

STATE OF TEXAS §
 §
 § **AMENDMENT NO. 1 TO THE ECONOMIC**
 § **DEVELOPMENT INCENTIVE AGREEMENT**
 COUNTY OF DALLAS §

This Amendment No. 1 (“**Amendment**”) to the Infrastructure Incentive Agreement (“**Agreement**”), by and between the City of Lancaster (the “**City**”) and Argent Development GP, L.L.C, as assigned to Prologis & Argent LLC, successor by merger and name change to Prologis & Argent LP (“**Developer**”), and the Board of Directors of the Lancaster Economic Development Corporation, Lancaster, Texas (“**LEDC**”), is entered into this 12th day of November, 2012 (the “**Effective Date**”). The City, Developer and LEDC shall hereinafter be collectively referred to herein as, the “**Parties**”).

RECITALS

WHEREAS, on or about December 3rd, 2004, the Parties hereto entered into the Agreement, wherein the City made economic development grants to Developer for the purposes of building, constructing and operating an industrial and retail business park within the City; and

WHEREAS, the Parties desire to amend the Agreement to remove a sixty seven (67) acre ± tract (the “**Removed Property**”) from such Agreement, to allow for its future development and occupancy as a distribution center on such property, pursuant to separate economic development incentives set forth in that certain Economic Development Agreement dated of even date herewith, between the City and Quaker Sales & Distribution, Inc., a Delaware corporation (the “**Replacement Agreement**”);

NOW THEREFORE, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, the Parties agree as follows:

Section 1. Article I, “Definitions,” of the Agreement is hereby amended by deleting the following definitions set forth therein, and replacing them in their entirety as follows:

(a) **1.2** “**Act**” shall mean the Development Corporation Act, Chapter 501, Texas Local Government Code, as amended.

(b) **1.13** “**Project Area**” shall mean the property legally described on Exhibit B to this Agreement.

(c) **1.15** “**Project Costs**” shall mean the sum of: (a) the actual costs incurred by **DEVELOPER** to plan, design, permit, and construct the Infrastructure Improvements (excluding any Project-related costs expressly excluded from Project Costs by this Agreement), together with interest imputed or accrued at the rate of seven percent (7%) per annum, calculated from the Project Commencement to Completion, plus (b) interest on the amount in item (a) after Completion at the rate of seven percent (7%) per annum, compounded annually, until the cost estimates on Exhibit B are composed of cost estimates only, the parties acknowledging that interest shall not be compound on estimated costs that have not been actually

expended. Project Costs shall be calculated to include the actual costs incurred by or on behalf of **DEVELOPER** to plan, design, permit, and construct the Infrastructural Improvements as required by **CITY**.

(d) **1.22 “Serviced Area”** shall mean the tract of land north of Cedardale Drive and east of Houston School Road containing property defined herein, including the Project Area and the approximately 50 acre area planned for potential retail development north of and adjacent to the Project Area abutting Interstate Highway 20. The Serviced Area boundaries are shown on the site plan attached to this Agreement as Exhibit D.

Section 2. Section 22.1 of the Agreement is hereby amended by deleting the addresses set forth therein in their entirety, and replacing them with the following addresses:

CITY

City of Lancaster
211 North Henry Street
Lancaster, Texas 75146
Fax: (972) 227-4032
Attn: City Manager

With copy to:

Robert E. Hager
Nichols, Jackson, Dillard
Hager & Smith, L.L.P
1800 Lincoln Plaza
500 North Akard
Dallas, Texas 75201

LEDC

P.O. Box 940
211 N. Henry Street
Lancaster, Texas 75146
Fax: (972) 218-3684
Attn: Director

DEVELOPER

Prologis & Argent LLC
Attn: Ross Matthews
2501 N. Harwood Street
Ste 2450
Dallas, Texas 75201

With copy to:

Prologis, Inc.
Attn: Legal Department
4545 Airport Way
Denver, CO 80239

Section 4. The Agreement is hereby amended by deleting Exhibits B and D in their entirety, and replacing them with Exhibits 1 and 2, as designated below:

Exhibit 1: “EXHIBIT B - PROJECT PLAN”

Exhibit 2: “EXHIBIT D - SERVICED AREA BOUNDARIES”

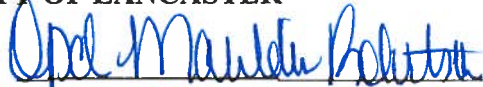
Section 5. The outstanding balances of repayment or costs subject to the Agreement, as amended, on the effective date shall be reduced by \$1,209,526.00 [balance of payment is in Section 6]. In the event that Developer requests future economic development incentives with regard to an expansion of the building to be developed on the Removed Property, the parties will

Section 6. That the rest and remainder of the Agreement, except as amended herein, is hereby republished and ratified. This Amendment may be executed in facsimile or original counterparts, which taken together shall constitute one agreement. The Parties acknowledge and agree that as of the Effective Date, the outstanding balances of repayment or costs subject to the Agreement is \$5,118,196.00.


Section 7. The City acknowledges and agrees that the Replacement Agreement shall be freely assignable to Developer, its affiliates, successors and/or assigns, and shall be effective after five (5) business days written notice to the City. Furthermore, the City acknowledges and agrees that in the event the City terminates the Replacement Agreement prior to the expiration of its 10-year term, for any reason whatsoever, it shall deliver written notice of such termination to Developer, and, upon Developer's request, shall enter into an Economic Development Agreement for the Removed Property with Developer, or its successor or assign, on the same terms and conditions currently set forth therein, for the remaining term of the Replacement Agreement.

EXECUTED in single or multiple originals this the 12th day of November, 2012.

CITY OF LANCASTER

By: 
Name: Opal Mauldin Robertson
Title: City Manager

PROLOGIS & ARGENT LLC

By: 
Name: Reid Dunbar
Title: First Vice President

**BOARD OF DIRECTORS OF THE LANCASTER
ECONOMIC DEVELOPMENT CORPORATION,
LANCASTER, TEXAS**

By: 
Name: Ric Peterson
Title: President

EXHIBIT 1

**EXHIBIT B
To Infrastructure Incentive Agreement**

PROJECT PLAN

**INFRASTRUCTURE IMPROVEMENTS SUMMARY SERVING APPROXIMATELY
206
ACRES OF OFFICE WAREHOUSE DISTRIBUTION AND 50 ACRES OF RETAIL
COMMERCIAL**

Area Estimated Project Costs

CITY Water/Sewer/Drainage

Danieldale Drive Extension
(including water/sewer, street
Lighting, landscaping, irrigation,
Signalization)

Engineering Fees/Design Surveys

Total Project Costs (excl. contingency)

Maximum amount to be reimbursed by **LEDC**

* See attached itemization prepared by Halff Associated, Inc.

* See Attached Legal Description of the Project Area

EXHIBIT 2

**EXHIBIT D
To Infrastructure Incentive Agreement**

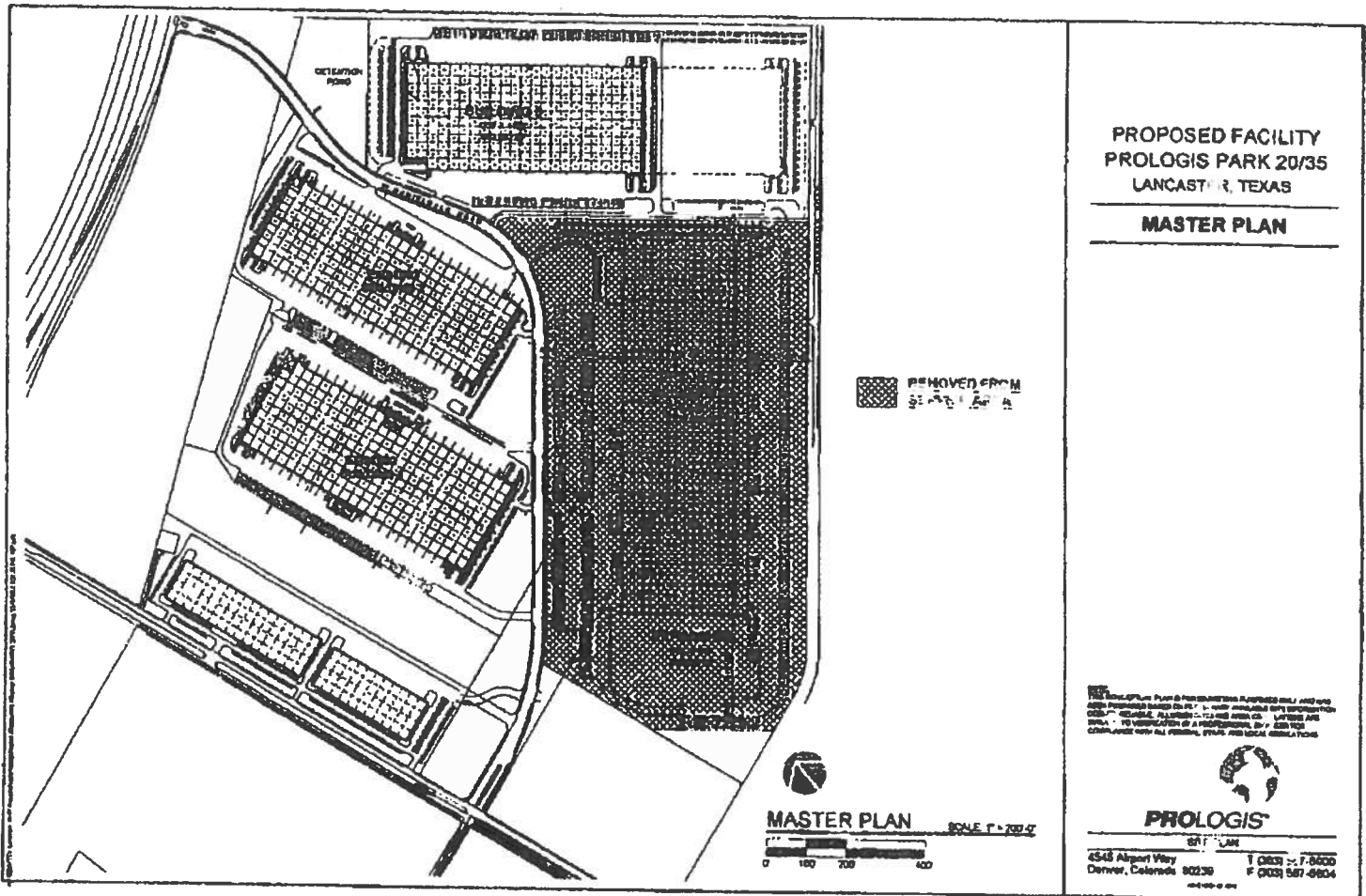
SERVICE AREA BOUNDARIES

[See Attached]

EXHIBIT 2

**EXHIBIT D
To Infrastructure Incentive Agreement**

SERVICE AREA BOUNDARIES



RESOLUTION NO. 2012-11-94

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, APPROVING AN AMENDMENT TO THE ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT AND AUTHORIZING THE CITY MANAGER TO SIGN AN AMENDMENT TO THE INFRASTRUCTURE INCENTIVE AGREEMENT BETWEEN THE CITY OF LANCASTER, LEDC AND ARGENT-PROLOGIS, LLC; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Lancaster recognizes how important business and community development is to the vitality and growth of Lancaster; and

WHEREAS, in December of 2004, the City of Lancaster, the Lancaster Economic Development Corporation and Argent Development entered into an Infrastructure Incentive Agreement to allow for the development of an industrial park; and

WHEREAS, later, Argent Development assigned the agreement to its ProLogis-Argent, LLC (hereinafter "PROLOGIS"); and

WHEREAS, during the placement of an economic development client as Quaker Sales & Distribution, Inc., the original Economic Development Agreement with ProLogis require an amendment; and

WHEREAS, upon full review and consideration of the Agreement, and all matters related thereto, the City Council has determined that it is in the best interest of the City to amend such Agreement, which is attached hereto and incorporated herein by reference as Exhibit "A," under the terms and conditions provided therein.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS THAT.

SECTION 1. That the City of Lancaster approves the 1st Amendment to the Infrastructure Incentive Agreement which is attached hereto and incorporated herein as Exhibit A and the City Manager is hereby authorized to execute such amendment.

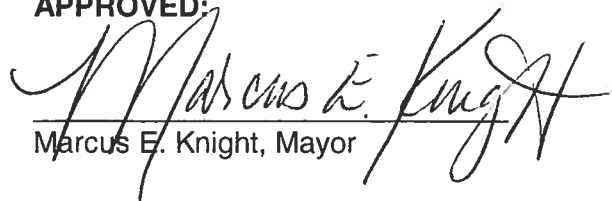
SECTION 2. That this resolution shall take effect immediately from and after its passage and it is so duly resolved.

DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 12th day of November 2012.

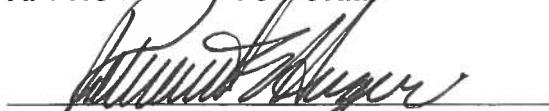
ATTEST:


Dolle K. Downe, City Secretary

APPROVED:


Marcus E. Knight, Mayor

APPROVED AS TO FORM:


Robert E. Hager, City Attorney

RESOLUTION NO. 2012-03

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LANCASTER ECONOMIC DEVELOPMENT CORPORATION OF LANCASTER, TEXAS, IN SUPPORT OF AN AMENDMENT TO THE ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LANCASTER, LEDC AND ARGENT-PROLOGIS, LLC FOR THE PROMOTION AND DEVELOPMENT OF NEW AND EXPANDED BUSINESS ENTERPRISES, AS AUTHORIZED BY STATE LAW; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Lancaster Economic Development Corporation recognizes how important business and community development is to the vitality and growth of Lancaster; and

WHEREAS, in December of 2004, the City of Lancaster, the Lancaster Economic Development Corporation and Argent Development entered into an Infrastructure Incentive Agreement (hereinafter "PROLOGIS") to allow for the development of an industrial park; and

WHEREAS, later, Argent Development assigned the agreement to its ProLogis-Argent, LLC; and

WHEREAS, during the placement of an economic development client as Quaker Sales & Distribution, Inc., the original Economic Development Agreement with ProLogis require an amendment; and

WHEREAS, LEDC was a signature to the original.


NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LANCASTER ECONOMIC DEVELOPMENT CORPORATION, THAT:

SECTION 1. That the Board of Directors of the Lancaster Economic Development Corporation approves the resolution and amendment which is attached hereto as Exhibit A.

SECTION 2. That this resolution shall take effect immediately from and after its passage and it is so duly resolved.

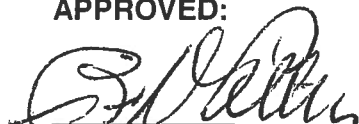
DULY PASSED AND ADOPTED ON THIS 8TH DAY OF NOVEMBER, 2012.

ATTEST:



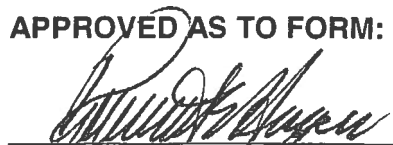
Angie Arenas, Executive Secretary

APPROVED:



Ric Peterson, President

APPROVED AS TO FORM:



Robert E. Hager, City Attorney