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**TOWNCENTER DEVELOPMENT DISTRICT
AGENDA
BOARD OF DIRECTORS - REGULAR MEETING
June 26, 2012
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE
REGULAR SESSION - 7:10 PM**

I. CALL TO ORDER

II. ROLL CALL

III. MINUTES APPROVAL

A. Consider approval of minutes dated November 15, 2011.

IV. REGULAR ITEMS

A. Consider first modification of the real estate note and lien relative to Lot 5, Block A of the Kennedale Retail Center Addition.

V. ADJOURNMENT

In compliance with the Americans with Disabilities Act, the City of Kennedale will provide for reasonable accommodations for persons attending City Council meetings. This building is wheelchair accessible, and parking spaces for disabled citizens are available. Requests for sign interpreter services must be made forty-eight (48) hours prior to the meetings. Please contact Amethyst Cirmo, City Secretary, at 817.985.2104 or (TDD) 1.800.735.2989

CERTIFICATION

I certify that a copy of the June 26, 2012, TownCenter Development District agenda was posted on the City Hall bulletin board next to the main entrance of the City Hall building, 405 Municipal Drive, of the City of Kennedale, Texas, in a place convenient and readily accessible to the general public at all times and said agenda was posted at least 72 hours preceding the schedule time of said meeting, in accordance with Chapter 551 of the Texas Government Code.

Amethyst G. Cirmo, City Secretary



Date: June 26, 2012

Agenda Item No: MINUTES APPROVAL - A.

I. Subject:

Consider approval of minutes dated November 15, 2011.

II. Originated by:

III. Summary:

Please see the attached minutes.

IV. Recommendation:

Approve

V. Alternative Actions:

VI. Attachments:

1.	Minutes	11.15.2011_MINUTES_TDD Regular Meeting.doc
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KENNEDALE TOWNCENTER DEVELOPMENT DISTRICT

MINUTES

NOVEMBER 15, 2011

**BOARD OF DIRECTORS - REGULAR MEETING
CITY HALL COUNCIL CHAMBERS, 405 MUNICIPAL DRIVE**

I. CALL TO ORDER

II. ROLL CALL

Present: Robert Mundy, Donnie Graham, John Clark, Frank Fernandez

Absent: Bryan Lankhorst

Staff Present: Bob Hart (City Manager), Amethyst Cirmo (City Secretary)

II. REGULAR ITEMS

- A. Review and consider action to approve meeting minutes dated April 26, 2011.

A motion to approve the minutes as presented was made by John Clark, second by Donnie Graham. Motion passed unanimously.

- B. Consider setting an assessment rate and values for calendar year 2012 for the Kennedale TownCenter.

Bob Hart made a recommendation to set the assessment rate at \$02.875435 cents.

A motion to set the 2012 assessment rate at 2.875435 cents based on the values of the 7 tracts in the Kennedale Retail Addition (1R at \$1,301,220, 2R at \$41,334, 3R at \$53,676, 4R at \$164) was made by John Clark, second by Donnie Graham. Motion passed unanimously.

IV. ADJOURNMENT

A motion to adjourn was made by Donnie Graham, second by John Clark. The motion passed unanimously.

The meeting was adjourned at 7:21pm.

APPROVED:

Robert Mundy, Chair

ATTEST:

Amethyst Cirmo, City Secretary



Date: June 26, 2012

Agenda Item No: REGULAR ITEMS - A.

I. Subject:

Consider first modification of the real estate note and lien relative to Lot 5, Block A of the Kennedale Retail Center Addition.

II. Originated by:

III. Summary:

During a recent review of the TownCenter agreements, we discovered the MMD failed to approve a provision providing that should TAD declare the TownCenter property taxable the MMD would waive their portion of the taxes so as not to double tax the improvements. The provision is found in Article XII – Taxes as follows:

The Premises are currently exempt from property taxes because they belong to the City of Kennedale Economic Development Corporation. If the County's Central Appraisal District determines that the property is taxable, Lessee agrees that it shall promptly pay any such taxes but the assessments required in Article 4.04 shall no longer be due. The Corporation will obtain the consent of the Kennedale TownCenter Development District to this provision, and provide to the Partnership. If consent has not been obtained within 60 days from the date hereof, then the Corporation will be in default.

The MMD is requested to consider approval of such a provision.

IV. Recommendation:

Approve

V. Alternative Actions:

VI. Attachments:

1.	Modification	KennedaleTownCenterModification.pdf
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STATE OF TEXAS

FIRST MODIFICATION

COUNTY OF TARRANT

OF REAL ESTATE NOTE & LIEN

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

EFFECTIVE DATE: June 24, 2012

NOTE (along with Allonge Amending Note):

ORIGINALLY DATED: June 24, 2011

ORIGINAL
PRINCIPAL AMOUNT: \$1,000,000.00

MAKER/BORROWER: **KENNEDALE TOWN CENTER, LP,
a Texas limited partnership**

ORIGINAL PAYEE: **LONE STAR BANK, S.S.B.**

CURRENT HOLDER: **LONE STAR BANK, S.S.B.**

DEED OF TRUST:

ORIGINALLY DATED: June 24, 2011

GRANTOR: **KENNEDALE ECONOMIC DEVELOPMENT
CORPORATION**

BENEFICIARY: **LONE STAR BANK, S.S.B.**

RECORDING INFORMATION: Instrument No. D211156058, Official Records of Tarrant
County, Texas.

PROPERTY:

*Lot 5 of Replat Block A, Kennedale Retail Center
Addition, an Addition to the City of Kennedale, Tarrant
County, Texas, according to the Plat thereof recorded
under Instrument No. D209321169 of the Plat Records of
Tarrant County, Texas.*

MAKER and HOLDER now desire to modify or rearrange the time and manner of payment of the Note, and to extend and carry forward all liens ("Liens") on the Property.

NOW, THEREFORE, in consideration of the modification or rearrangement of the time or manner of payment of the Note, MAKER and HOLDER hereby renew the Note and indebtedness and MAKER promises to pay to the order of HOLDER, the current principal balance of the Note (being \$771,393.57), plus all amounts that may still be advanced, plus all accrued interest on the following terms and conditions:

1. **MODIFICATION OF PAYMENT TERMS AND CONSTRUCTION PERIOD.** Sec. 3.1(1) & (2) of the Payment Schedule of the Note is modified such that monthly payments of accrued interest only shall continue through the 24th day of **December, 2012**. The first monthly payment of principal and interest shall then be due on the 24th day of **January, 2013**. The maturity date of the Note is not changed. The "Construction Period" contained in Par. 1 of the Allonge is modified to be **18 months**, being **December 24, 2012**. All other terms and provisions of the Note and Allonge shall remain in full force and effect, except as modified herein.
2. **EXPENSES.** To the extent not prohibited by applicable law, Maker shall pay, or reimburse Holder for, all costs and expenses in preparation and recording of this Agreement.
3. **LIENS EXTENDED.** The parties agree that, except as specifically provided above, this modification and rearrangement shall not affect or impair the Note or Liens securing it and that the Liens shall not in any manner be waived, the purpose of this instrument being simply to modify or rearrange the time or manner of payment of the Note and indebtedness and to carry forward all liens securing it, which are acknowledged to be valid and subsisting; the parties further agree that all terms and provisions of the original Note and of the instrument or instruments creating or fixing the liens securing it, shall be and remain in full force and effect as written, except as otherwise expressly provided in this instrument.
4. **RELEASE OF CLAIMS.** In consideration of the modification of certain provisions of the Note and Deed of Trust, and the renewal and extension of payment dates and maturity, and other good and valuable consideration, MAKER hereby RELEASES, RELINQUISHES, AND FOREVER DISCHARGES HOLDER, and its predecessors, successors, assigns, directors, employees, agents, and attorneys (collectively "Persons Released"), of and from any and all claims, demands, and actions, of every kind and character, known or unknown, present or future, which MAKER may have against the Persons Released, arising out of or with respect to any and all transactions relating to the Note, Deed of Trust, or other loan documents, occurring prior to the date hereof.

NOTICE. THE WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENTS BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENT BETWEEN THE PARTIES.

EXECUTED this _____ day of June, 2012,
to be EFFECTIVE on the date set forth above.

MAKER:

KENNEDALE TOWN CENTER, LP,
A Texas limited partnership,
By: KTC GP, L.L.C.,
Its General Partner

By: _____
David G. Johnson, Manager

ACKNOWLEDGMENT BY GUARANTORS: The undersigned guarantors of the Note acknowledge that the Guaranty Agreements previously executed are still in full force and effect.

DAVID G. JOHNSON

KTC GP, L.L.C.

By: _____
David G. Johnson, Manager

ACKNOWLEDGMENT BY GRANTOR UNDER DEED OF TRUST: The undersigned Grantor under the Deed of Trust acknowledges the modifications contained herein, and that the Deed of Trust is still in full force and effect.

KENNEDALE ECONOMIC
DEVELOPMENT CORPORATION

By: _____
Robert Mundy, President

LIENHOLDER ACCEPTANCE

ACCEPTED AND AGREED TO BY THE OWNER AND HOLDER OF THIS NOTE:

LONE STAR BANK, S.S.B.

By: _____
Van P. Swift, Executive Vice President

ACKNOWLEDGMENT

STATE OF TEXAS *
 *
COUNTY OF _____ *

ACKNOWLEDGED BEFORE ME by the said **David G. Johnson, Individually and as Manager of KTC GP, L.L.C., the General Partner of KENNEDALE TOWN CENTER, LP,** on this _____ day of June, 2012, on behalf of said entities.

NOTARY PUBLIC - State of T E X A S

STATE OF TEXAS *
 *
COUNTY OF _____ *

ACKNOWLEDGED BEFORE ME by the said **Robert Mundy, as President of the Kennedale Economic Development Corporation,** on this _____ day of June, 2012.

NOTARY PUBLIC - State of T E X A S

STATE OF TEXAS

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*

COUNTY OF TRAVIS

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ACKNOWLEDGED BEFORE ME by the said **Van P. Swift, as Executive Vice President of Lone Star Bank, S.S.B.** on this _____ day of June, 2012, on behalf of said banking institution.

NOTARY PUBLIC - State of T E X A S