

**CITY OF AUSTIN
ECONOMIC DEVELOPMENT AGREEMENT
WITH
US FARATHANE CORPORATION**

This Economic Development Agreement (“Agreement”) is made and entered into by and between **US Farathane Corporation** (“USF”) a Michigan corporation qualified to do business in Texas, and the CITY OF AUSTIN, TEXAS, a home rule city and municipal corporation (“City”).

Chapter 380

The City is authorized by Chapter 380 of the Texas Local Government Code to create programs for the grant of public money to promote state and local economic development and to stimulate local business and commercial activity.

The City has authorized the creation of an economic development program under Chapter 380 of the Texas Local Government Code and has authorized the City Manager to make a grant of money to USF to (i) locate its Facility (as defined below) to Austin and make capital investments in the Desired Development Zone, and to (ii) create new full-time jobs ((i) and (ii) together are the “Project”).

Establishment of USF’s manufacturing facility in Austin will further State and local economic development and stimulate business and commercial activity in Austin.

Subject to the terms of this Agreement, USF accepts the City’s grant and agrees to carry-out the Project, the terms of which are the subject of this agreement.

The parties therefore agree as follows:

I. USF’s Obligations

1.01 Investment in the property at 820 W. Howard Lane Austin Texas (“Facility”), a part of the Desired Development Zone. After the Effective Date of this Agreement and before December 31, 2012, USF or its Landlord shall invest approximately \$2,400,000 in the making of leasehold improvements to the Facility within the City’s Desired Development Zone that will serve as USF’s manufacturing facility. USF shall also invest approximately \$24,500,000 in “New Machinery and Equipment” to be installed and used at the Facility

before December 31, 2016. New Machinery and Equipment, is defined as equipment and machinery which is either new equipment or equipment which is new to Austin and placed into service for, or supporting the operation of USF’s Manufacturing Facility after the Effective Date of this agreement, or equipment supporting or used in the office.

1.02 Creation and Retention of New Full-Time Jobs. USF shall create 228 “Full-Time Jobs” by December 31, 2014. A “Full-Time Job,” is a full-time job created in or relocated to the City of Austin after the Effective Date of this Agreement and that is performed at the Facility by employees of USF.

- (a) USF shall create and retain the New Full-Time Jobs as follows:
 - (i) 122 Full-time Jobs before December 31, 2012;
 - (ii) 175 Full-time Jobs before December 31, 2013;
 - (iii) 228 Full-time Jobs before December 31, 2014;

- (b) USF shall maintain the required New Full-Time Jobs as of December 31st of each year based on the above throughout the term of this Agreement. The average annual compensation, excluding health insurance and retirement benefits, of all New Full-Time Jobs shall be no less than:

<u>Year</u>	<u>Average Annual Wage</u>
2012	\$26,461
2013	\$26,461
2014	\$26,461
2015	\$26,996
2016	\$27,535
2017	\$27,535
2018	\$27,535
2019	\$27,535
2020	\$27,535
2021	\$27,535

- (c) If the number of people employed in New Full-Time Jobs falls below the number of jobs required by section 1.02(a) USF shall re-establish the required New Full-Time Jobs within 90 days after December 31st of the applicable year.

- (d) If USF fails to comply with the preceding sections 1.02(a) and (b) and such failure continues beyond the cure period set forth in Section 1.02(c) above, the City, at its discretion, may terminate this Agreement.
- (e) Notwithstanding the foregoing, if North American automobile sales fall below 11.5 million vehicles and USF has not maintained the required number of New Full Time employees as provided above, the City will not be required to make the annual Chapter 380 Payment per Sections 2.01(a) and (b) for that year. A drop in North American automobile sales below 11.5 million vehicles will not be considered a default by USF under Section 3.04 below. Annual North American automobile sales will be verified by either of the following publications: Automotive News or AutoFutures.
- (f) USF will offer all of its employees at its Austin-based manufacturing facility the opportunity to participate in its current upward mobility programs, including, but not limited to, education reimbursement, Job Specific Training, Personal Development Training, and Safety Training.

1.03 Recruitment.

- (a) In addition to its own efforts, USF shall make commercially reasonable efforts to work with non-profit organizations such as the Austin Asian American Chamber of Commerce, the Capital City African American Chamber of Commerce, the Career Expo for People with Disabilities, the Greater Austin Hispanic Chamber of Commerce, the National Society of Black Engineers, the Austin Gay and Lesbian Chamber of Commerce, the Austin/Travis County Reentry Roundtable, the Society of Hispanic Professional Engineers, and other appropriate organizations, to expand its pool of diverse candidates in hiring recruitment efforts for the jobs at the Facility. USF shall adhere to its equal employment policies and practices (attached hereto as Exhibit A). USF will work with the Austin/Travis County Reentry Roundtable and/or Minorities for Equality in Education, Employment, Liberty & Justice (MEEELJ) in the development of a local recruitment strategy for ex-offenders.
- (b) USF shall make commercially reasonable efforts to recruit residents in the Austin Area for its New Full-Time Jobs.

1.04 Local Business Participation.

- (a) In an effort to further stimulate and positively impact the local economy, the Company shall use commercially reasonable efforts to provide local minority-owned, women-owned and veteran-owned businesses an equal opportunity to participate as suppliers for materials and services purchased by the Company exclusively for use at the Manufacturing Facility. Within ninety (90) days of the effective date, the Company shall develop and submit to the City a reasonable supplier diversity policy regarding the Company’s procurement of materials and services to be used exclusively at the Manufacturing Facility, which policy may be reasonably modified from time to time by the Company. The Company further agrees to adhere to this policy for the procurement of materials and services at the Manufacturing Facility with respect to any individual procurement of materials or services for which the cost is more than Five Thousand and No/100 Dollars (\$5,000.00) and there are qualified local minority suppliers. Any raw material, components and tooling that are source-directed by the Company’s customers are excluded from this section. With respect to any individual procurement of materials or services for which the cost is Five Thousand and No/100 Dollars (\$5,000.00) or less, the Company is encouraged, but not required, to adhere to the requirements of this Section 1.04(a).

- (b) USF shall comply with the applicable standards and principles of Chapters 2-9A through 2-9D of the City’s ordinance for minority-owned and women-owned business enterprises (“M/WBE Program Ordinance”) in the design and construction of all facilities, including, but not limited to, leasehold improvements.

- (c) With respect to any design or construction projects including, but not limited to, leasehold improvements, USF, and the general contractor shall meet the following ethnic-specific participation goals each year in which design or construction occurs:

	Professional Services Participation Goals	Construction Participation Goals
African-American-owned Business Enterprises	1.9%	1.7%
Hispanic-owned Business Enterprises	9.0%	9.7%

Asian-American and Native American-owned Business Enterprises	4.9%	2.3%
Women-owned Business Enterprises	15.8%	13.8%

For any year in which USF and the general contractor fail to meet each of these goals, USF and the general contractor must demonstrate good faith efforts to meet the goals as described in the City’s M/WBE Program Ordinance. USF shall submit periodic documentation demonstrating its own and the general contractor’s good faith efforts to meet the goals as is required under Section 1.04(e). If USF provides documentation evidencing its and its general contractor’s good faith efforts, USF shall be deemed in compliance with this Section 1.04(c).

- (d) USF or its general contractor shall apprise the City’s Department of Small Business and Minority Business Resources (SMBR) when USF desires assistance from SMBR in its efforts to meet the ethnic specific M/WBE utilization goals. This assistance may include providing a list of certified M/WBE firms from which USF may solicit or cause the general contractor to solicit participation in the design and construction of any leasehold improvements, identifying potential scopes of work, establishing the bid packages available, scheduling and hosting outreach meetings, and assisting USF, the architect, or general contractor in soliciting M/WBE firms to provide bids. USF is not required to solicit participation during a period in which the developer is not designing and/or constructing, but rather, requires USF to incorporate the standards and principles of the City’s M/WBE Program Ordinance including the foregoing M/WBE Participation goals into its development process as and when such process exists.
- (e) USF shall provide monthly reports to SMBR to track (i) the utilization on a percentage basis of M/WBE firms in the design and construction of buildings or leasehold improvements; and (ii) a summary of USF’s efforts to implement the standards and principles of the City’s M/WBE Program Ordinance. SMBR shall provide the forms to be used by USF in submitting such reports.
- (f) Within thirty days of receipt of USF’s final monthly report (as is required under Section 1.04(e)) for the preceding year, January 1st through December

31st (the “SMBR Compliance Period”), SMBR shall determine whether USF is in compliance with the requirements of this section. Should SMBR determine that USF, or its general contractor, failed to either meet the ethnic specific goals or demonstrate good faith efforts, USF will forfeit the City’s annual Chapter 380 Payment per Sections 2.01(a) and (b) for the year. Any finding of noncompliance by SMBR under this subsection may be appealed as an Adverse Decision as provided for under the M/WBE Ordinance at §§ 2-9A-16, 2-9B-16, 2-9C-16, and 2-9D-16.

1.05 Compliance with City Regulations. For the construction of leasehold improvements to the Facility, or the construction or remodeling of any future facilities in the City’s planning jurisdiction during the term of this Agreement, USF will comply with all City Code regulations, including water quality regulations in effect at the time any site plan application is filed, unless USF has negotiated an agreement with the City to comply with overall impervious cover limits and provide the currently required water quality controls. This means USF will not assert possible Chapter 245 rights to avoid compliance with water quality regulations for any future development within Austin’s planning jurisdiction during the term of this agreement. If, during the term of this Agreement, USF’s development does not comply with water quality regulations in effect at the time any site plan application is filed for such development, after the City gives USF proper written notice and reasonable opportunity to cure the deficiency, this Agreement shall, at the option of the City, terminate by giving USF written notice of its election.

1.06 Certificate of Compliance and Inspection.

- (a) USF shall deliver to the City before March 31 of each year, beginning March 31, 2013, during the term of this Agreement a Certificate of Compliance utilizing the form attached as Exhibit C. The City, in its sole discretion, may make non-material changes to the form of the Certificate of Compliance.
- (b) In the Certificate of Compliance, USF shall warrant to the City that it is in full compliance with each of its obligations under this Agreement, including the number of New Full-time Jobs maintained by USF for the preceding year pursuant to Sections 1.02 above.
- (c) The City, and/or its representative(s) including third-parties contracted by the City, has the right to inspect all relevant records of USF as are reasonably

necessary to verify compliance with all requirements of this Agreement, provided the City and its representatives use their best efforts to minimize any interference or disruption in USF's business operations and agree to the confidentiality requirements set forth in Section 3.16 below. Inspections shall be preceded by at least two weeks' notice in writing to USF and shall be conducted during USF's normal business hours or at such other time as may be mutually agreed to by the parties.

1.07 Texas Government Code Chapter 2264. In accordance with Chapter 2264 of the Texas Government Code, USF agrees not to employ any person who is not lawfully admitted for permanent residence to the United States or who is not authorized under law to be employed in the United States ("Undocumented Worker"). During the term of this Agreement, USF shall notify the City of any complaint brought against USF alleging that USF has employed Undocumented Workers. If USF, or a branch, division or department of USF is convicted of a violation under 8 U.S.C. Section 1324a(f), the total amount of economic development grants it has received, together with interest at the rate of 5% from the date of each payment of an economic development grant, shall be repaid by USF to the City not later than the 120th day after the date the City notifies USF of the violation. The City shall recover court costs and reasonable attorney's fees incurred if it prevails in an action brought pursuant hereto to recover past economic development grants and interest. USF shall not be liable for a violation of Chapter 2264 by a subsidiary, affiliate, or franchisee, or by a person with whom USF contracts.

1.08 Failure to Meet Obligations. In the event that USF fails to fulfill its obligations under the performance terms above and after receipt of notice and expiration of a 90 day cure period, the City may, at its option, terminate this Agreement, whereupon the City shall not be required to pay, and USF shall not be entitled to receive any further payments under this Agreement; provided, that the foregoing shall not be deemed or construed to release the City from its obligation to make payment for any prior year during which USF did fulfill its obligations under the performance guidelines above.

II. City Obligations

2.01 Economic Development Incentive. As consideration for USF's performance of its obligations under this Agreement, for a period of ten calendar years beginning on the Effective Date, the City will:

(a) Pay an annual Chapter 380 Payment in an amount equivalent to 40% of the City property taxes levied on all personal property acquired after the Effective Date of this Agreement that is installed in USF's Facility located in Austin, Texas and

(b) Pay an annual (for ten years) Chapter 380 Payment in an amount equivalent to 40% of the City property taxes levied on the increase of real property taxable valuation after the Effective Date of this Agreement for the Facility located in Austin, Texas and improvements thereon which are owned or leased by USF.

Such payment will commence with the tax year 2012 and terminate upon payment of the taxes for tax year 2021. These payments based on USF's Obligations as provided above are estimated at a total of \$212,695.

Replacements of existing personal property must be New Equipment and Machinery in order to be eligible for the Chapter 380 Payment under this Agreement. Real property improvements constructed at the Facility, by or for USF after the Effective Date are included among the property referenced in Section 2.01(b). City property taxes on the value of existing real property improvements at the chosen site are not included in the amount eligible for Chapter 380 Payments under section 2.01(b).

2.02 Schedule for Chapter 380 Payments and Coordination with Travis Central Appraisal District (TCAD).

(a) In order to properly identify property which is eligible for Chapter 380 Payments, USF will work with TCAD to create separate TCAD accounts for both new real property improvements and personal property acquired after the Effective Date.

(b) With respect to the Chapter 380 Payments described in Section 2.01 above, on or before March 31st of each year during the term of this Agreement, USF shall notify the City in writing of the amount of the City property taxes paid by USF to the Travis County tax collector or its successor (the "Property Tax Notice"). The Chapter 380 Payments with respect to the property taxes shall be based on the amount stated in the Property Tax Notice.

(c) Both real property and personal property Chapter 380 Payments shall be paid to USF by the City on an annual basis for the preceding year, on or before October 31st following the tax year for which taxes were paid. For example the first Chapter 380

Payments shall be based on taxes paid for the calendar year 2012, and shall be paid on or before October 31, 2013, and the last Chapter 380 Payments for the first ten year period of tax rebates shall be based on taxes paid for the calendar year 2021, and shall be paid on or before October 31, 2022.

(d) If, after the October 31 payment date of any year, USF is required to pay more City property taxes on its property with respect to which a Chapter 380 Payment is provided under this Agreement than the amount stated in USF's Property Tax Notice to the City for the year preceding the applicable October 31 payment date, then USF shall notify the City in writing of the amount of additional Property Tax paid by USF to the County tax collector or its successor (the "Additional Property Tax Notice"). The City shall pay USF the amount stated in the Additional Property Tax Notice at the same time as the next payment is due to USF. A summary explanation and examples of payment of grants under this Agreement is attached as Exhibit D.

2.03 Permitting: Upon the establishment of the effective date of this agreement, the City will provide a single point-of-contact for the purpose of assisting USF through the City permitting process in an expeditious manner.

2.04 Upon USF's submittal, and acceptance by EGRSO, of a completed and signed application and a check for the application fee to the State of Texas for the purpose of obtaining an Enterprise Zone Designation for the Facility, the EGRSO will bring forward a resolution for City Council consideration to support the designation of the property at 820 W. Howard, Austin Texas as an Enterprise Zone.

III. General Terms

3.01 Effective Date and Term. The Effective Date of this agreement is 12/15/11, 2011. This Agreement shall become enforceable upon execution and delivery by the City and USF. Unless this agreement is terminated earlier in accordance with its terms, USF's obligations to perform under this agreement shall be completed on December 31, 2021 and the City shall make its final payment under this agreement on or before October 31, 2022.

3.02 Payments Subject to Future Appropriation. This Agreement shall not be construed as a commitment, issue, pledge or obligation of any specific taxes or tax revenues for payment to USF.

(a) All payments or expenditures made by the City under this Agreement are subject to the City's appropriation of funds for such payments or expenditures to be paid in the budget year for which they are made.

(b) The payments to be made to USF, or other expenditures under this Agreement, if paid, shall be made solely from annual appropriations of the City as may be legally set aside for the implementation of Article III, Section 52a of the Texas Constitution or Chapter 380 of the Local Government Code or any other economic development or financing program authorized by statute or home rule powers of the City under applicable Texas law, subject to any applicable limitations or procedural requirements.

(c) In the event the City does not appropriate funds in any fiscal year for payments due or expenditures under this Agreement, the City shall not be liable to USF for such payments or expenditures unless and until appropriation of said funds is made; provided, however, that USF, in its sole discretion, shall have the option to either (i) terminate this Agreement and shall have no obligations under this Agreement for the year in respect to which said un-appropriated funds relate or (ii) continue this Agreement but not be subject to the obligations, conditions or liabilities placed on USF under this Agreement during any years in which the City does not appropriate funds.

3.03 Representations and Warranties. The City represents and warrants to USF that the Program and this Agreement are within its authority, and that it is duly authorized and empowered to establish the Program and enter into this Agreement, unless otherwise ordered by a court of competent jurisdiction. USF represents and warrants to the City that it has the requisite authority to enter into this Agreement.

3.04 Default. If either the City or USF should default in the performance of any obligations of this Agreement, the other party shall provide such defaulting party written notice of the default, and a minimum period of one ninety (90) days after the receipt of said notice to cure such default, prior to instituting an action for breach or pursuing any other remedy for default.

3.05 Entire Agreement. This Agreement contains the entire agreement between the parties. All prior negotiations, discussions, correspondence, and preliminary

understandings between the parties and others relating hereto are superseded by this Agreement. This Agreement may only be amended, altered or revoked by written instrument signed by the City and USF.

3.06 Binding Effect. This Agreement shall be binding on and inure to the benefit of the parties and their respective successors and assigns.

3.07 Assignment. Except as provided below, USF may not assign all or part of its rights and obligations to a third party without prior written approval of the City, which approval shall not be unreasonably withheld or delayed. Notwithstanding anything to the contrary, USF may assign all or part of its rights and obligations without the prior consent of the City to an affiliate of USF and to a third party lender advancing funds for the acquisition, construction or operation of USF facilities.

3.08 Termination. In the event USF elects not to proceed with the Project as contemplated by this Agreement, USF shall notify the City in writing, and this Agreement and the obligations on the part of both parties shall be deemed terminated and of no further force or effect.

3.09 Notice. Any notice and/or statement required or permitted to be delivered shall be deemed delivered by actual delivery, by facsimile with receipt of confirmation, or by depositing the same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses:

USF:

US Farathane Corporation
2700 High Meadow Circle
Auburn Hills, MI 48326
Attn: Chief Financial Officer
Phone: 248-754-7000
Re: Economic Development Agreement

and to site consultant:

Pollina Corporate Real Estate Inc.

Attn: Dr. Ronald Pollina
Chicago O'Hare Building
401 Devon Ave.
Park Ridge, Il. 60068
Phone: (847) 685-9000 ex 225
Fax: (847) 685-9018
Re: Economic Development Agreement

and to attorney:

Douglas H. Dold
Dold, Spath & Kiriazis
P.O. Box 36786
Grosse Pointe, MI 48236-0786

CITY:

City Manager
301 West 2nd Street
Austin, Texas 78701
(P.O. Box 1088, Austin, Texas 78767)
Phone: (512) 974-2200
Fax :(512) 974-2833
with copies to:

Director, Economic Growth and Redevelopment Services Office
301 West 2nd Street
Austin, Texas 78704
Phone: (512) 974-7802
Fax: (512) 974-7825

and to:

City Attorney
301 West 2nd Street
Austin, Texas 78701

(P.O. Box 1546, Austin, Texas 78767)

Phone: (512) 974-2268

Fax: (512) 974-2894

Either party may designate a different address at any time upon advance written notice to the other party.

3.10 Interpretation. Each of the parties has been represented by counsel of their choosing in the negotiation and preparation of this Agreement. Regardless of which party prepared the initial draft of this Agreement, this Agreement shall, in the event of any dispute regarding its meaning or application, be interpreted fairly and reasonably and neither more strongly for, nor against any party.

3.11 Applicable Law. This Agreement is made, and shall be construed and interpreted, under the laws of the State of Texas and venue shall lie in the State courts of Travis County, Texas.

3.12 Severability. In the event any provisions of this Agreement are illegal, invalid or unenforceable under present or future laws, and in that event, it is the intention of the parties that the remainder of this Agreement shall not be affected. It is also the intention of the parties that in lieu of each clause and provision that is found to be illegal, invalid or unenforceable, a provision be added to this Agreement which is legal, valid or enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

3.13 Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the various and several paragraphs.

3.14 No Third Party Beneficiaries. This Agreement is not intended to confer any rights, privileges or causes of action upon any third party.

3.15 No Joint Venture. It is acknowledged and agreed by the parties that the terms of this Agreement are not intended to and shall not be deemed to create any partnership or joint venture among the parties. The City, its past and future officers, elected officials, employees and agents do not assume any responsibilities or liabilities to any third party in connection with USF facilities or the design, construction or operation of any portion of the facilities.

3.16 **Public and Confidential Information.** Information provided by or on behalf of USF under or pursuant to this Agreement that USF considers as proprietary or confidential shall be maintained as confidential to the extent allowed by law. If proprietary financial or trade secret information is requested under the Texas Public Information Act, the City shall follow the standards set out in the Act and under the Texas Attorney General's procedures for such requests, and USF shall be responsible for defending the confidentiality of such information. Other records and information provided to the City and its representatives to verify compliance with this Agreement shall be available for public inspection.

3.17 **Exhibits.** The following Exhibits are attached and incorporated by reference for all purposes.

- Exhibit "A": Fair Employment Policies and Practices
- Exhibit "B": Certificate of Compliance Form

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

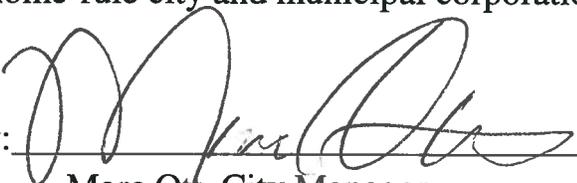
EXECUTED by the authorized representatives of the parties on the dates indicated below.

USF

By: 
Richard L. Knapp

Date: 1-11-12

CITY OF AUSTIN, TEXAS,
a home-rule city and municipal corporation

By: 
Marc Ott, City Manager

Date: 12.26.11

EXHIBIT "A"

Employment Policies

Americans with Disabilities Act Policy: U.S. Farathane is committed to complying with the Americans with Disabilities Act (ADA), all other applicable federal, state and local laws and ensuring equal employment opportunity for qualified persons with disabilities.

Individuals with disabilities qualified under the American with Disabilities Act are entitled to equal consideration in all employment practices including hiring, job assignments, pay and other forms of compensation, as well as job classifications, training or educational opportunities, layoffs or terminations, and seniority issues.

Any employees, who need an accommodation for a qualified disability, must submit a request for the accommodation to the Human Resources Department as soon as possible. On receipt of an accommodation request, the Human Resources Department will meet with the requesting individual to discuss and identify the precise disability limitations and the potential accommodation that USF might make to help overcome those limitations. Decisions are based on the individual situation, not the disability of the individual.

Diversity Value Policy: The U.S. Farathane philosophy is to treat each other fairly, with dignity and respect. Our policy is to acknowledge, and respect all differences, including gender, race, ethnicity, national origin, age, and physical ability. We look forward to sharing different talents, ideas, and values and mixing them with the integrity of our present culture. We believe that this philosophy allows us to become a stronger team, whose strengths are built on our diversity.

Equal Employment Opportunity Policy: U.S. Farathane does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age, weight, height, marital status, disability, or any other characteristics protected by law.

USF will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination and access to benefits and training.

Any employee with questions or concerns about any type of discrimination in the workplace is encouraged to bring these issues to the attention of his or her immediate supervisor. If, at any time an employee is uncomfortable speaking with the supervisor or feels the supervisor has not responded to their concerns, he or she may speak with anyone in the Human Resources Department (See Harassment Policy). Employees may raise concerns and make reports without fear of retaliation. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

EXHIBIT "B"
Certificate of Compliance

Company Name: US Farathane Corporation

Reporting Year: January 1 through December 31, _____ YEAR # ____ (up to 10)

1.0 Investment

- 1.1 The Agreement states that after the Effective Date and before December 31, 2012, US Farathane Corporation (or its lessor) shall invest at least \$2,400,000 in the making of leasehold improvements to US Farathane Corporation's Austin-based manufacturing facility.

\$_____ has been invested in leasehold improvements to US Farathane Corporation's Austin-based manufacturing facility for the reporting year ending December 31, 20_____.

\$_____ has been invested in leasehold improvements to US Farathane Corporation's Austin-based manufacturing facility since the effective date of the agreement.

The Agreement states that after the Effective Date and before December 31, 2016, US Farathane Corporation shall invest at least \$24,500,000 in "New Machinery and Equipment" to be installed and used at US Farathane Corporation's Austin-based manufacturing facility. New Machinery and Equipment is defined as equipment and machinery which is either new equipment or equipment which is new to Austin and placed into service for, or supporting the operation of US Farathane Corporation's Austin-based manufacturing facility.

\$_____ has been invested in business personal property for the reporting year ending December 31, 20_____.

\$_____ has been invested in new machinery and equipment at US Farathane Corporation's Austin-based manufacturing facility since the effective date of this agreement.

2.0 Employment

- 2.1 The Agreement requires US Farathane Corporation to create 228 New Full-time Jobs by December 31, 2014 (Section 1.02). The job creation schedule is as follows (Section 1.02(a)):

- (i) 122 New Full-time Jobs before December 31, 2012;
- (ii) 175 New Full-time Jobs before December 31, 2013;
- (iii) 228 New Full-time Jobs before December 31, 2014;

- a. Number of New Full-time Jobs created and retained as of December 31, 20_____.

Total jobs created and retained: _____

2.2 As of December 31, 20____ did the number of New Full-time Jobs and created and retained fall below the numbers required under Section 1.02(a) of the agreement?

Yes

No

If the company answered "Yes" to question 2.2, did the company re-establish the required numbers of New Full-time Jobs created and retained within 90 days after December 31, 20____?

Yes

No

2.3 Did the average annual wages, not including health insurance and retirement benefits, of the New Full-Time Jobs created and retained meet the following table (Section 1.02(b))?

<u>Year</u>	<u>Average Annual Wage</u>
2012	\$ 26,461
2013	\$ 26,461
2014	\$ 26,461
2015	\$ 26,996
2016	\$ 27,535
2017	\$ 27,535
2018	\$ 27,535
2019	\$ 27,535
2020	\$ 27,535
2021	\$ 27,535

Yes

No

3.0 Recruitment

3.1 The Agreement states that US Farathane Corporation shall make commercially reasonable efforts to work with non-profit organizations such as the Austin Asian American Chamber of Commerce, the Capital City African American Chamber of Commerce, the Career Expo for People with Disabilities, the Greater Austin Hispanic Chamber of Commerce, the National Society of Black Engineers, the Austin Gay and Lesbian Chamber of Commerce, the Austin/Travis County Reentry Roundtable, the Society of Hispanic Professional Engineers, and other appropriate organizations, to expand its pool of diverse candidates in recruiting efforts for jobs at the Austin-based manufacturing facility (Section 1.03(a)). Attach correspondence and/or documentation showing compliance with Section 1.03(a).

3.2 The Agreement states that US Farathane Corporation shall adhere to its fair employment policies and practices (Section 1.03(a)). Attach correspondence and/or documentation showing compliance with Section 1.03(a).

3.3 The Agreement states that US Farathane Corporation shall make commercially reasonable efforts to recruit residents of the Austin Metropolitan Statistical Area for its New Full-time Jobs (Section 1.03(b)). Attach correspondence and/or documentation showing compliance with Section 1.03(b).

4.0 Local Business Participation

4.1 The Agreement states that US Farathane Corporation shall use commercially reasonable efforts to provide local small businesses and minority-, women- and veteran-owned businesses, an equal opportunity to participate as suppliers for materials and services purchased by US Farathane Corporation exclusively for use at the company’s Austin-based manufacturing Facility and that US Farathane Corporation shall adhere to the terms of a supplier diversity policy (Section 1.04(a)). Attach correspondence and/or documentation showing compliance with Section 1.04(a).

4.2 The Agreement states that US Farathane Corporation shall comply with the applicable standards and principles of the City’s M/WBE Program Ordinance in the design and construction of the company’s Austin-based manufacturing Facility, including, but not limited to, leasehold improvements (Section 1.04 (b)). Attach correspondence and/or documentation showing compliance with Section 1.04 (b).

4.3 The Agreement states that with respect to any design or construction projects at the company’s Austin-based manufacturing Facility, but not limited to, leasehold improvements, US Farathane Corporation, it’s architect and general contractor shall meet the following ethnic-specific participation goals Section 1.04 (c)):

	Professional Services Participation Goals	Construction Participation Goals
African-American-owned Business Enterprises	1.9%	1.7%
Hispanic-owned Business Enterprises	9.0%	9.7%
Asian-American and Native American-owned Business Enterprises	4.9%	2.3%
Women-owned Business Enterprises	15.8%	13.8%

Attach correspondence and/or documentation showing compliance with Section 1.04 (c). If US Farathane Corporation, the architect and the general contractor fail to meet each of these goals, US Farathane Corporation must submit documentation demonstrating its own, the architect’s and general contractor’s good faith efforts to meet the goals. The good faith efforts are those efforts as described in the City’s M/WBE Program Ordinance.

5.0 Incentive Payment Request

5.1 The Agreement requires an economic development incentive payment equal to (1) 40% of City real property tax paid on the increase in appraised value at US Farathane's Austin-based manufacturing Facility. The baseline taxable assessed value for the facility located at 820 W. Howard Lane, Austin, TX, 78660 at the Effective Date of this agreement is \$7,454,701.00. And (2) 40% of City personal property tax paid on all new business personal property acquired and installed at US Farathane's Austin-based manufacturing Facility

5.2 Total Request for year 20____ based on _____ New Full-Time Jobs created and retained:
\$ _____

I, the authorized representative for US Farathane Corporation, hereby certify that the above information is correct and accurate pursuant to the terms of the Agreement. I further certify that US Farathane Corporation complied fully with the Chapter 380 Economic Development Agreement during the reporting year, including Section 1.05 regarding Compliance with City Regulations and Section 1.07 regarding Texas Government Code Chapter 2264.

US Farathane Corporation

Signature:

Printed Name:

Title (Chief Financial Officer or equivalent):

Date:
