

The City of Arlington (the "City") and Urban Union, LLC (the "developer") executed a Chapter 380 Grant Agreement on December 21, 2021.

Urban Union, LLC is the developer of Urban Union, an adaptive mixed-use redevelopment project of seven acres in downtown Arlington consisting of eight buildings and more than 70,000 square feet of lease space.

To expand the success and geographic area of the Urban Union development, Urban Union acquired additional property on the north side of Division Street, at 313 E. Division Street and 308 N. East Street.

Through the due diligence process Urban Union identified several environmental conditions that must be remediated before the site can be redeveloped. The 380 Grant Agreement provides the Developer with up to \$400,000 to reimburse for costs incurred in the environmental remediation. The Developer has two years to seek the full reimbursement, or the grant expires. This project was eventually assigned through mutual consent of City and developer to 333 E. Division LLC, owned by the same owner/developer of Urban Union.

The developer performed the environmental remediation called for in the agreement, and the City has reimbursed \$168,187.68 in FY23 for the costs incurred by the developer.

Chapter 380 Grant Agreement
333 E Division, LLC
Environmental Remediation Reimbursement

Maximum Authorization: \$ 400,000		
Grant	Amount	Wire Date
Reimbursement 1	\$ 168,187.68	12/27/2022

Total Paid to Date: \$ 168,187.68

Remaining Authorization: \$ 231,812.32

Staff Report



Chapter 380 Grant Agreement – 333 E. Division Street, 308 N. East Street	
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City Council Meeting Date: 12-14-2021

Document Being Considered: Resolution

RECOMMENDATION

Approve a resolution authorizing the City Manager or his designee to execute a Chapter 380 Grant Agreement by and between Urban Union, LLC and the City of Arlington relative to the acquisition and redevelopment of 313 E. Division Street and 308 N. East Street.

PRIOR BOARD OR COUNCIL ACTION

None.

ANALYSIS

Urban Union, LLC ("Developer") is the developer of Urban Union, an adaptive mixed-use redevelopment project of seven acres in downtown Arlington consisting of eight buildings and more than 70,000 square feet of lease space. In an effort to expand the success of the Urban Union development, the Developer is planning to acquire additional property on the north side of Division Street, 313 E. Division Street and 308 N. East Street. Through the due diligence process the Developer has identified a number of environmental conditions that need to be remediated before the site can be redeveloped. The 380 Grant Agreement provides the Developer with up to \$400,000 to reimburse for costs incurred in the environmental remediation. The Developer has two years to seek the full reimbursement or the grant is no longer available.

FINANCIAL IMPACT

The Innovative Venture Capital Fund (Acct. #910103-61002) will be used to fund the \$400,000 reimbursement grant.

ADDITIONAL INFORMATION

Attached:	Resolution with agreement attached.
Under Separate Cover:	None
Available in the City Secretary's Office:	None

STAFF CONTACT(S)

Trey Yelverton
City Manager
817-459-6101
Trey.Yelverton@arlingtontx.gov

Resolution No. 21-321

A resolution authorizing the execution of a Chapter 380 Grant Agreement by and between Urban Union, LLC and the City of Arlington, Texas relative to the acquisition and redevelopment of 333 E. Division and 308 N. East Street in Arlington, Texas

WHEREAS, CITY has found that providing a program of incentives to Urban Union, LLC (hereinafter referred to as "OWNER") in exchange for OWNER'S completion of the project proposed by OWNER will promote local economic development and stimulate business and commercial activity and create jobs within the City of Arlington (hereafter referred to as "PROGRAM"); and

WHEREAS, Chapter 380 of the Local Government Code provides statutory authority for establishing and administering the PROGRAM provided herein; and,

WHEREAS, CITY has determined that the PROGRAM will directly establish a public purpose and that all transactions involving the use of public funds and resources in the establishment and administration of the PROGRAM contain controls likely to ensure that the public purpose is accomplished; and

WHEREAS, the Arlington City Council has elected to participate in economic development incentives in accordance with V.T.C.A. Local Government Code, Chapter 380, and has adopted policy statements, guidelines, criteria and procedures for evaluating and considering applications and agreements for such incentives; 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 Manager or his designee is authorized to execute a Chapter 380 Grant Agreement with OWNER to provide certain economic incentives associated with the acquisition and redevelopment of 333 E. Division and 308 N. East Street in Arlington, Texas.

III.

In authorizing the execution of and in executing the referenced agreement, the City of Arlington, Texas, through its City Council and City officials, hereby exercises a governmental function in accordance with but not limited to Section 101.0215 of the Texas Civil Practices and Remedies Code.

IV.

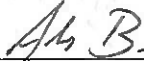
A substantial copy of the Chapter 380 Grant Agreement is attached hereto as Exhibit "A" and incorporated herein for all intents and purposes.

PRESENTED AND PASSED on this the 14th day of December, 2021, by a vote of 8 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.



JIM R. ROSS, Mayor

ATTEST:



ALEX BUSKEN, City Secretary

APPROVED AS TO FORM:
TERIS SOLIS, City Attorney

BY



Exhibit "A"



- B. “Premises” is defined as the land and improvements located at 333 E Division & 308 N. East Street, Arlington, Texas 76011, as depicted in **Exhibit “A”** which is attached hereto and incorporated herein for all purposes.
- C. “Project” is defined as the redevelopment of the Premises, to include renovation of the existing building ~6,000 sf building located at the corner of N. East Street, and E. Division Street, along with parking, landscaping, patio, and other improvements as consistent with the Urban Union project.

II. **Term**

This Agreement shall be effective on the Effective Date and shall expire on the fifteenth (15th) anniversary of the Effective Date (the “Term”), unless otherwise sooner terminated in accordance with the terms of this Agreement.

III. **Conditions and Requirements**

- A. DEVELOPER shall purchase the Premises by no later than January 30, 2022.
- B. DEVELOPER shall make commercially reasonable efforts to complete the Environmental Remediation within 24 months of the purchase date of the Premises. Completion of the Environmental Remediation shall be indicated by the issuance of any of the following: 1) a close-out report by an Abatement Contractor, 2) a No Further Action Letter from the TCEQ, or 3) the completion of the Project by Developer, including issuance of a certificate of occupancy for a non-automotive use.
- C. DEVELOPER shall complete the Project by no later than January 30, 2024.
- D. It is the intent of the parties that the Premises be redeveloped in a manner that is consistent and complimentary to the Urban Union mixed-use development directly south of Division from the Premises. Throughout the Term DEVELOPER shall, or shall cause DEVELOPER’s tenants to, utilize the Premises for uses that are consistent with the PD 18-20 “Urban Union” including restaurant, bar, and retail but excluding used car dealerships and automotive repair.
- E. Throughout the Term all activity at the Premises shall conform to the applicable building codes, zoning ordinances, and all other state, federal, or local laws, ordinances, and regulations. DEVELOPER shall apply for and obtain all necessary governmental permits and approvals for the Environmental Remediation, completion of the Project, and operation of the Premises.

- F. Throughout the Term DEVELOPER shall not fail to render for taxation any property owned by DEVELOPER and located within the City of Arlington.
- G. Throughout the Term DEVELOPER shall not allow the ad valorem taxes owed to CITY on any property owned by DEVELOPER and located within the City of Arlington to become delinquent beyond the last day they can be paid without assessment of penalty, as such date is generally extended to allow for any appeal.
- H. During the Environmental Remediation and design and construction of the Project DEVELOPER agrees to use diligent efforts and to cause its contractors and subcontractors to use diligent efforts to purchase all goods and services from Arlington businesses whenever such goods and services are comparable in availability, terms, quality, and price. DEVELOPER also agrees to develop a policy that establishes a goal of thirty percent (30%) use by DEVELOPER of qualified contractors, subcontractors, and suppliers where at least fifty-one percent (51%) of the ownership of such contractors, subcontractors, or suppliers is vested in racial or ethnic minorities or women for completion of the Environmental Remediation and design and construction of the Project, which such policy shall contain reasonable exclusions.

IV. Incentive Program

In exchange for DEVELOPER's completion of the Environmental Remediation and Project, CITY agrees to provide the following incentive program:

- A. Reimbursement Grant. If all Conditions and Requirements set forth in Article III are satisfied, to the extent applicable at that point in time, CITY agrees to provide a reimbursement grant to DEVELOPER, in the amount and on the terms specified below, for actual costs incurred by DEVELOPER in completing the Environmental Remediation.
 - 1. The amount of the reimbursement grant shall be the lesser of Four Hundred Thousand Dollars (\$400,000) or the actual costs incurred by DEVELOPER for the Environmental Remediation, demonstrated through documentation provided to the CITY.
 - 2. The reimbursement grant will be available to the DEVELOPER to fund applicable costs associated with the environmental remediation efforts on the Premises. The CITY will reimburse the DEVELOPER (up to \$400,000 in aggregate), no more frequently than once per quarter, within 30 days of receipt of proof of payment by DEVELOPER for the following applicable expenses:

- i. Costs related to Environmental Testing, Reporting, Permitting, Legal Fees, and other items required to document remediation efforts.
 - ii. Costs related to physical demolition, removal, disposal, and abatement of Environmentally hazardous materials from the Premises
 - iii. Costs related to testing, monitoring, treatment, and cleanup of groundwater.
 - iv. Costs related to returning the abated, demolished, and/or remediated site to conditions ready for development.
 - v. Other costs that can be documented as required for the Environmental Clean Up of the Premises that are not specifically itemized herein.
3. If DEVELOPER does not request all of the reimbursement grant by the second (2nd) anniversary of the Effective Date then the CITY shall have no further obligation to reimburse DEVELOPER for costs incurred to complete the Environmental Remediation.

V.

Records, Audits and Inspections

- A. Additional Records and Information - Throughout the Term of this Agreement, DEVELOPER shall furnish CITY any additional records and information reasonably requested to support the Improvement Conditions and Requirements set forth in Article III of this Agreement.
- B. Right to Audit Books and Records - CITY shall have the right to audit the books and records related to the Incentive Program provided for in Section IV. CITY shall notify DEVELOPER in advance in writing of their intent to audit in order to allow DEVELOPER adequate time to make such books and records available.
- C. Inspection - At all times throughout the Term of this Agreement, CITY shall have reasonable access to the Premises for the purpose of inspecting the Premises to ensure compliance with the terms of this Agreement. All inspections shall be conducted in a manner as to not unreasonably interfere with the operation of the Premises. The inspections shall be conducted within a reasonable time period after notice by CITY.

VI.

Use of Premises

The Premises at all times shall be used in a manner that is consistent with CITY's Unified Development Code and all other applicable federal, state, and local laws.

VII.
Breach and Recapture

- A. Breach - Subject to Section B below, a breach of this Agreement by DEVELOPER may result in termination or modification of this Agreement and recapture by CITY of grant payments, as further set forth in Subsection C below. DEVELOPER's failure to satisfy any of the Conditions and Requirements as specified in Article III or DEVELOPER's failure to provide records and information necessary to support the Improvement Conditions and Requirements as specified in Article V shall constitute a breach of this Agreement.
- B. Notice of Breach - In the event that CITY makes a reasonable determination that DEVELOPER has breached this Agreement, then CITY shall give DEVELOPER written notice of such. DEVELOPER has 60 days following receipt of said written notice to cure such breach or this Agreement may be terminated by CITY, and recapture grant payments may occur pursuant to Subsection C below. Notice of breach and opportunity to cure shall be in writing and shall be delivered by personal delivery or certified mail to DEVELOPER at its address provided in Article X of this Agreement.
- C. Recapture - During the Term of this Agreement, should DEVELOPER fail to timely cure a breach of this Agreement CITY may terminate this Agreement and recapture all grant payments under this Agreement. It shall be the duty of CITY to determine whether to require recapture and to demand payment of such. Repayment of grant payments shall become due 60 days following receipt of such demand. The rights of CITY to require recapture and demand repayment of grants payments made, and the obligation of DEVELOPER to pay such, shall survive termination of this Agreement. The City Attorney has the authority, on behalf of the CITY, to initiate any litigation necessary to pursue payment of recaptured grants payments pursuant to this Agreement.

VIII.
Undocumented Workers

DEVELOPER covenants and certifies that DEVELOPER does not and will not knowingly employ an undocumented worker at the Project 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 DEVELOPER is convicted of a violation under 8 U.S.D. Section 132a(f), DEVELOPER shall repay to the CITY the full amount of grant payments provided under this Agreement, plus 10% per annum from the date such grant payments were made. Repayment shall be paid within 120 days after the date following such conviction that DEVELOPER receives notice of violation from the CITY as provided by 2264.101(c) of the Texas Government Code.

IX.
Effect of Sale or Lease of Property

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

X.
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:

DEVELOPER: Urban Union, LLC
Attn: Ryan Dodson, Manager
PO BOX 1324
Arlington, TX 76004

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

cc: City of Arlington
Attention: City Attorney's Office
Post Office Box 90231
Arlington, Texas 76004-3231

XI.
City Council Authorization

This Agreement was authorized by resolution of the City Council authorizing the City Manager or his designee to execute this Agreement on behalf of the CITY.

XII.
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.

XIII.
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 DEVELOPER, 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 grant payments in effect, and such other matters reasonably requested by the party(ies) to receive the certificates.

XIV.
DEVELOPER's Standing

DEVELOPER, 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 DEVELOPER shall be entitled to intervene in said litigation.

XV.
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.

XVI.
Indemnification

It is understood and agreed between the parties that the DEVELOPER, in performing its obligations hereunder, is acting independently, and CITY assumes no responsibility or liability to third parties in connection therewith, and DEVELOPER 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 DEVELOPER assumes no responsibility or liability to third parties in connection therewith.

XVII.
Force Majeure

It is expressly understood and agreed by the parties to this Agreement that if the performance of any obligations hereunder is delayed by reason of war, civil commotion, acts of God, inclement weather, fire or other casualty, court injunction, necessary condemnation proceedings, acts of the other party, its affiliates/related entities and/or

their contractors, or any actions or inactions of third parties or other circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such performance shall be extended for a period of time equal to the period such party was delayed.

XVIII.
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.

XIX.
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.

XX.
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. It is the intent of DEVELOPER to create a new entity to hold title to the Premises for liability purposes and it is expressly agreed by CITY that DEVELOPER shall have the right to assign this Agreement to an entity controlled by Charles R. Dodson, manager of Urban Union, without the written consent of CITY provided DEVELOPER gives CITY written notice of such assignment.

[Signature Page to Follow]

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

URBAN UNION, LLC

BY _____
Charles R. Dodson
Manager
Date _____

WITNESS:

CITY OF ARLINGTON, TEXAS

BY _____
Trey Yelverton, City Manager
Date _____

ATTEST:

ALEX BUSKEN, City Secretary

APPROVED AS TO FORM:
TERIS SOLIS, City Attorney

BY _____

THE STATE OF TEXAS §
§
COUNTY OF _____ §

URBAN UNION, LLC
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared _____, known to me (or proved to me on the oath of _____ or through _____ (*description of identity card or other document*)) to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of **URBAN UNION, LLC** an entity duly authorized to do business in the State of Texas, and as the _____ thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2021.

Notary Public in and for
The State of Texas

My Commission Expires

Notary's Printed Name

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 **Trey Yelverton**, known to me to be the person 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 municipal corporation of Tarrant County, Texas, and as the **City Manager** thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2021.

Notary Public in and for
The State of Texas

My Commission Expires

Notary's Printed Name

Exhibit "A"
PREMISES



CONCEPT FAÇADE ELEVATION



streetREALTY.™

333 E. Division St., Arlington, TX

Restaurant Opportunity: 6,612 SF / 75 Parking Spaces / ~4,000 SF Patio

- B. “Premises” is defined as the land and improvements located at 333 E Division & 308 N. East Street, Arlington, Texas 76011, as depicted in **Exhibit “A”** which is attached hereto and incorporated herein for all purposes.
- C. “Project” is defined as the redevelopment of the Premises, to include renovation of the existing building ~6,000 sf building located at the corner of N. East Street, and E. Division Street, along with parking, landscaping, patio, and other improvements as consistent with the Urban Union project.

II. **Term**

This Agreement shall be effective on the Effective Date and shall expire on the fifteenth (15th) anniversary of the Effective Date (the “Term”), unless otherwise sooner terminated in accordance with the terms of this Agreement.

III. **Conditions and Requirements**

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- B. DEVELOPER shall make commercially reasonable efforts to complete the Environmental Remediation within 24 months of the purchase date of the Premises. Completion of the Environmental Remediation shall be indicated by the issuance of any of the following: 1) a close-out report by an Abatement Contractor, 2) a No Further Action Letter from the TCEQ, or 3) the completion of the Project by Developer, including issuance of a certificate of occupancy for a non-automotive use.
- C. DEVELOPER shall complete the Project by no later than January 30, 2024.
- D. It is the intent of the parties that the Premises be redeveloped in a manner that is consistent and complimentary to the Urban Union mixed-use development directly south of Division from the Premises. Throughout the Term DEVELOPER shall, or shall cause DEVELOPER’s tenants to, utilize the Premises for uses that are consistent with the PD 18-20 “Urban Union” including restaurant, bar, and retail but excluding used car dealerships and automotive repair.
- E. Throughout the Term all activity at the Premises shall conform to the applicable building codes, zoning ordinances, and all other state, federal, or local laws, ordinances, and regulations. DEVELOPER shall apply for and obtain all necessary governmental permits and approvals for the Environmental Remediation, completion of the Project, and operation of the Premises.

- F. Throughout the Term DEVELOPER shall not fail to render for taxation any property owned by DEVELOPER and located within the City of Arlington.
- G. Throughout the Term DEVELOPER shall not allow the ad valorem taxes owed to CITY on any property owned by DEVELOPER and located within the City of Arlington to become delinquent beyond the last day they can be paid without assessment of penalty, as such date is generally extended to allow for any appeal.
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IV. Incentive Program

In exchange for DEVELOPER's completion of the Environmental Remediation and Project, CITY agrees to provide the following incentive program:

- A. Reimbursement Grant. If all Conditions and Requirements set forth in Article III are satisfied, to the extent applicable at that point in time, CITY agrees to provide a reimbursement grant to DEVELOPER, in the amount and on the terms specified below, for actual costs incurred by DEVELOPER in completing the Environmental Remediation.
 - 1. The amount of the reimbursement grant shall be the lesser of Four Hundred Thousand Dollars (\$400,000) or the actual costs incurred by DEVELOPER for the Environmental Remediation, demonstrated through documentation provided to the CITY.
 - 2. The reimbursement grant will be available to the DEVELOPER to fund applicable costs associated with the environmental remediation efforts on the Premises. The CITY will reimburse the DEVELOPER (up to \$400,000 in aggregate), no more frequently than once per quarter, within 30 days of receipt of proof of payment by DEVELOPER for the following applicable expenses:

- i. Costs related to Environmental Testing, Reporting, Permitting, Legal Fees, and other items required to document remediation efforts.
 - ii. Costs related to physical demolition, removal, disposal, and abatement of Environmentally hazardous materials from the Premises
 - iii. Costs related to testing, monitoring, treatment, and cleanup of groundwater.
 - iv. Costs related to returning the abated, demolished, and/or remediated site to conditions ready for development.
 - v. Other costs that can be documented as required for the Environmental Clean Up of the Premises that are not specifically itemized herein.
3. If DEVELOPER does not request all of the reimbursement grant by the second (2nd) anniversary of the Effective Date then the CITY shall have no further obligation to reimburse DEVELOPER for costs incurred to complete the Environmental Remediation.

V.

Records, Audits and Inspections

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VI.

Use of Premises

The Premises at all times shall be used in a manner that is consistent with CITY's Unified Development Code and all other applicable federal, state, and local laws.

VII.
Breach and Recapture

- A. Breach - Subject to Section B below, a breach of this Agreement by DEVELOPER may result in termination or modification of this Agreement and recapture by CITY of grant payments, as further set forth in Subsection C below. DEVELOPER's failure to satisfy any of the Conditions and Requirements as specified in Article III or DEVELOPER's failure to provide records and information necessary to support the Improvement Conditions and Requirements as specified in Article V shall constitute a breach of this Agreement.
- B. Notice of Breach - In the event that CITY makes a reasonable determination that DEVELOPER has breached this Agreement, then CITY shall give DEVELOPER written notice of such. DEVELOPER has 60 days following receipt of said written notice to cure such breach or this Agreement may be terminated by CITY, and recapture grant payments may occur pursuant to Subsection C below. Notice of breach and opportunity to cure shall be in writing and shall be delivered by personal delivery or certified mail to DEVELOPER at its address provided in Article X of this Agreement.
- C. Recapture - During the Term of this Agreement, should DEVELOPER fail to timely cure a breach of this Agreement CITY may terminate this Agreement and recapture all grant payments under this Agreement. It shall be the duty of CITY to determine whether to require recapture and to demand payment of such. Repayment of grant payments shall become due 60 days following receipt of such demand. The rights of CITY to require recapture and demand repayment of grants payments made, and the obligation of DEVELOPER to pay such, shall survive termination of this Agreement. The City Attorney has the authority, on behalf of the CITY, to initiate any litigation necessary to pursue payment of recaptured grants payments pursuant to this Agreement.

VIII.
Undocumented Workers

DEVELOPER covenants and certifies that DEVELOPER does not and will not knowingly employ an undocumented worker at the Project 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 DEVELOPER is convicted of a violation under 8 U.S.D. Section 132a(f), DEVELOPER shall repay to the CITY the full amount of grant payments provided under this Agreement, plus 10% per annum from the date such grant payments were made. Repayment shall be paid within 120 days after the date following such conviction that DEVELOPER receives notice of violation from the CITY as provided by 2264.101(c) of the Texas Government Code.

IX.
Effect of Sale or Lease of Property

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

X.
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:

DEVELOPER: Urban Union, LLC
Attn: Ryan Dodson, Manager
PO BOX 1324
Arlington, TX 76004

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

cc: City of Arlington
Attention: City Attorney's Office
Post Office Box 90231
Arlington, Texas 76004-3231

XI.
City Council Authorization

This Agreement was authorized by resolution of the City Council authorizing the City Manager or his designee to execute this Agreement on behalf of the CITY.

XII.
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.

XIII.
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 DEVELOPER, 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 grant payments in effect, and such other matters reasonably requested by the party(ies) to receive the certificates.

XIV.
DEVELOPER's Standing

DEVELOPER, 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 DEVELOPER shall be entitled to intervene in said litigation.

XV.
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.

XVI.
Indemnification

It is understood and agreed between the parties that the DEVELOPER, in performing its obligations hereunder, is acting independently, and CITY assumes no responsibility or liability to third parties in connection therewith, and DEVELOPER 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 DEVELOPER assumes no responsibility or liability to third parties in connection therewith.

XVII.
Force Majeure

It is expressly understood and agreed by the parties to this Agreement that if the performance of any obligations hereunder is delayed by reason of war, civil commotion, acts of God, inclement weather, fire or other casualty, court injunction, necessary condemnation proceedings, acts of the other party, its affiliates/related entities and/or

their contractors, or any actions or inactions of third parties or other circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such performance shall be extended for a period of time equal to the period such party was delayed.

XVIII.
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.

XIX.
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.

XX.
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. It is the intent of DEVELOPER to create a new entity to hold title to the Premises for liability purposes and it is expressly agreed by CITY that DEVELOPER shall have the right to assign this Agreement to an entity controlled by Charles R. Dodson, manager of Urban Union, without the written consent of CITY provided DEVELOPER gives CITY written notice of such assignment.

[Signature Page to Follow]

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

URBAN UNION, LLC

BY Charles R. Dodson
Charles R. Dodson
Manager
Date 12.21.21

WITNESS:

Stephanie Olmos

CITY OF ARLINGTON, TEXAS

BY Trey Yelverton
Trey Yelverton, City Manager
Date 12/17/2021

ATTEST:

Alex Busken
ALEX BUSKEN, City Secretary

APPROVED AS TO FORM:
TERIS SOLIS, City Attorney

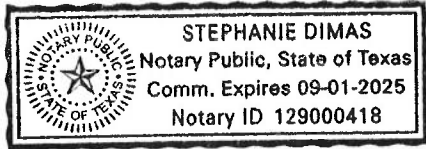
BY Teris Solis

THE STATE OF TEXAS §
§
COUNTY OF Tarrant §

URBAN UNION, LLC
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Charles R. Dodson known to me (or proved to me on the oath of _____ or through _____ (*description of identity card or other document*)) to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of **URBAN UNION, LLC** an entity duly authorized to do business in the State of Texas, and as the manager thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 21st day of December, 2021.



My Commission Expires _____

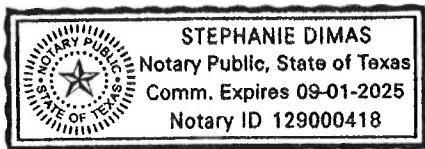
Stephanie Dimas
Notary Public in and for
The State of Texas
Stephanie Dimas
Notary's Printed Name

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 **Trey Yelverton**, known to me to be the person 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 municipal corporation of Tarrant County, Texas, and as the **City Manager** thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 21st day of December, 2021.



My Commission Expires _____

Stephanie Dimas
Notary Public in and for
The State of Texas
Stephanie Dimas
Notary's Printed Name

Exhibit "A"
PREMISES



Assignment of Chapter 380 Grant Agreement

This Assignment of Chapter 380 Grant Agreement (this *Assignment*), is executed as of June 28, 2022, by and between Urban Union, LLC, a Texas limited liability company (*Assignor*) and 333 E Division, LLC, a Texas limited liability company (*Assignee*).

Background:

- A. Assignor entered into that certain Chapter 380 Grant Agreement dated effective as of December 21, 2021, by and between Assignor, as **Developer**, and the City of Arlington, Texas, a home-rule city and municipal corporation of Tarrant County, as **City**, (as amended, the **Contract**) with respect to the real property generally located at 333 E. Division & 308 N. East Street, Arlington, Texas, and more particularly described in the Contract (the **Property**).
- B. Assignor originally had the Property under contract to purchase, but assigned the purchase contract to Assignee before closing, and Assignee is the current owner of the Property. Assignee is an affiliate of Assignor, and is controlled by Charles R. Dodson, as required by Section XX of the Contract.
- C. Assignor desires to assign to Assignee all of Assignor's rights, duties and obligations under the Contract, and Assignee desires to accept such assignment from Assignor.

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby grant and convey all of Assignor's right, title and interest in the Contract to Assignee.

Such assignment of the Contract by Assignor to Assignee is made on the following terms and conditions:

1. By its acceptance of this Assignment, Assignee assumes the Contract and agrees to perform all of the terms, covenants, and conditions of the Contract on the part of Developer therein required to be performed as if Assignee had entered into the Contract with City directly, and Assignee agrees to indemnify, save, and hold harmless Assignor from and against any and all loss, liability, claims, or causes of action existing in favor of or asserted by City under the Contract arising out of or relating to Assignee's failure to perform any of the obligations of Developer under the Contract. This indemnity shall survive the expiration or earlier termination of the Contract.
2. Assignor agrees to indemnify, save and hold harmless Assignee from and against any and all loss, liability, claims, or causes of action existing in favor of or asserted by the City under the Contract arising out of or relating to Assignor's failure to perform any of the obligations of the Developer under the Contract arising prior to the date hereof. This indemnity shall survive the expiration or earlier termination of the Contract.
3. Assignor represents and warrants to Assignee that it has the full right, power, and authority to assign the Contract.


Remainder of page intentionally blank; signature page follows.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment to be effective as of the date first set forth above.

ASSIGNOR:

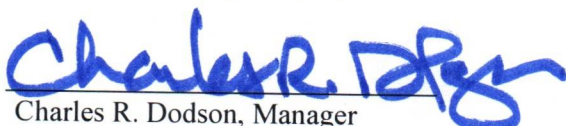
URBAN UNION, LLC,
a Texas limited liability company

By: Dodson Management, Inc.,
Its Manager

By: 
Charles R. Dodson, President of Development

ASSIGNEE:

333 E DIVISION, LLC
a Texas limited liability company

By: 
Charles R. Dodson, Manager

