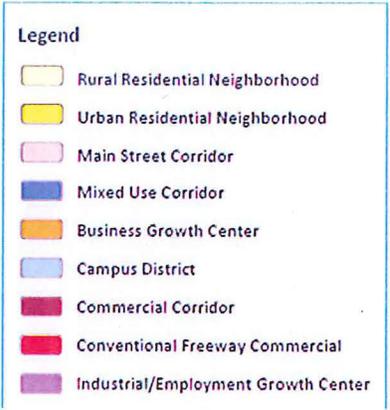


EXHIBIT C

MAP AND LEGAL DESCRIPTION OF PROPERTY

25.0 acre of Lot 1R1, Block 5, Lot 4, Block 5 and portions of Lot 3, Block 5, Lot 1, Block 9 of the HighPoint Business Park Addition to the City of Burleson, Johnson County, Texas.

