

FIRST AMENDMENT TO BUILD TO SUIT INDUSTRIAL LEASE AGREEMENT

THIS FIRST AMENDMENT TO BUILD TO SUIT INDUSTRIAL LEASE AGREEMENT (this "**Amendment**"), is made as of the 30th day of July, 2021 (the "**Effective Date**"), by and between **CORE5 INDUSTRIAL PARTNERS LLC**, a Delaware limited liability company ("**Landlord**"), and **KEHE DISTRIBUTORS, LLC**, a Delaware limited liability company ("**Tenant**").

WITNESSETH:

WHEREAS, Landlord and Tenant entered into that certain Build to Suit Industrial Lease Agreement dated August 31, 2020 (the "**Existing Lease**"), whereby Tenant leases from Landlord certain premises located in the City of Dallas, Dallas County, Texas, all as more particularly described in the Existing Lease; and

WHEREAS, Landlord and Tenant have executed that certain Offer Letter, attached hereto as Exhibit 1, incorporated herein by reference (the "Offer Letter"), regarding the authorization of tax abatement by the City of Dallas, Texas (the "City"), for the Demised Premises;

WHEREAS, the City has issued an abatement agreement for execution by Landlord and Tenant, a copy of which is attached hereto as Exhibit 2, incorporated herein by reference (the "Abatement Agreement");

WHEREAS, Landlord and Tenant desire to modify and amend the Existing Lease on the terms and conditions set forth below.

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant, intending to be legally bound, hereby agree as follows:

1. **Capitalized Terms.** All terms used in this Amendment with an initial capital letter which are not otherwise defined herein shall have the meanings given to such terms in the Existing Lease. The term "**Lease**" where used in the Existing Lease and this Amendment hereafter refers to the Existing Lease, as amended by this Amendment.

2. **Tax Incentive Program.** The Existing Lease is hereby amended by deleting Section 4 of **Exhibit E** in its entirety and replacing it with the following:

"Tax Incentive Program. Landlord and Tenant shall cooperate to attempt to reduce the real estate taxes and other impositions for the Demised Premises by participating in the property tax reduction program ("Tax Incentive Program") available through the City of Dallas, Texas and outlined in the Offer Letter. Landlord shall file an application to include the Demised Premises in such Tax Incentive Program. Landlord and Tenant shall execute and deliver the Abatement Agreement to the City on or prior to July 30, 2021. In the event the City of Dallas elects not to include the Demised Premises in the Tax Incentive Program or if Landlord and Tenant are otherwise unable to qualify the Demised Premises for

participation in the Tax Incentive Program, Tenant shall remain fully obligated to pay all taxes on the Demised Premises in accordance with the terms and provisions of the Lease, without any change or reduction in such obligations, and Tenant's rights and obligations under the Lease with respect to the payment of such taxes shall not be affected in any way whatsoever. In the event that Landlord and Tenant are successful in their attempt to include the Premises in the Tax Incentive Program, Landlord and Tenant agree to timely complete and deliver to the City such forms and reports that are set out in the Abatement Agreement for which they are responsible and Landlord shall pass through to Tenant all property tax reductions or abatements applicable to the Demised Premises as a result of the participation of the Demised Premises in the Tax Incentive Program. Landlord and Tenant further acknowledge and agree that Tenant shall, upon request of Landlord, at any time or times, deliver to Landlord any information or documentation that may be necessary or required in connection with participation in the Tax Incentive Program, including, without limitation, in connection with Landlord's timely completion and delivery of any required forms or reports to the City. Landlord and Tenant agree to comply with their respective obligations under the terms and conditions of the Abatement Agreement and any documents to be executed by the Landlord and/or Tenant in connection with the Tax Incentive Program (collectively, the "TIP Documents") relating to the use, operation, condition, maintenance and modification of the Demised Premises and the granting of certain inspection rights to the City of Dallas with respect thereto.

Landlord and Tenant acknowledge that the Abatement Agreement requires that prior to any sale of the Demised Premises (and assignment of the Abatement Agreement in connection therewith) by Landlord to a third party, Landlord shall obtain the "Director's" prior consent and that failure to obtain such consent is a default under the Abatement Agreement. Landlord agrees to use good faith efforts to obtain the consent from the Director to a buyer of the Demised Premises and related assignment in accordance with the Abatement Agreement. Notwithstanding anything contained in the TIP Documents and this Lease to the contrary, if Landlord's sale of the Demised Premises and related assignment of the Abatement Agreement (a "Landlord Transfer") triggers any so-called recapture or claw-back rights in favor the City of Dallas or otherwise results in the City of Dallas terminating the TIP Documents (and the subsequent loss of any tax abatement benefits thereunder), Tenant acknowledges and agrees that: (i) such Landlord Transfer shall not constitute a breach or default by Landlord under the Lease, (ii) Tenant shall indemnify, defend and hold Landlord harmless against any claims by the City of Dallas against Landlord for amounts owing under the TIP Documents as a result of the Landlord Transfer (which indemnification, defense and hold harmless obligations shall survive the expiration or earlier termination of the Lease); and (iii) following any such Landlord Transfer, Tenant shall remain fully obligated to pay all taxes on the Demises Premises, including, without limitation, all taxes payable without any change or reduction in such obligations in the event the TIP Documents are terminated as a result of any such Landlord Transfer. Further, in the event the TIP Documents provide that Landlord shall remain liable to the City of Dallas for

recapture or claw-back amounts or indemnification obligations first arising or accruing after a Landlord Transfer, then except for obligations relating to Owner's failure to complete the Improvements as provided in the Abatement Agreement, or (b) Developer's failure to complete the Investment Requirement as provided in the Abatement Agreement (of which Landlord's Investment Requirement is \$76 Million Dollars), Tenant acknowledges and agrees that Tenant shall indemnify, defend, and hold Landlord harmless against any claims by the City of Dallas against Landlord for any such amounts or obligations under the TIP Documents that relate to matters first arising or accruing after a Landlord Transfer without obtaining the Director's consent in accordance with the Abatement Agreement (which indemnification and hold harmless obligations shall survive the expiration or earlier termination of the Lease). Notwithstanding the foregoing, if the claw-back or recapture arises from or in relation to any act or omission of the party succeeding to Landlord's successor in interest from the sale of the Property to such party, then such party shall be liable to Tenant for contribution.

Tenant shall pay (or reimburse Landlord for as Additional Rent) Landlord's actual out of pocket expenses related to pursuit of the Tax Incentive Program, including, but not limited to, attorneys' fees incurred by Landlord, not to exceed Five Thousand Dollars (\$5,000.00) and any other claims, refunds, or expenses arising out of Tenant's failure to timely comply with all of the terms and conditions of the Tax Incentive Program and the provisions of the Lease related thereto. In addition, notwithstanding anything in the Lease to the contrary, the benefit of any other entitlements or incentives applicable to the Demised Premises shall be passed through to Tenant, including but not limited to any redevelopment agreement reimbursements, and, further, Tenant must approve in writing any special taxing, levy, redevelopment or overlay districts, development or redevelopment plans or agreements or any other public-private partnership or quasi-public agreements applicable to the Project which would result in payments in lieu of taxes, reimbursements for development costs special taxes, levies or assessments applicable to the Demised Premises."

3. Lease Commencement Date. Section 1(e) of the Existing Lease is hereby deleted in its entirety and replaced with the following:

"(e) Lease Commencement Date: May 1, 2022. Notwithstanding anything to the contrary contained in the Lease, and for all purposes under the Lease, the establishment of the Lease Commencement Date in this Section 1(e) shall not vary and is not tied to the date of Substantial Completion unless there is a delay in Substantial Completion associated with a Force Majeure Delay."

4. Substantial Completion. The Existing Lease is hereby amended by deleting "November 1, 2021" appearing in Section 18(e) and Section 18(f) and replacing it with "March 25, 2022".

5. Outside Dates. The Existing Lease is hereby amended by deleting Section 18(h) in its entirety and replacing it with the following:

“(h) Notwithstanding the provisions of subsection (c) above:

(i) First Outside Date. In the event that Landlord is unable to Substantially Complete the Landlord’s Work on or before April 9, 2022, as such date is extended by any Delay first arising or accruing after the Effective Date (the "First Outside Date"), Tenant shall receive, as liquidated damages and as Tenant’s sole and exclusive remedy, a credit against Base Rent equal to two (2) days of Base Rent for each day Substantial Completion was delayed beyond the First Outside Date (excluding any days of Tenant Delay) until said credit is fully realized by Tenant, the application of which credit shall begin on the Lease Commencement Date.

(ii) Second Outside Date. In the event that Landlord is unable to Substantially Complete the Landlord’s Work on or before May 9, 2022, as such date is extended by any Delay first arising or accruing after the Effective Date (the "Second Outside Date"), Tenant shall receive, as liquidated damages and as Tenant’s sole and exclusive remedy, a credit against Base Rent increased to equal three (3) days of Base Rent for each day Substantial Completion was delayed beyond the Second Outside Date (excluding any days of Tenant Delay) until said credit is fully realized by Tenant, the application of which credit shall begin on the Lease Commencement Date.

.”

6. Project Schedule. The Existing Lease is hereby amended by deleting Exhibit “D” in its entirety and replacing it with the Exhibit “D” attached to this Amendment.

7. Landlord’s Warranty. The Existing Lease is hereby amended by deleting “the Lease Commencement Date” appearing in the first sentence thereof and replacing it with “Substantial Completion”.

8. Brokerage. Each party represents and warrants to the other party that neither party has employed nor dealt with any broker, agent or finder in the negotiations of this Amendment and each party shall indemnify and hold the other party harmless from and against any liability, claim, damage, cost or expense in the event of the inaccuracy of such representations and warranties.

9. Lease in Full Force and Effect. This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. The Existing Lease, as hereby amended, is hereby ratified, confirmed and continued in all respects, and all covenants, terms and conditions of the Existing Lease, as hereby amended, are hereby incorporated herein by this reference. In the event of any inconsistency between the provisions of the Existing Lease and this Amendment, the provisions of this Amendment shall govern and control.

10. Governing Law. This Amendment shall be construed and interpreted under the laws of the State of California.

11. Transferees, Successors and Assigns. This Amendment shall inure to the benefit of and shall be binding upon Landlord, Tenant, and their respective transferees, successors and assigns.

12. Execution Counterparts. This Amendment may be executed in multiple counterparts, each of which shall constitute an original, but all of which taken together shall constitute one document. Delivery of a .pdf or other electronic counterpart of this Amendment executed by a party hereto shall be deemed to constitute delivery of an original hereof executed by such party.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, Landlord and Tenant have entered into this Amendment under seal as of the day and year first written.

LANDLORD:

CORE5 INDUSTRIAL PARTNERS LLC, a
Delaware limited liability company

By: 

Name: Timothy J. Gunter

Its: President and CEO

[Signatures Continue on Following Page]

TENANT:

KEHE DISTRIBUTORS, LLC, a Delaware
limited liability company

DocuSigned by:

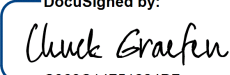
By: 
Name: Chuck Graefen
Its: Vice President of Distribution Support

Exhibit 1

Offer Letter

DALLAS ECONOMIC DEVELOPMENT

May 8, 2020

Bob Westover
Senior Vice President - Colliers International
71 S. Wacker Drive
Suite 3700
Chicago, IL 60606
Via Email: bob.westover@colliers.com

RE: CONFIDENTIAL INCENTIVE INFORMATION – Project Wrigley

Dear Mr. Westover

Thank you for contacting the City of Dallas Office of Economic Development regarding Project Wrigley. We appreciate you and your client's interest in Dallas and want to make the company's selection of Dallas easy and effortless.

It is our understanding that the following assumptions apply to Project Wrigley:

- **OVERVIEW:** A specialty food distributor ("Company") is looking for a build to suit distribution center site in southern Dallas which will consolidate two existing facilities located in Dallas and Flower Mound. Construction is expected to commence by Q3 2020, with operations to begin approximately 12-16 months after groundbreaking.
- **LOCATION:** The Company is considering a site located on Bonnie View Road south of I-20 for the purpose of constructing an approximately 995,000 square foot facility (the "Bonnie View Site").
- **EMPLOYMENT:** The Company intends to create 75 new permanent, full-time jobs ("Jobs") at the Bonnie View Site, with hiring by December 31, 2022. Additionally, the Company will relocate an additional 500 Jobs to the Bonnie View Site by December 31, 2021. The average annual wage for Company employees will be \$40,000, not inclusive of overtime, bonuses, benefits, or other non-salary items.
- **INVESTMENT:** Project Wrigley estimates a total capital investment of approximately \$81 million at the Bonnie View Site, which will include investments by the property owner ("Owner") and the Company as tenant. The \$81 million investment includes construction and other real property improvements costs of \$76 million (\$72 million in construction costs by Owner and \$4 million in tenant improvements by Company) Additionally, the Company will invest \$5 million in business personal property (FF&E).

Office of Economic Development
1500 Marilla Street, Room 5C South
Dallas, Texas 75201
214-670-9942
Dallas-EcoDev.org



City of Dallas

CONFIDENTIAL INCENTIVE INFORMATION – Project Wrigley

Based on our understanding of the project, our office proposes the following incentive package to support the selection of Dallas as the location for Project Wrigley's new fulfillment center:

1. **PROPERTY TAX ABATEMENT:** The Office of Economic Development would like to offer a real property tax abatement ("Abatement") for a period of ten years in an amount equal to the City taxes assessed on up to ninety percent (90%) of the increased value of the Company's real property at the Bonnie View Site;

The Abatement will begin on January 1 of the year after the Company confirms completion and occupancy of the new facility on the Bonnie View Site and that it has hired the minimum required number of employees ("Minimum Employee Count") as described in (d) below. The amount of the abatement in any year will be determined by the percentage of employees of the abatement recipient who are residents of the City of Dallas, as outlined below:

Percentage of minimum employees who are residents of the City of Dallas ¹	Company Real Property Tax Abatement Percentage
40% or greater	90%
30-39%	75%
0% to 29%	0%

The tax abatement will be contingent upon the following key provisions:

- a) Company's lease of the 995,000 square foot fulfillment center ("Facility") on the Bonnie View Site by June 30, 2021.
- b) Complete construction by Owner (as developer of the Facility) or at Company's direction on behalf of Company of a minimum 995,000 square foot fulfillment center on the Bonnie View Site no later than June 30, 2022, as evidenced by a certificate of occupancy.
- c) Operation of the constructed fulfillment center shall commence no later than June 30, 2022, and Company shall continuously occupy and operate the entire facility during the term of the Abatement.

¹ This includes new workers who choose to live in Dallas once they are hired. Local residence compliance will not be conducted until the minimum 575 FTE jobs are relocated/created.

CONFIDENTIAL INCENTIVE INFORMATION – Project Wrigley

- d) **Minimum Employee Count:** Company shall retain and/or create a minimum of 575 FTE Jobs at the Bonnie View Site by June 30, 2023. The minimum employee count must be continuously maintained throughout the term of the Abatement.
- e) **Minimum Salary Requirement:** All employees of Company in Dallas shall be paid a minimum wage of \$15/hour. This amount does not include overtime, bonuses, benefits, or other non-salary items. The minimum salary requirement is applicable throughout the term of the Abatement.
- f) **Average Annual Wage:** Company's employees shall be paid an annual average wage not less than \$40,000. The minimum annual average wage requirement is applicable throughout the term of the incentive agreements.
- g) **Minimum Capital Investment:** Company shall document, to the satisfaction of the Director of the Office of Economic Development, a total minimum capital investment of \$76 million of real property (building) capital investments. This investment shall not include any amounts spent on developer fees or other profit line items, attorney fees, or the purchase price of the Bonnie View Site land.
- h) **Job Fairs:** Company shall conduct or participate in one job fair by December 15, 2022, at locations in the City of Dallas approved by the Director of the Office of Economic Development ("Director") to facilitate the recruitment and hiring of residents of the City of Dallas. Company should coordinate with the Director on how to properly document this requirement (usual documentation includes on-line posting, newspaper ads, video, sign-in sheets, etc).
- i) **Minority/Women-owned Business Enterprises (M/WBE):** Company shall undertake a good faith/best effort to comply with the City's Business Inclusion and Development goal of 25% participation by MWBE for construction and construction-related expenditures incurred by or on behalf of the Company in Dallas, which includes construction of the facility to be leased to the Company. Compliance will be coordinated with the City's Office of Business Diversity, and Company shall meet with the Office of Business Diversity prior to executing any incentive agreement.
- j) **Workforce Development:** On or before December 31, 2021, the Company shall either (i) execute agreements with both the Dallas Independent School District and the Richardson Independent School District to participate as an Industry Partner in the Pathway to Technology Early College High School (P-Tech) programs of each school district, or (ii) negotiate another workforce training or educational program with one or more local high schools, community colleges, or universities that is acceptable to the Director of the Office of Economic Development. Office of Economic Development staff are available to make introductions to any such educational partners.

CONFIDENTIAL INCENTIVE INFORMATION – Project Wrigley

- k) Company shall, upon request, permit staff from the Office of Economic Development access to the facility to review all records and document related to the obligations contained herein to monitor compliance with the City incentive agreement.
- l) Company shall provide written annual reports to the Office of Economic Development regarding compliance with the City incentive agreement.
- m) Failure to comply with the terms of the incentive agreement may result in recapture and/or repayment of all or part of the incentives.
- n) If an incentive agreement is not executed by July 30th, 2021, the incentives are revoked.

In addition to the incentive listed above, we encourage your client to consider the Recruit Texas program. This is a new state program to provide support to employers relocating operations to Texas. The program is modeled on Louisiana FastStart and Georgia Quick Start and can help employers recruit and train their workforce in partnership with a local college. For more information, please contact Prady Mahale with the Texas Workforce Commission at Pradyumna.Mahale@twc.state.tx.us, or our staff can arrange a meeting for you.

Please note that all proposed incentives require approval by resolution of the Dallas City Council. The City Council approval process takes approximately 90 days to complete from the time the parties agree to the terms of this incentive offer letter.

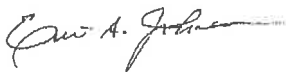
Please note that jobs relocated or created, and investment costs incurred, prior to the date of the city council resolution approving the incentives do not count toward the minimum performance requirements described in this letter.

Please also note that any public announcement of the selection of Dallas for Project Wrigley prior to City Council approval may result in the revocation of this offer.

Please have both the Company and the Developer/Facility Owner sign below to indicate acceptance of the proposed terms on behalf of your client. This letter supersedes all prior written communications.

If you have any questions, please do not hesitate to contact David Schleg at 214-671-9824 or david.schleg@dallascityhall.com. We look forward to working with you and welcoming Project Wrigley to the Dallas business community.

Best regards,



Dr. Eric Anthony Johnson
Chief of Economic Development and Neighborhood Services

CONFIDENTIAL INCENTIVE INFORMATION – Project Wrigley

Cc: Courtney Pogue, Director, Office of Economic Development
Zarin Gracey, Managing Director, Office of Business Diversity
Robin Bentley, Assistant Director, Office of Economic Development
David Schleg, Business Development Coordinator

ACCEPTED AND ACKNOWLEDGED	ACCEPTED AND ACKNOWLEDGED
COMPANY	PROPERTY OWNER
<i>Kelle Distributors</i>	C5LC AT BONNIE VIEW, LLC A Delaware Limited Liability Company
Name: <i>Eddie Adonis</i>	<i>Linda D. Booker</i>
Title: <i>Vice President Operations</i>	Name: Linda D. Booker
<i>[Signature]</i>	Title: <i>Secretaty and CFC</i>

Exhibit 2

Abatement Agreement

Resolution No. 20-1168
Approved August 12, 2020

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

**REAL PROPERTY TAX ABATEMENT
WITH C5LC AT BONNIE VIEW, LLC AND KEHE DISTRIBUTORS, LLC**

This **REAL PROPERTY TAX ABATEMENT AGREEMENT** (the “**Agreement**”) is entered into by and between the City of Dallas, a Texas municipal corporation of Dallas County, Texas (hereinafter called the “**City**”), and C5LC at Bonnie View, LLC, a Delaware limited liability company, or an affiliate thereof acting by and through its authorized officers, (hereinafter called “**Owner**”), and KeHE Distributors, LLC, a Delaware limited liability company, or an affiliate thereof (hereinafter called “**KeHE**” or “**Tenant**”). Owner and Tenant are authorized to do business in Texas. Owner and Tenant shall be referred to collectively as “**Developer**” or “**Developers**.” City, Owner, and Tenant may be referred to individually as a “**Party**” and jointly as the “**Parties**.”

W I T N E S S E T H:

WHEREAS, Owner plans to develop and then lease to KeHE certain Property (hereinafter defined) located entirely within the City of Dallas, Texas; and

WHEREAS, the City enters into this Agreement to provide the incentives described herein to ensure the development and operation of the Property as an approximately 995,000 square foot distribution center (the “**Project**”) thereby securing the public purposes of development and diversification of the economy of the state and the expansion of commerce in the state; and

WHEREAS, pursuant to Resolution No. 19-1959, approved by the City Council on December 11, 2019, the City: (1) authorized the continuation of its Public/Private Partnership Program - Guidelines and Criteria, which established certain guidelines and criteria for the use of City incentive programs for private development projects; and (2) established programs for making loans and grants of public money to promote local economic development and to stimulate business and commercial activity in the City of Dallas pursuant to the Economic Development Programs provisions under Chapter 380 of the Texas Local Government Code; and

WHEREAS, the Property (defined herein) is located within a State of Texas Enterprise Zone, and the contemplated improvements to and the use of such Property as set forth in this Agreement are consistent with encouraging development of said zone in accordance with the purposes for its creation and are in compliance with the City’s Public/Private Partnership Program Guidelines and Criteria and all applicable laws; and

WHEREAS, Section 312.2011 of the Texas Tax Code, the Property Redevelopment and Tax Abatement Act, provides that designation of an area as an enterprise zone under the Texas

Enterprise Zone Act constitutes designation of the area as a reinvestment zone without further hearing or other procedural requirements; and

WHEREAS, enterprise and reinvestment zones were established by the City to maintain and/or enhance the economic and employment base in the zone areas to the long term interest and benefit of the City and the zones; and

WHEREAS, the City Council found that the terms of this Agreement comply with the criteria and requirements in the City's Public/Private Partnership Program Guidelines and Criteria adopted by the City Council; and

WHEREAS, notice of the City's intention to enter into the Tax Abatement (defined herein) was delivered at least seven days prior to the date of execution of this Agreement, to the respective presiding officers of the governing bodies of the taxing units that include within their boundaries the Property that is the subject of this Agreement; and

WHEREAS, this Agreement was approved by the affirmative vote of a majority of the members of the City Council at a regularly scheduled meeting.

NOW THEREFORE, the Parties hereto agree as follows:

SECTION 1. PROPERTY

A. Property. Owner represents that it is the owner and holds full legal and equitable title to that certain approximately 80.897 acre tract of real property located at the southeastern corner of Bonnie View Road and Logistics Drive in the City of Dallas, Dallas County, Texas and more particularly described in the metes and bounds description attached herein as **Exhibit A**, which is made a part of this instrument for all purposes (the "**Property**"). The Property is located entirely within the city limits of the City of Dallas and within a Texas Enterprise Zone. The Property is further shown on the map attached hereto as **Exhibit B** and made a part hereof.

B. Lease Requirements. KeHE shall execute a lease agreement (the "**Lease Agreement**") with Owner on or before **June 30, 2021** (the "**Lease Requirement**") for an approximately 995,000 square foot distribution center located on the Property ("**Facility**"). The Lease Agreement shall continue through the duration of the Tax Abatement Period (defined herein). KeHE shall commence operation of the Facility no later than **June 30, 2022** and shall continually occupy the entire Facility during the Tax Abatement Period. For purposes of the real property Tax Abatement (defined herein) granted herein, the Property shall include only the portions of the Property that are leased to KeHE.

1. Any Facility lease assignment by KeHE or transfer of the Lease Agreement by KeHE to a third party or occupational arrangement by KeHE with a subtenant/subleasing entity without prior approval of the City Council by resolution ("**Unauthorized Assignment**") is a default of this Tax Abatement Agreement and, in the event of an Unauthorized Assignment, all of Facility's rights under this Tax Abatement Agreement shall automatically terminate.

C. Benefit of Tax Abatement Inures to both the Owner and Tenant. Pursuant to the Lease

Agreement, Owner and Tenant have contractually agreed to the tax liabilities for the ad valorem taxes on the Property. Owner and Tenant acknowledge that the benefit of the Tax Abatement granted herein inures to both Owner and Tenant.

D. Property Ownership. At the time of execution of this Agreement, the Property is not located in an improvement project financed by tax increment bonds and does not include any property that is owned or leased by a member of the City Council or by a member of the City Planning Commission.

SECTION 2. TERM

This Agreement must be executed not later than **July 30, 2021**. The term of this Agreement shall begin on the date of execution and end on the expiration of the Tax Abatement Period. Developer's liability for Recapture Liability, Taxes Retroactively Due and indemnification provided herein, however, shall survive the expiration of the Tax Abatement Period and any assignment of this Agreement if the Assignee is unable or unwilling to repay the City.

SECTION 3. IMPROVEMENTS

A. Real Property Investment Requirement. As a condition precedent to the Tax Abatement pursuant to this Agreement, Owner and KeHE agree to make certain real property improvements to the Property as further described in **Exhibit C** attached hereto with a minimum capital investment of **\$76,000,000.00** in construction-related hard and soft costs with respect to the Property if incurred or paid after **August 12, 2020** (hereinafter referred to as the "**Improvements**"). The costs of the Improvements shall not include any amounts spent on developer fees or other profit line items, attorney fees, or the purchase price of the Property.

B. Completion Date. The Improvements shall be Completed (defined below) on or before **June 30, 2022** (the "**Completion Date**"). The Director of the Office of Economic Development (the "**Director**") may, in his or her sole discretion, extend the Completion Date and any other material date in this Agreement, for up to six months for just cause. Developers shall submit a written request for such extension to the Director no less than 60 days prior to the Completion Date or other material date. "**Completion**" of the Improvements shall be defined as the date a certificate of occupancy is issued by the City for such Improvements.

C. Maintenance of the Improvements. Developers shall maintain the Improvements during the term of this Agreement in accordance with all applicable federal, state and local laws, codes and regulations. During the term of this Agreement and upon written notice to the Developers, the City, its agents and employees shall have a continuing right of access to the Property to inspect Improvements during regular business hours in order to ensure that the Improvements are completed, maintained and operated in accordance with this Agreement and all applicable federal, state and local laws and regulations.

D. Land Use. Developers acknowledge that the availability of the Tax Abatement in any given year may depend (subject to the City Manager's approval referenced below) on Developers continuously operating and maintaining the Property as a distribution center. Any other activity conducted at the Property not provided for in this Section must be approved by the Director and shall comply with local zoning and all applicable federal, state and local laws. Failure to receive

Director approval for any other activity conducted at the Property shall be a default and may result in termination of this Agreement, in whole or in part, as provided in Section 8 of this Agreement.

SECTION 4. ADDITIONAL COMMITMENTS

Developers shall comply with all the following additional requirements. Requirements (A) through (F) and (H) within Section 4 (below) shall be collectively referred to herein as the "Workforce and Hiring Requirements":

A. Non-Discrimination. Developers covenant that they will not discriminate in the treatment or employment of any individual or group of individuals on the grounds of race, color, religion, national origin, age, sex, sexual orientation or handicap unrelated to job performance, either directly or indirectly or through contractual or other arrangements. The Parties hereto hereby acknowledge and agree that Developer's compliance with the hiring and employment requirements of this Agreement, including, without limitation, compliance with Section 4.G. below, shall not constitute the basis of a claim that Developer has discriminated in violation of this Section.

B. Certification Regarding Undocumented Workers. Developers have signed the statement attached hereto as **Exhibit D** certifying that Developers, or a branch, division, or department of Developers' business or businesses, do not and will not knowingly employ undocumented workers, and have agreed to abide by the requirements of Chapter 2264 of the Government Code.

C. Minimum Employment Requirement. As a condition of and in consideration for the Tax Abatement, KeHE shall retain and/or create a minimum of 575 permanent Full Time Equivalent jobs (defined below) at the Facility (collectively the "**Minimum Employment Requirement**") on or before **June 30, 2023**. KeHE shall continuously maintain the Minimum Employment Requirement throughout the term of the Tax Abatement. Full-Time Equivalent Job ("**FTE Job**" or "**FTE**") shall mean a position for which an individual is expected or scheduled to work at minimum 40 hours in a one-week period and receive a benefits package.

D. Minimum Salary / Minimum Wage. KeHE shall provide and maintain a minimum FTE hourly wage of \$15.00 per hour (excluding benefits) over the term of the Tax Abatement Period for FTE employees based at the Facility.

E. Average Annual Wage. KeHE shall provide and maintain an average annual FTE salary of not less than \$40,000.00 (wages only, excluding benefits) over the term of the Tax Abatement Period for FTE employees based at the Facility.

F. Local Hiring Requirement / Workforce Training Requirement. KeHE shall conduct or participate in at minimum one job fair by **December 15, 2022**, at locations in the City of Dallas approved by the Director to facilitate the recruitment and hiring of residents of the City of Dallas for the Facility. KeHE shall coordinate with the Director on how to properly document completion of this requirement (examples of documentation include on-line posting, newspaper ads, video, sign-in sheets, etc.) (the "**Job Fair Requirement**").

G. Business Inclusion and Development Requirement. Owner shall undertake a good faith/best effort to comply with the City's Business Inclusion and Development ("**BID**") goal of 25% participation by Minority/Women-owned Business Enterprises ("**M/WBE**") for construction

and construction-related expenditures associated with the Facility incurred by or on behalf of Owner. Documentation/reporting of a good faith effort (“**Good Faith Effort**”) shall be provided at the request of the City’s Business Inclusion and Development office.

1. Good Faith / Best Effort. For purposes of this Agreement a good faith/best effort shall include but is not limited by the following: Owner shall award the contract for the Improvements to the most advantageous bidder as determined by Owner through a private bid process established and administered by Owner. Before bid solicitation: (i) City Business Development and Procurement Service staff will provide Owner listing of certified M/WBE contractors by scopes of work, and (ii) Owner shall provide City a listing of additional contractors categorized by scopes of work. Owner shall then request each contractor’s relevant qualifications relative to its stated scope of work. Thereafter, City and Owner shall agree on a pre-certified list (the “**BID List**”) with not more than five contractors for each bid item to be used for solicitation, and Owner shall issue bid packages to the certified BID List. Upon request by City, Owner shall hold informational meetings and provide the following: (1) an overview of the bid to the prospective contractors and (2) an opportunity for prospective contractors to meet one-on-one with Owner or its representatives. Owner shall receive and open bids and bids will be awarded by Owner after they are reviewed and evaluated by the Owner. Owner shall notify City in the event of any substitution of contractors and evidence that Owner made additional contact with M/WBE contractors for substitution. The City and Owner acknowledge and agree that the compliance with the foregoing shall be considered “good faith” and “best efforts” by the Owner for the purpose of achieving the participation goal set forth above.

H. Workforce Development. On or before **December 31, 2021**, KeHE shall either (i) execute agreements with the Dallas Independent School District and the Richardson Independent School District to participate as an industry partner in the Pathway to Technology Early College High School (P-Tech) programs of each school district, or (ii) negotiate another workforce training or educational program with one or more local high schools, community colleges, or universities that is acceptable to the Director.

SECTION 5. TAX ABATEMENT

A. Real Property Tax Abatement. Subject to Developers meeting all conditions and requirements outlined herein and Owner providing written documentation evidencing that the Improvements were Completed on or before the Completion Date, and or by such later date if extended pursuant to Section 3.B. above, the City will grant a real property tax abatement to Owner, subject to all of the terms and conditions of this Agreement and subject to the rights and holders of any outstanding bonds of the City, on a portion of the City ad valorem taxes assessed on the increased value of the Property and Improvements otherwise owed to the City in accordance with the requirements below (“**Tax Abatement**”). For these purposes, the increased value of Property and Improvements is the amount of the difference between the fair market value of the Property and Improvements (**but not including the value of personal property, machinery, inventory, supplies, or other property that is taxed separately from the land and buildings**) as shown on the tax rolls of the Dallas Central Appraisal District as of **January 1, 2020**, and the fair market value of said Property and Improvements as shown on such tax rolls on January 1 of

the year of calculation, as finally determined by the Dallas Central Appraisal District. The Tax Abatement shall be an amount equal to the City ad valorem taxes assessed up to 90% on the increased taxable value of the Property and Improvements. To ensure KeHE exercises best efforts to meet and maintain a Local Hiring Requirement of at least 40% FTE employees who are residents of the City of Dallas, the amount of the Tax Abatement each year shall be reduced in the manner described below. As of January 1 of each year of the Tax Abatement, respectively, if the percentage of KeHE's FTE employees working at the Facility who are residents of the City of Dallas:

1. is forty percent (40%) or greater, Owner's Tax Abatement shall be ninety percent (90%) of the increased value of the Owner's real property for the year applicable;
2. is thirty to forty percent (30%-40%), Owner's Tax Abatement shall be seventy-five percent (75%) of the increased value of the Owner's real property for the year applicable; or
3. is twenty-nine percent (29%) or lower, Owner's Tax Abatement shall be zero (0) for the year applicable.

Owner shall have the right to protest and/or contest any assessment of the Property and Improvements and said Tax Abatement shall be applied to the amount of taxes finally determined to be due as a result of any such protest and/or contest. Owner shall be eligible to receive the Tax Abatement for a period of **ten (10) years ("Tax Abatement Period")** beginning on or before **January 1** of the year after Completion and occupancy of the Facility by Tenant, subject to the terms and conditions of this Agreement. Each Tax Abatement, once earned by Owner, shall continue for the duration of the Tax Abatement Period and shall not be lost through force majeure events, except in an event of default as specified below.

B. **Enforcement of Tax Abatement.** It is understood and expressly agreed by Developers that the City does not warrant or guarantee that the granting of the Tax Abatement as provided for in this Agreement will be upheld as valid, lawful, enforceable or constitutional in the event the statutory authority for same or the City's use thereof is challenged by court action. In the event such court action results in the loss of the Tax Abatement as provided herein, Developers shall be solely responsible for the payment of all taxes due, including all taxes that otherwise would have been paid to the City without the benefit of the Tax Abatement, without recourse to the City, and without any obligation by the City to reimburse same back to Developers and without any right of reduction of Developers' obligations hereunder.

SECTION 6. OFFSET

The City may, at its option, offset any amounts due and payable under this Agreement against any debt (including taxes or amounts due under any agreement with the City) lawfully due to the City from Developers, regardless of whether the amount due arises pursuant to the terms of this Agreement or otherwise and regardless of whether or not the debt due to the City has been reduced to judgment by a court.

SECTION 7. NOTICE OF CONTRACT CLAIM

This Agreement is subject to the provisions of Section 2-86 of the Dallas City Code, as amended, relating to requirements for filing a notice of a breach of contract claim against the City. Section

2-86 of the Dallas City Code, as amended, is expressly incorporated by reference and made a part of this Agreement as if written word for word in this Agreement. Developers shall comply with the requirements of this ordinance as a precondition of any claim relating to this Agreement, in addition to all other requirements in this Agreement related to claims and notice of claims.

SECTION 8. DEFAULT, TERMINATION, RIGHT TO CANCEL, RECAPTURE OF TAX ABATEMENT AND ENFORCEMENT OF RECAPTURE LIABILITY AND TAXES RETROACTIVELY DUE

A. Events of Default. A default shall exist if any one or more of the following occurs: (a) Owner fails to complete the Improvements as provided herein, (b) Developers fail to complete the Investment Requirement as provided herein, (c) KeHE fails to fulfill the Workforce and Hiring Requirements described in Section 4, (d) Developers or a branch, division, or department of Developers' business is convicted of a violation under 8 U.S.C. Section 1324(a), for the unlawful employment of aliens, (e) Owner allows its ad valorem taxes owed to the City to become delinquent (provided that Owner retains its right to timely and properly follow the legal procedures for protest and/or contest of any such ad valorem tax), (f) Developers fail to certify in a written report to the City by **April 15** of each year throughout the term of this Agreement that Developers are in compliance with each applicable requirement of the Tax Abatement per Section 5 above; (g) Developers fail to obtain either (1) written approval from the Director at least 30 days prior to a change in the use of the Property, or (2) written approval from the Director prior to Owner's assignment of all or a portion of the Property to a new owner, or (3) notify the Director of the assignment or transfer of the Lease Agreement or sublease of the Facility to a new KeHE-affiliated tenant; (h) if Tenant fails to occupy and/or operate the entire Facility for longer than 30 days during the Tax Abatement Period; or (i) Developers breach any of the terms or conditions of this Agreement or if any statement, warranty or representation contained herein is false. In the event that the Developers default in their performance under either clause (a), (b), (c), (d), (e), (f), (g), or (i) above, or any other covenant herein, then the City shall give Developers written notice of such default, and if Developers have not cured such default within 30 days of said written notice ("Cure Period"), the Owner shall forfeit the Tax Abatement and City may terminate this Agreement without further written notice. In the event that the Developers default in their performance under clause (h) during any given year within the Tax Abatement Period, the Tax Abatement shall be lost for that year, and if Tenant fails to resume occupation and/or operation of the entire Facility within the Cure Period, the City may terminate the Agreement without further written notice. Additionally, in the event that KeHE is unable to meet or to maintain the Workforce and Hiring Requirements (per clause (c) above) as part of the Owner's Annual Exemption Application (per Section 10) the Tax Abatement shall be lost for that applicable year if not resolved within the 30 day Cure Period noted above. If the Workforce and Hiring Requirements breach remains uncured in the subsequent year, the Owner will again forfeit the Tax Abatement for the subsequent year and this Agreement will terminate. . The City may exercise any and all remedies available to it under this Agreement, at law or in equity including termination. Notice shall be provided in accordance with Section 15 hereof.

B. Automatic Termination. The Agreement shall terminate upon assignment of the Facility lease by KeHE or transfer of the Lease Agreement by KeHE to a third party or the occurrence of any other occupational arrangement by KeHE with a subtenant/subleasing entity without prior approval of the City Council. Notice shall be provided in accordance with Section 15 hereof.

C. Recapture Liability. In the event of default (which is not cured within the applicable time period) under clauses (a), (b), or (d) in Section 8.A. above, all taxes which otherwise would have been paid to the City without the benefit of the Tax Abatement (but were in fact not paid by reason of the Tax Abatement), including interest and penalties thereon (collectively with such taxes, “**Recapture Liability**”), will become a debt to the City from Owner and shall be due, owing and paid to the City by Owner within 60 days of the expiration of the above-mentioned applicable cure period. Such Recapture Liability shall be equal to all taxes which would otherwise have been paid to the City from the beginning of the Tax Abatement Period to the date of termination (interest and penalties will be charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas). In the event of a default and termination as described under clause (d) in Section 8.A. above, Developers shall repay City in accordance with **Exhibit D**.

D. Taxes Retroactively Due. Additionally, Owner shall pay liquidated damages to the City in the event of default (which is not cured within the applicable time period) under clause (c), (e), (f), (g) (h) or (i) in Section 8A or Section 8B above in an amount equal to all taxes for the year (or years) in which such default occurs, which otherwise would have been paid to the City without the benefit of Tax Abatement (but were in fact not paid by reason of the Tax Abatement), including interest and penalties thereon charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas) (collectively with such taxes, “Taxes Retroactively Due”). Taxes Retroactively Due will become a debt to the City from Owner and shall be due, owing and paid to the City by Owner within 60 days of the expiration of the above-mentioned applicable Cure Period. For purposes of this section, there will be no recapture of amounts previously abated for years during which, in the City’s sole determination, Owner has complied with all the terms and conditions of this Agreement. The City and Owner acknowledge that actual damages in the event of default and termination would be speculative and difficult to determine.

E. Damages, Attorney’s Fees and Court Costs. This Agreement inures to the benefit of and is enforceable by the City. Developers hereby grant to the City the right to prosecute or take appropriate action, at law or in equity, against Developers to recover any Recapture Liability, Taxes Retroactively Due or to enforce any other covenant or agreement contained in this Agreement. If the City substantially prevails in a legal proceeding to enforce this Agreement against Developers, the City is further entitled to recover damages, reasonable attorney’s fees, and court costs from Developers. Any payment due to the City under this Agreement is a lien which attaches to the Property on January 1 of each year to secure the payment of all taxes, penalties, and interest ultimately imposed for the year on the Property.

-F. Binding Agreement. The covenants and agreements contained in this Agreement are covenants and agreements running with the land, are binding upon Developers and their successors-in-interest, assigns, administrators, beneficiaries, heirs, executors, and other legal representatives, and are binding upon any person, corporation or other legal entity having or acquiring any right, title or interest in or to any part of the Property from Developers.

SECTION 9. CONFLICTS OF INTEREST & GIFTS

A. Disclosure. Developers and their employees, agents or associates are required to make regular, timely, continual and full disclosures to the Director of all significant outside interests and

responsibilities that may give rise to a direct or indirect conflict of interest, including, but not limited to, any and all significant outside interests and responsibilities that could reasonably be expected to impair independence of judgment in each Parties' performance of all of the services under this Agreement. Such disclosures must be made no later than ten (10) days following the event giving rise to the potential or actual conflict of interest for the duration of the Agreement term. A potential or actual conflict of interest exists when commitments and obligations to the City or widely recognized professional norms are likely to be compromised in each Developers' performance of their duties under this Agreement by the existence of each Developers' other professional relationships, contracts, obligations, or commitments. Failure to disclose such a conflict of interest may result in the City's immediate termination of this Agreement by the City Manager.

B. Conflict of Interest. The following section of the Charter of the City of Dallas shall be one of the conditions of, and a part of, the consideration of this Agreement:

"CHAPTER XXII. Sec. 11. FINANCIAL INTEREST OF CITY EMPLOYEES OR CITY OFFICIALS PROHIBITED:

(a) No city official or employee shall have any financial interest, direct or indirect, in any contract with the city, or be financially interested, directly or indirectly, in the sale to the city of any land, materials, supplies or services, except on behalf of the city as a city official or employee. Any violation of this section shall constitute malfeasance in office, and any city official or employee guilty thereof shall thereby forfeit the city official's or employee's office or position with the city. Any violation of this section, with knowledge, express or implied, of the person or corporation contracting with the city shall render the contract involved voidable by the city manager or the city council.

(b) The alleged violations of this section shall be matters to be determined either by the trial board in the case of employees who have the right to appeal to the trial board, and by the city council in the case of other employees.

(c) The prohibitions of this section shall not apply to the participation by city employees in federally-funded housing programs, to the extent permitted by applicable federal or state law.

(d) This section does not apply to an ownership interest in a mutual or common investment fund that holds securities or other assets unless the person owns more than 10 percent of the value of the fund.

(e) This section does not apply to non-negotiated, form contracts for general city services or benefits if the city services or benefits are made available to the city official or employee on the same terms that they are made available to the general public.

(f) This section does not apply to a nominee or member of a city board or commission, including a city appointee to the Dallas Area Rapid Transit Board. A nominee or member of a city board or commission, including a city appointee to

the Dallas Area Rapid Transit Board, must comply with any applicable conflict of interest or ethics provisions in the state law and the Dallas City Code.”

C. Gifts. The City may terminate this Agreement immediately if either Developer has offered or agreed to confer any benefit upon a City employee or official that a City employee or official is prohibited by law from accepting. For purposes of this Section, “benefit” means anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any person in whose welfare the beneficiary has a direct or substantial interest, but does not include a contribution or expenditure made and reported in accordance with law. Notwithstanding any other legal remedies, the City may require Developers to remove any employee who has violated the restrictions of this Section or any similar state or federal law and obtain reimbursement for any expenditures made as a result of the improper offer, agreement, or conferring of a benefit to a City employee or official.

SECTION 10. ANNUAL APPLICATION/CERTIFICATION FOR TAX EXEMPTION

It shall be the responsibility of Owner, pursuant to V.T.C.A., Tax Code, §11.43, to file an annual exemption application form with the chief appraiser for each appraisal district in which the Property is sited. In addition, pursuant to Section 312.205(a)(6) of the Property Redevelopment and Tax Abatement Act, as amended, (V.T.C.A. Tax Code, Chapter 312) Developers shall certify in a written report to the City by **April 15** of each year throughout the term of this Agreement that Developers have documented and are in compliance with each applicable term of this Agreement, including, but not limited to, providing a certified affidavit of compliance report, the Completion of the Improvements as provided in Section 3 above, and evidence of the payment of ad valorem taxes owed to the City by Owner. The exemption application and certification report shall be submitted to the City for review and approval prior to submission of the exemption application to the appraisal district. Failure of Owner to obtain City approval for the exemption application may result in the loss of the tax exemption for the year.

SECTION 11. ANNUAL YEAR-END REPORT OF COMPLIANCE

A. Reporting. It shall be the responsibility of Developers to submit compliance reports to the Director annually (“Annual Reporting Period”) on the progress in satisfying each of the conditions for the Tax Abatement granted herein over the term of the Agreement. The Annual Reporting Period will be January 1st through December 31st over the term of the Agreement. The reports shall be in a form reasonably acceptable to Director in his/her sole discretion and must be signed by an authorized signatory of each party. The progress reports shall be submitted to the Director within 45 days after the end of each Annual Reporting Period.

B. Documentation. Report documentation may include, but is not limited to, invoices, job employment lists, state and local tax reports and notarized affidavits as requested by the City from Developers. The Director, in consultation with the City’s Chief Financial Officer and Director of the Office of Budget, is authorized to make appropriate arrangements with Developers to meet the documentation, verification, or other necessary requirements to fulfill the annual reporting purposes described herein.

C. Other. Developers are subject to any other reporting requirements as described in this Agreement.

SECTION 12. CONFIDENTIALITY

The City acknowledges that Developers possess certain sensitive, private information gathered from its clients, employees, business partners, and other entities (“**Private Information**”). Except as necessary to comply with the reporting requirements described in the Agreement, Developers shall take reasonable precautions to eliminate the providing of Private Information to the City. To the extent any Private Information must be provided pursuant to this Agreement, Developers shall make every reasonable effort to minimize the Private Information provided. Where employee names must be provided, Developers shall use first name and first initial of the employee’s last name to identify the employee. These confidentiality provisions are not intended to limit each Developers ability to perform pursuant to the Agreement. If any Private Information must be provided, the City agrees, represents and warrants that it will take appropriate precautions not to disclose Private Information except as provided in this Agreement. Developers understand that the City is required to comply with the Texas Public Information Act (“TPIA”) when responding to records requests made under TPIA. If the City receives a request for information related to this Agreement, the City shall make a good faith attempt to notify Developers of its receipt of the request by the 10th business day, and Developers may seek a decision from the Texas Attorney General's Office identifying the exception or exceptions to disclosure believed to apply. The parties acknowledge that TPIA requires a brief to be submitted to the Attorney General's Office explaining why the claimed exceptions apply to the information at issue. The City shall not be obligated to submit the brief supporting those claimed exceptions; instead, Developers shall be solely responsible for submitting the brief and the documents at issue to the Attorney General's Office. The City shall only be responsible for providing such additional supporting information as the Attorney General's Office may need, if such information is in the sole possession of the City. Should the Texas Attorney General render a decision indicating that all or part of the information must be disclosed, the City shall be required to disclose the information unless Developers successfully challenge the Attorney General in accordance with the requirements of TPIA. Nothing in this Agreement shall require the City to institute or to participate in any litigation relating to a TPIA request for information that Companies consider to be confidential.

SECTION 13. SUCCESSORS AND ASSIGNS

The Tax Abatement shall vest in Owner and shall be assignable only to new owners of all or a portion of the Tax Abatement upon written approval of the assignment by Director. Such new owner must expressly assume all of the obligations of Owner under this Agreement for the balance of the term of this Agreement. Failure to obtain Director approval of an assignment to new owner(s) within 30 days of acquisition of all or a portion of the Improvements or Property from Developer may result in loss of the Tax Abatement for the year and/or termination of the Agreement in accordance with Section 8. Owner shall remain liable in the event of default triggering Recapture Liability, however, if the assignee is unable to pay.

SECTION 14. INDEMNIFICATION AND RELEASE

DEVELOPERS COVENANT AND AGREE TO INDEMNIFY, HOLD HARMLESS AND DEFEND, AT THEIR OWN EXPENSE, CITY AND ITS OFFICERS, AGENTS, SERVANTS, AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS OR SUITS FOR PROPERTY LOSS OR DAMAGE AND/OR PERSONAL INJURY, INCLUDING DEATH, TO ANY AND ALL PERSONS, OF WHATSOEVER KIND OR

CHARACTER, WHETHER REAL OR ASSERTED, ARISING OUT OF OR IN CONNECTION WITH THE EXECUTION, PERFORMANCE, ATTEMPTED PERFORMANCE, OR NONPERFORMANCE OF THIS AGREEMENT AND/OR THE OPERATIONS, ACTIVITIES, AND SERVICES OF THE ACTIVITIES DESCRIBED HEREIN; AND DEVELOPERS HEREBY ASSUME ALL LIABILITY AND RESPONSIBILITY OF CITY AND ITS OFFICERS, AGENTS, SERVANTS, AND EMPLOYEES FOR ANY AND ALL CLAIMS OR SUITS FOR PROPERTY LOSS OR DAMAGE AND/OR PERSONAL INJURY, INCLUDING DEATH, TO ANY AND ALL PERSONS, OF WHATSOEVER KINDS OR CHARACTER, WHETHER REAL OR ASSERTED, ARISING OUT OF OR IN CONNECTION WITH THE EXECUTION, PERFORMANCE, ATTEMPTED PERFORMANCE, OR NONPERFORMANCE OF THIS AGREEMENT AND/OR THE OPERATIONS, ACTIVITIES, AND SERVICES OF THE PROJECT DESCRIBED HEREIN.

DEVELOPERS LIKEWISE COVENANT AND AGREE TO AND DO HEREBY INDEMNIFY AND HOLD HARMLESS CITY FROM AND AGAINST ANY AND ALL INJURY, DAMAGE, OR DESTRUCTION OF PROPERTY OF CITY, ARISING OUT OF OR IN CONNECTION WITH ALL ACTS OR OMISSIONS OF DEVELOPER, ITS OFFICERS, MEMBERS, AGENTS, EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, INVITEES, LICENSEES, AND PROJECT PARTICIPANTS.

DEVELOPERS AGREE TO AND SHALL RELEASE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT.

DEVELOPERS SHALL REQUIRE ALL OF THEIR CONTRACTORS AND SUBCONTRACTORS AS SUCH AGREEMENTS RELATE TO THIS AGREEMENT TO INCLUDE IN THEIR AGREEMENTS AND SUBAGREEMENTS A RELEASE AND INDEMNITY IN FAVOR OF CITY IN SUBSTANTIALLY THE SAME FORM AS ABOVE.

THE INDEMNITY AND LIABILITY RELEASE PROVIDED FOR ABOVE SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OR FAULT OF CITY, ITS OFFICERS, AGENTS, EMPLOYEES OR SEPARATE CONTRACTORS, AND IN THE EVENT OF JOINT AND CONCURRING NEGLIGENCE OR FAULT OF CITY AND DEVELOPER, RESPONSIBILITY AND INDEMNITY, IF ANY, SHALL BE APPORTIONED IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS, WITHOUT WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.

THE PROVISIONS OF THIS SECTION ARE SOLELY FOR THE BENEFIT OF THE PARTIES AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY. THIS SECTION SURVIVES TERMINATION OR EXPIRATION OF THIS AGREEMENT.

SECTION 15. NOTICES

Except as otherwise provided in this Agreement, any notice, payment, statement, or demand required or permitted to be given under this Agreement by either party to the other may be affected by personal delivery in writing or by mail, postage prepaid. Mailed notices shall be addressed to the parties at the addresses appearing below, but each Party may change its address by written notice in accordance with this Section. Mailed notices shall be deemed communicated as of three (3) days after mailing.

If intended for the City, to:

Director
Office of Economic Development
City of Dallas
City Hall, Room 5CS
1500 Marilla Street
Dallas, Texas 75201

With a copy to:

City Attorney's Office
City Hall, Room 7DN
1500 Marilla Street
Dallas, Texas 75201
Attn: Economic and Community
Development Section

If intended for Developers, to:

Owner C5LC at Bonnie View, LLC
c/o Core5 Industrial Partners LLC
1230 Peachtree Street, Suite 3560
Atlanta, GA 30309
Attn: Linda Booker

Tenant KeHE Distributors, LLC

KeHe Distributors, LLC
1245 E. Diehl Road, Suite 200
Naperville, Illinois 60563
Attn: COO

With copy to:

KeHe Distributors, LLC
1245 E. Diehl Road, Suite 200
Naperville, Illinois 60563
Attn: Legal Department

SECTION 16. FORCE MAJEURE

In the event of a force majeure, Owner and/or Tenant shall, in writing, notify Director of such an event. Director shall make a decision as to whether a force majeure event under the terms of this Agreement is occurring within 60 days of notice from Developer. For this purpose, "force majeure" shall mean any contingency or cause beyond the reasonable control of Developer including, acts of nature or the public enemy; terrorist activities; riot; civil commotion; insurrection; state, local, federal government or de facto governmental action (unless caused by acts or omissions of Developer); fires or other casualty; explosions; floods; delays related to declared national, county or other governmental emergencies; incidence of disease or other illness that reaches outbreak, epidemic, or pandemic proportions. A force majeure event pauses a Party's performance obligation for the duration of the event, the termination of the event being determined solely by the Director, but does not excuse it. After the termination of the force majeure event, all deadlines shall be extended pursuant to the length of the force majeure event.

SECTION 17. VENUE

The obligations of the parties to this Agreement shall be performable in Dallas County, Texas, and if legal action is necessary in connection with or to enforce rights under this Agreement, exclusive venue shall lie in Dallas County, Texas.

SECTION 18. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws and court decisions of the State of Texas, without regard to conflict of law or choice of law principles of Texas or of any other state.

SECTION 19. COMPLIANCE WITH LAWS AND REGULATIONS

This Agreement is entered into subject to and controlled by the Charter and ordinances of the City of Dallas and all applicable laws, rules, and regulations of the State of Texas and the Government of the United States of America. Developers shall, during the course of performance of this Agreement, comply with all applicable City codes and ordinances, as amended, and all applicable State and Federal laws, rules and regulations, as amended.

SECTION 20. LEGAL CONSTRUCTION

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

SECTION 21. COUNTERPARTS

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. If this Agreement is executed in counterparts, then it shall become fully executed only as of the execution of the last such counterpart called for by the terms of this Agreement to be executed.

SECTION 22. CAPTIONS

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.

SECTION 23. CERTIFICATION OF EXECUTION

The person or persons signing and executing this Agreement on behalf of the Developers, or representing themselves as signing and executing this Agreement on behalf of the Developers, do hereby warrant and certify that he, she or they have been duly authorized by the Developers to

execute this Agreement on behalf of the Developers and to validly and legally bind the Developers to all terms, performances and provisions herein set forth.

SECTION 24. ACKNOWLEDGEMENT OF PROHIBITION ON CONTRACTS WITH DEVELOPERS BOYCOTTING ISRAEL

Pursuant to Section 2271.002, Texas Government Code, Developers hereby (i) represent that they do not boycott Israel, and (ii) subject to or as otherwise required by applicable federal law, including without limitation 50 U.S.C. Section 4607, agree they will not boycott Israel during the term of the Agreement. As used in the immediately preceding sentence, "boycott Israel" shall have the meaning given such term in Section 2271.001, Texas Government Code.

SECTION 25. ENTIRE AGREEMENT

This Agreement (with all referenced exhibits, attachments, and provisions incorporated by reference) embodies the entire agreement of the Parties, superseding all oral or written previous and contemporary agreements between the Parties relating to matters set forth in this Agreement. Except as otherwise provided elsewhere in this Agreement, this Agreement cannot be modified without written supplemental agreement executed by the Parties.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

EXECUTED and effective as of the 12th day of August 2020 by the City, signing by and through its City Manager, duly authorized to execute same by Resolution No. 20-1168, adopted by the City Council on August 12, 2020, which Resolution is attached hereto and incorporated herein, and by Developers, acting through their authorized officials.

APPROVED AS TO FORM:

Christopher J. Caso
City Attorney

CITY OF DALLAS

T.C. Broadnax
City Manager

By: _____
Assistant City Attorney

By: _____

RECOMMENDED BY DIRECTOR

Robin Bentley - Director
Office of Economic Development

DEVELOPERS:

C5LC AT BONNIE VIEW, LLC
a Delaware limited liability corporation

KEHE DISTRIBUTORS, LLC
a Illinois limited liability corporation

By: _____

Timothy J. Gunter
President and CEO

By: _____

Name: _____

Title: _____

Attachments:

Resolution No. 20-1168 approved August 12, 2020

- Exhibit A** – Property Description
- Exhibit B** – Map of the Property
- Exhibit C** – Budget and Description of Leasehold Improvements
- Exhibit D** – Certification Regarding Undocumented Workers

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August 12, 2020

WHEREAS, the City recognizes the importance of its role in local economic development; and

WHEREAS, it is in the interest of the City of Dallas to support and secure the expansions and relocations of business operations within the City of Dallas and the economic vitality and employment opportunities that these business operations bring for Dallas residents; and

WHEREAS, the proposed project will not occur within the City of Dallas without an offer of economic development incentives from the City of Dallas; and

WHEREAS, on December 11, 2019, City Council authorized the City: (1) authorized the continuation of its Public/Private Partnership Program - Guidelines and Criteria, which established certain guidelines and criteria for the use of City incentive programs for private development projects; and (2) established programs for making loans and grants of public money to promote local economic development and to stimulate business and commercial activity in the City of Dallas pursuant to the Economic Development Programs provisions under Chapter 380 of the Texas Local Government Code Resolution No. 19- 1959; and

WHEREAS, the proposed project complies with the City's Public/Private Partnership Program – Guidelines and Criteria; and

WHEREAS, the proposed project site is located in an existing Texas Enterprise Zone; and

WHEREAS, pursuant to Section 312.2011 of the Texas Tax Code, the Property Redevelopment and Tax Abatement Act provides that the designation of an area as an enterprise zone under the Texas Enterprise Zone Act constitutes designation of an area as a reinvestment zone without further hearing or other procedural requirements; and

WHEREAS, consistent with the authority granted under the Tax Abatement Act and the City's Public/Private Partnership Program - Guidelines and Criteria, staff recommends that the City enter into a real property tax abatement agreement and provide this incentive as a part of the City's ongoing program to promote local economic development and to stimulate business and commercial activity in the city; and

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August 12, 2020

WHEREAS, a notice to consider approval of a real property tax abatement agreement with C5LC at Bonnie View, LLC, a Delaware limited liability company or an affiliate thereof and KeHE Distributors, LLC or an affiliate thereof was publicly posted at least 30 days prior to this resolution's date in accordance with Section 312.207 of the Texas Tax Code; and

WHEREAS, the City desires to enter into a real property tax abatement agreement with C5LC at Bonnie View, LLC, a Delaware limited liability company or an affiliate thereof and KeHE Distributors, LLC or an affiliate thereof for the added value to real property located on approximately 80.897 acres at the southeastern corner of Bonnie View Road and Logistics Drive within the City of Dallas as further described by the map attached as **Exhibit A (Map)** and by the metes and bounds legal description attached as **Exhibit B (Metes and Bounds - Legal Description)**.

Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 2. That the City Manager, is hereby authorized to execute a real property tax abatement agreement with C5LC at Bonnie View, LLC, a Delaware limited liability company ("C5LC", or "Owner") or an affiliate thereof and KeHE Distributors, LLC ("KeHE", or "Company") or an affiliate thereof (collectively referred to as "Parties"), approved as to form by the City Attorney, for a period of ten years in an amount equal to the City ad valorem taxes assessed up to 90 percent in connection with a build to suit distribution facility and in accordance with the Property Redevelopment and Tax Abatement Act and the Partnership Program - Guidelines and Criteria.

SECTION 3. That at least seven days prior to the execution of the real property tax abatement agreement, notice of the City's intention to enter into the tax abatement agreement shall be delivered to the governing bodies of each other taxing unit that includes in its boundaries the real property that is the subject of this agreement.

SECTION 4. That the approval and execution of the real property tax abatement agreement by the City is not conditional upon approval and execution of any other tax abatement agreement by any other taxing entity.

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August 12, 2020

SECTION 5. That the real property subject to the real property tax abatement agreement will be located on the real property depicted on the attached site map **Exhibit A** (map) and more particularly described by **Exhibit B** (metes and bounds legal description) ("Bonnie View Site" or "Dallas site").

SECTION 6. That the City of Dallas shall provide C5LC a ten-year real property tax abatement ("Abatement") in an amount equal to the City ad valorem taxes assessed up to 90% upon C5LC's real property depicted on the attached site map **Exhibit A** (map) and more particularly described by **Exhibit B** (metes and bounds legal description) as follows:

- (a) **40% or greater** percentage of Company's full-time equivalent ("FTE") employees who are residents of the City of Dallas at the new facility, the Owner's real property tax abatement shall be ninety percent (90%) of the increased value of the Owner's real property for the year applicable.
- (b) **30% to 39%** of Company's FTE employees who are residents of the City of Dallas at the new facility, the Owner's real property tax abatement shall be seventy-five percent (75%) of the increased value of the Owner's real property for the year applicable.
- (c) **29% or lower** of Company's FTE employees who are residents of the City of Dallas at the new facility, the Owner's real property tax abatement shall be zero for the year applicable.

SECTION 7. That Owner is responsible for completing or ensuring all conditions and obligations passed on to Company in the real property tax abatement agreement are completed. Owner is ultimately responsible for completing all conditions and obligations in the real property tax abatement agreement.

SECTION 8. That the real property tax abatement agreement shall include, among other provisions, the following:

- (a) KeHE's lease of the 995,000 square foot fulfillment center ("Facility") on the Bonnie View Site by June 30, 2021.
- (b) Complete construction by Owner (as developer of the Facility) or at Company's direction on behalf of Company of a minimum 995,000 square foot fulfillment center on the Bonnie View Site no later than June 30, 2022, as evidenced by a certificate of occupancy.

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August 12, 2020

SECTION 8. (continued)

- (c) Operation of the constructed fulfillment center shall commence no later than June 30, 2022, and Company shall continuously occupy and operate the entire facility during the term of the Abatement.
- (d) Minimum Employee Count: Company shall retain and/or create a minimum of 575 FTE Jobs at the Facility by June 30, 2023. The minimum employee count must be continuously maintained throughout the term of the Abatement.
- (e) Minimum Salary Requirement: All Company employees at the Dallas site shall be paid a minimum wage of \$15.00/hour. This amount does not include overtime, bonuses, benefits, or other non-salary items. The minimum salary requirement is applicable throughout the term of the Abatement.
- (f) Average Annual Wage: Company's employees at the Dallas site shall be paid an annual average wage not less than \$40,000.00. The minimum annual average wage requirement is applicable throughout the term of the incentive agreement.
- (g) Minimum Capital Investment: The Owner and/or Company shall document, to the satisfaction of the Director of the Office of Economic Development ("Director"), a total minimum capital investment of \$76 million of real property (building) capital investments. This investment shall not include any amounts spent on developer fees or other profit line items, attorney fees, or the purchase price of the real property depicted on the attached site map **Exhibit A** (map) and more particularly described by **Exhibit B** (metes and bounds legal description).
- (h) Job Fairs: Company shall conduct or participate in one job fair by December 15, 2022, at locations in the City of Dallas approved by the Director to facilitate the recruitment and hiring of residents of the City of Dallas for the Company's new Dallas facility. Company should coordinate with the Director on how to properly document this requirement (usual documentation includes on-line posting, newspaper ads, video, sign-in sheets, etc).
- (i) Minority/Women-owned Business Enterprises (M/WBE): Owner shall undertake a good faith/best effort to comply with the City's Business Inclusion and Development goal of 25% participation by M/WBE for construction and construction-related expenditures incurred by or on behalf of the Owner in Dallas, which includes construction of the facility to be leased to the Company.

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SECTION 8. (continued)

- (r) The Director may, at his or her sole discretion, extend the deadlines noted herein for a period of up to six months for just cause.
- (s) In the event of a force majeure, Owner shall, in writing, notify Director of such an event. Director shall make a decision as to whether a force majeure event under the terms of the real property tax abatement agreement is occurring within 60 days of notice from Owner. A force majeure event pauses a Party's performance obligation for the duration of the event, the termination of the event being determined solely by the Director, but does not excuse it. After the termination of the force majeure event, all deadlines shall be extended pursuant to the length of the force majeure event.

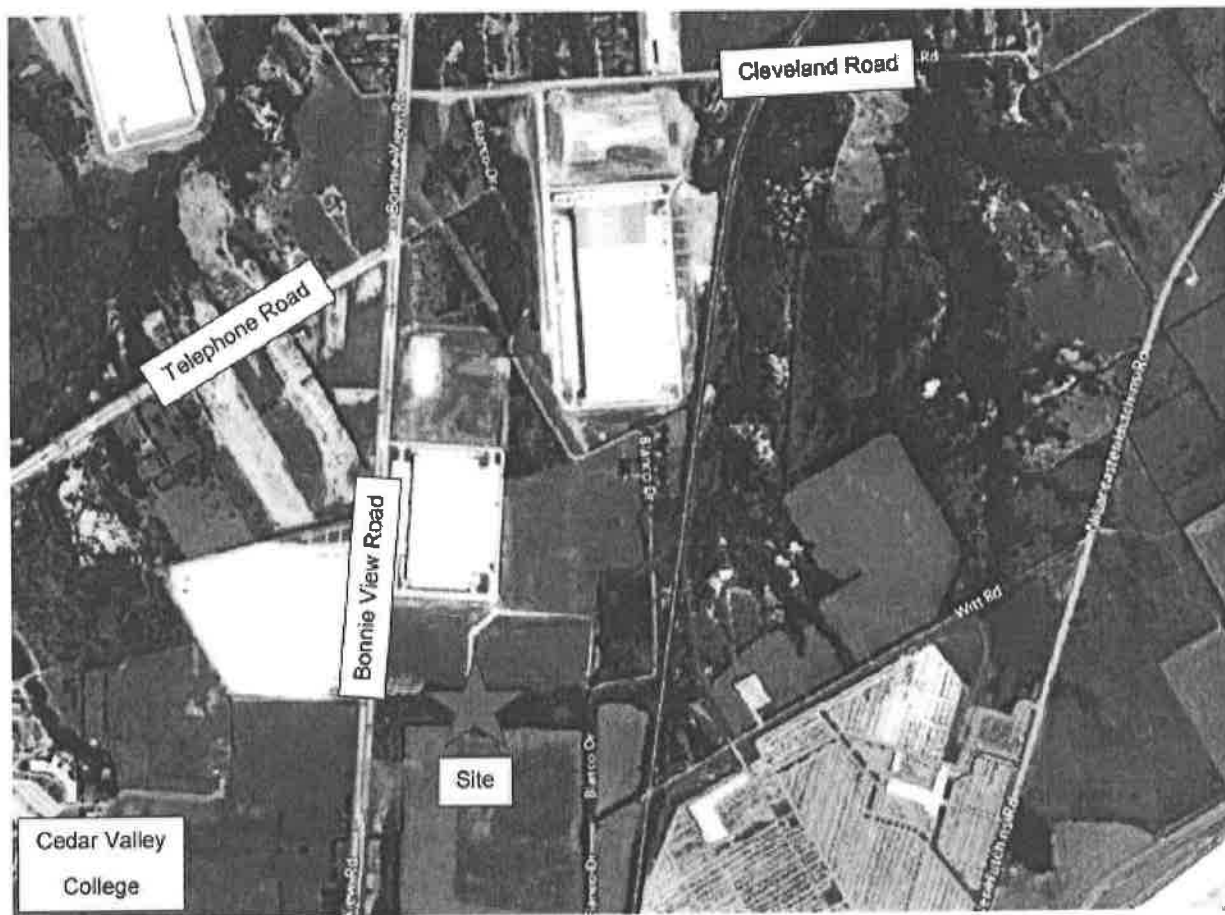
SECTION 9. That this tax abatement agreement is designated as Contract No. ECO-2020-00013671.

SECTION 10. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.



EXHIBIT A
MAP
PROJECT WRIGLEY

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EXHIBIT B
METES AND BOUNDS – LEGAL DESCRIPTION
C5LC at Bonnie View, LLC/KeHE Distributors, LLC

BEING a tract of land situated in the William H. Newton Survey, Abstract Number 1074, Henry H. Hickman Survey, Abstract Number 565 and Caswell C. Overton Survey, Abstract Number 1102, City of Dallas, Dallas County, Texas and being part of City of Dallas Blocks A/8314, B/8313, 8320, 8314, & 8322 and being part of Lot 1, Block A/8314, Irving Addition, an addition to the City of Dallas according to the plat recorded in Volume 95093, Page 384 of the Deed Records of Dallas County, Texas and being all of a tract of land described as Tract II (1.258 acres) and part of those tracts of land described as Tract I (89.531 acres) and Tract VI (11.206 acres) in Special Warranty Deed to C5LC AT BONNIE VIEW, LLC, recorded in Instrument No. 201800018303 of the Official Public Records of Dallas County, Texas and being part of an abandoned portion of Blanco Drive (a variable width right-of-way, formerly Sheppard Road, County Road 412, in area annexed by City of Dallas Ordinance No. 7588, no record found) said abandoned portion of Blanco Drive authorized, and quitclaim to C5LC At Bonnie View, LLC by the City of Dallas Ordinance No. 31016 and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with "KHA" cap found at the south end of the terminus of Logistics Drive (a 100-foot wide right-of-way) and being the northwest corner of said Tract I;

THENCE departing said terminus of Logistics Drive and with the north line of said Tract I, South 87°08'40" East, a distance of 885.88 feet to a 5/8" iron rod with plastic cap stamped "KHA" found for corner;

THENCE departing said north line of Tract I, the following courses and distances:

South 2°51'20" West, a distance of 557.02 feet to a point for corner;
 North 90°00'00" East, a distance of 441.86 feet to a point for corner;
 South 6°37'04" West, a distance of 389.73 feet to a point for corner;
 South 12°58'39" West, a distance of 617.15 feet to a point at the beginning of a tangent curve to the right having a central angle of 41°07'15", a radius of 493.80 feet, a chord bearing and distance of South 33°32'16" West, 346.84 feet;
 In a southwesterly direction, with said curve to the right, an arc distance of 354.40 feet to a point for corner;
 South 59°30'32" West, a distance of 96.74 feet to a point for corner;
 South 89°30'06" West, a distance of 33.61 feet to a point for corner;
 South 0°29'54" East, a distance of 387.23 feet to a point for corner found in the north line of Parcel 52, Tract IV-B (36.780 acres) described in Special Warranty Deed to BNSF Railway Company recorded in Instrument No. 20080144570 of said Official Public Records;

THENCE with the north and east lines of said Parcel 52, Tract IV-B, the following courses and distances:

South 12°58'39" West, a distance of 437.29 feet to a 5/8-inch iron rod with "KHA" cap found at the beginning of a tangent curve to the left having a central angle of 5°17'15", a radius of 687.27 feet, a chord bearing and distance of South 10°20'02" West, 63.40 feet;
 In a southwesterly direction, with said curve to the left, an arc distance of 63.42 feet to a 5/8-inch iron rod with "KHA" cap found at the end of said curve;
 North 82°18'36" West, a distance of 961.35 feet to a 5/8-inch iron rod with "KHA" cap found at the beginning of a non-tangent curve to the right having a central angle of 18°05'29", a radius of 164.42 feet, a chord bearing and distance of North 73°39'26" West, 51.70 feet;
 In a northwesterly direction, with said curve to the right, an arc distance of 51.92 feet to a 5/8-inch iron rod with "KHA" cap found at the beginning of a non-tangent curve to the right having a central angle of 23°01'02", a radius of 157.63 feet, a chord bearing and distance of North 53°09'25" West, 62.90 feet;
 In a northwesterly direction, with said curve to the right, an arc distance of 63.32 feet to a 5/8-inch iron rod with "KHA" cap found at the beginning of a non-tangent curve to the right having a central angle of 45°02'02", a radius of 148.61 feet, a chord bearing and distance of North 19°17'08" West, 112.29 feet;
 In a northwesterly direction, with said curve to the right, an arc distance of 115.23 feet to a 5/8-inch iron rod with "KHA" cap found at the end of said curve;
 North 3°17'23" East, a distance of 762.61 feet to a 5/8-inch iron rod with "KHA" cap found for corner;
 North 5°45'12" West, a distance of 98.50 feet to a 5/8-inch iron rod with "KHA" cap found for corner;
 North 3°17'21" East, passing at a distance of 798.91 feet the northernmost northeast corner of said Parcel 52, Tract IV-B, the southeast corner of a tract of land described as Parcel 79, Tract V-B (1.186 acres) in Special Warranty Deed to BNSF Railway Company recorded in Instrument No. 20080144569 of said Official Public Records, and the south line of said Lot 1, Block A/8314, continuing with the east line of said Parcel 79, Tract V-B, passing at a distance of 1006.60 feet to the northeast corner of said Parcel 79, Tract

EXHIBIT B
METES AND BOUNDS -- LEGAL DESCRIPTION
C5LC at Bonnie View, LLC/KeHE Distributors, LLC

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V-B, the southeast corner of a tract of land described as Parcel 47, Tract I-B (4.828 acres) in said Special Warranty Deed to BNSF Railway Company recorded in Instrument No. 20080144570 and the north line of said Lot 1, Block A/8314, continuing with the east line of said Parcel 47, Tract I-B in all a total distance of 1630.37 feet to a 5/8" iron rod with plastic cap stamped "KHA" found in the south right-of-way line of said Logistics Drive for the northwest corner of said Lot 1, Block B/8313;

THENCE with said south right-of-way line of Logistics Drive, South 87°08'40" East, a distance of 252.41 feet to the **POINT OF BEGINNING** and containing 80.897 acres or 3,523,888 square feet of land.

Bearing system based on the Texas Coordinate System of 1983, North Central Zone (4202), North American Datum of 1983.

EXHIBIT A: PROPERTY DESCRIPTION

BEING a tract of land situated in the William H. Newton Survey, Abstract Number 1074, Henry H. Hickman Survey, Abstract Number 565 and Caswell C. Overton Survey, Abstract Number 1102, City of Dallas, Dallas County, Texas and being part of City of Dallas Blocks A/8314, B/8313, 8320, 8314, & 8322 and being part of Lot 1, Block A/8314, Irving Addition, an addition to the City of Dallas according to the plat recorded in Volume 95093, Page 384 of the Deed Records of Dallas County, Texas and being all of a tract of land described as Tract II (1.258 acres) and part of those tracts of land described as Tract I (69.531 acres) and Tract VI (11.206 acres) in Special Warranty Deed to C5LC AT BONNIE VIEW, LLC, recorded in Instrument No. 201800018303 of the Official Public Records of Dallas County, Texas and being part of an abandoned portion of Blanco Drive (a variable width right-of-way, formerly Sheppard Road, County Road 412, in area annexed by City of Dallas Ordinance No. 7588, no record found) said abandoned portion of Blanco Drive authorized, and quitclaim to C5LC At Bonnie View, LLC by the City of Dallas Ordinance No. 31016 and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with "KHA" cap found at the south end of the terminus of Logistics Drive (a 100-foot wide right-of-way) and being the northwest corner of said Tract I;

THENCE departing said terminus of Logistics Drive and with the north line of said Tract I, South 87°08'40" East, a distance of 885.88 feet to a 5/8" iron rod with plastic cap stamped "KHA" found for corner;

THENCE departing said north line of Tract I, the following courses and distances:

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In a northwesterly direction, with said curve to the right, an arc distance of 51.92 feet to a 5/8-inch iron rod with "KHA" cap found at the beginning of a non-tangent curve to the right having a central angle of 23°01'02", a radius of 157.63 feet, a chord bearing and distance of North 53°09'25" West, 62.90 feet;

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THENCE with said south right-of-way line of Logistics Drive, South 87°08'40" East, a distance of 252.41 feet to the **POINT OF BEGINNING** and containing 80.897 acres or 3,523,888 square feet of land.

Bearing system based on the Texas Coordinate System of 1983, North Central Zone (4202), North American Datum of 1983.

ALSO BEING DESCRIBED AS:

Lot 18, in Block B/8313, of Logistics Center at Bonnie View Addition, an addition to the City of Dallas, Dallas County, Texas, according to the Map or Plat thereof recorded in/under Clerk's File No. 2020-199969, Map/Plat Records, Dallas County, Texas.

EXHIBIT B: MAP OF THE PROPERTY

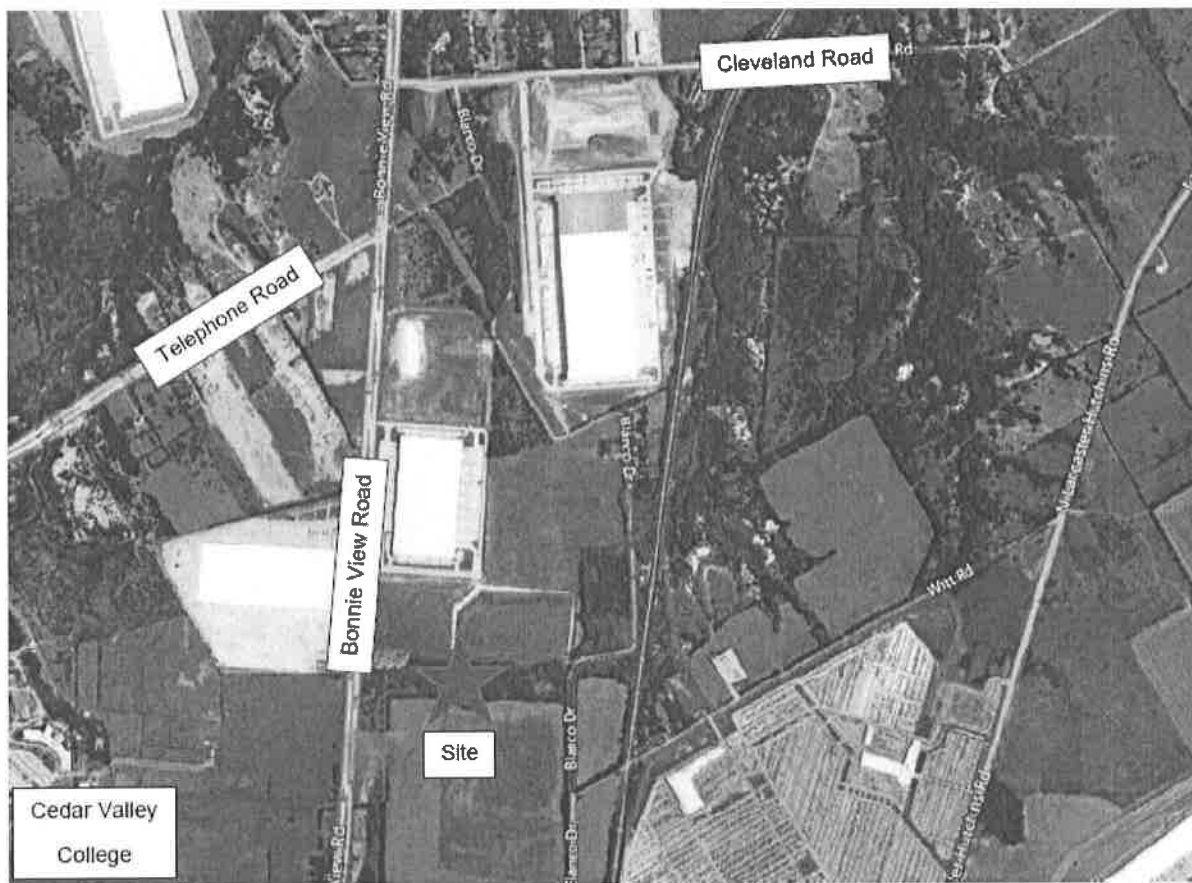


EXHIBIT C: BUDGET AND DESCRIPTION OF LEASEHOLD IMPROVEMENTS

Description of Improvements and Minimum Investment

Scope of Work

Owner and/or Tenant will expend a minimum of \$76,000,000 in site and building improvements.

Minimum Investment

Site and Building Improvements Summary.....\$76,000,000.00

Summary of Real Property Site and Building Improvements Work

Site work and building construction hard and related soft costs associated with land, infrastructure and building improvements will include site grading, landscaping, building shell development and construction, mechanical/electrical/plumbing work, and related structural building and site development costs.

Land Improvements.....	\$ 18,000,000.00*
Infrastructure, Site Paving/Utilities.....	\$ 7,000,000.00*
Building Shell Development and Construction.....	\$ 31,000,000.00*
Mechanical/Electrical/Plumbing work.....	\$ 16,000,000.00*
Soft Costs.....	\$4,000,000.00*
Total.....	\$76,000,000.00 *

*Costs shall be considered on an aggregate basis versus a line item basis. The total minimum investment, on an aggregate basis, shall be at least \$76,000,000.00.

Investment shall not include land acquisition costs, financing costs, legal fees, party fees, developer fees or profit.

EXHIBIT D

Certification Regarding the Employment of Undocumented Workers

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) The business receiving any public subsidies provided pursuant to this agreement, or a branch, division, or department of the business, does not and will not knowingly employ undocumented workers. For purposes of this Certification, "Public Subsidies" means grants, loans, loan guarantees, benefits relating to an enterprise or empowerment zone, fee waivers or rebates, land price subsidies, infrastructure development and improvements designed to principally benefit a single business or defined group of businesses, matching funds, tax refunds, tax rebates, or tax abatements. For purposes of this Certification, "Undocumented worker" means an individual who, at the time of employment, is not:
 - (A) lawfully admitted for permanent residence to the United State; or
 - (B) authorized under law to be employed in that manner in the United States.
- (2) Pursuant to V.T.C.A. Government Code § 2264.053 (Vernon 2007), if, after receiving the Public Subsidies provided herein, the business entity or a branch, division, or department of the business, is convicted of a violation under 8 U.S.C. Section 1324a(f), the business shall repay the amount of the Public Subsidy with interest accruing from the date of the violation on which the conviction is based, at the prime rate as published in the *Wall Street Journal* on the date of the Dallas City Council's initial approval of the agreement. Repayment shall be made not later than the 120th day after the date the City notifies the business of the violation. As provided by Section 2264.101(c) of the Texas Government Code, Developer shall not be liable for a violation by a subsidiary, affiliate, or franchisee of Developer or by a person with whom Developer contracts.

This certification is a material representation of fact upon which reliance was placed when this agreement was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by V.T.C.A. Government Code § 2264 (Vernon 2007).

OWNER:

C5LC at Bonnie View, LLC, a Delaware limited liability company, or an affiliate thereof

By: _____
Timothy J. Gunter
President and CEO

EXHIBIT D

Certification Regarding the Employment of Undocumented Workers

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) The business receiving any public subsidies provided pursuant to this agreement, or a branch, division, or department of the business, does not and will not knowingly employ undocumented workers. For purposes of this Certification, "Public Subsidies" means grants, loans, loan guarantees, benefits relating to an enterprise or empowerment zone, fee waivers or rebates, land price subsidies, infrastructure development and improvements designed to principally benefit a single business or defined group of businesses, matching funds, tax refunds, tax rebates, or tax abatements. For purposes of this Certification, "Undocumented worker" means an individual who, at the time of employment, is not:
 - (A) lawfully admitted for permanent residence to the United State; or
 - (B) authorized under law to be employed in that manner in the United States.
- (2) Pursuant to V.T.C.A. Government Code § 2264.053 (Vernon 2007), if, after receiving the Public Subsidies provided herein, the business entity or a branch, division, or department of the business, is convicted of a violation under 8 U.S.C. Section 1324a(f), the business shall repay the amount of the Public Subsidy with interest accruing from the date of the violation on which the conviction is based, at the prime rate as published in the *Wall Street Journal* on the date of the Dallas City Council's initial approval of the agreement. Repayment shall be made not later than the 120th day after the date the City notifies the business of the violation. As provided by Section 2264.101(c) of the Texas Government Code, Developer shall not be liable for a violation by a subsidiary, affiliate, or franchisee of Developer or by a person with whom Developer contracts.

This certification is a material representation of fact upon which reliance was placed when this agreement was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by V.T.C.A. Government Code § 2264 (Vernon 2007).

TENANT:

KeHE Distributors, LLC, a Delaware limited liability company, or an affiliate thereof

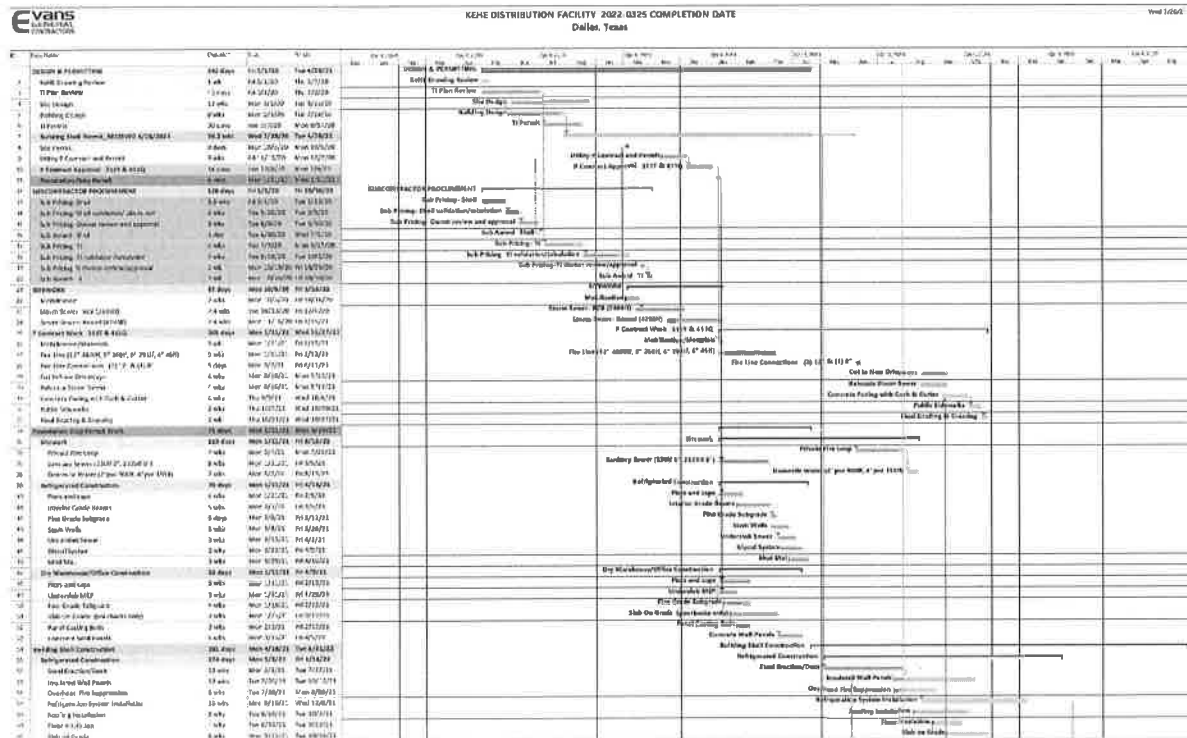
By: _____
Signature

Name: _____

Title: _____

EXHIBIT D

PROJECT SCHEDULE



[illegible]