

STATE OF TEXAS

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COUNTY OF FORT BEND

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TAX ABATEMENT AGREEMENT
by and between the
FORT BEND COUNTY DRAINAGE DISTRICT
and
ALDI (TEXAS) L.L.C.

This Tax Abatement Agreement, hereinafter referred to as the “**Agreement**,” is executed by and between the **FORT BEND COUNTY DRAINAGE DISTRICT**, hereinafter referred to as “**District**,” acting by and through its Board of Directors and **ALDI (TEXAS) L.L.C.**, a Texas limited liability corporation, hereinafter referred to as “**Owner**,” of the Real Property and Improvements located within the City of Rosenberg Reinvestment Zone No. 17.

1. **Authorization:**

- a. This Agreement is authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312 of the TEXAS TAX CODE as it exists on the effective date of this Agreement, and;
- b. The Amended Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones created by Fort Bend County, Texas, was approved by the District Board of Directors on April 26, 2013. District has determined that the request for Tax Abatement presented by Owner conforms with the criteria established in the Guidelines for Tax Abatement.
- c. No official of District has an interest in the property subject to this Agreement.

2. **Definition:**

As used in this Agreement, the following terms shall have the meanings set forth below:

- a. The “**Certified Appraised Value or Value**” means the value certified as of January 1 of each year of this Agreement regarding the property within City of Rosenberg Reinvestment Zone No. 17 by the District.
- b. “**Real Property**” means the approximate 81-acre tract of vacant land described in **Exhibit C**, attached hereto and incorporated by reference herein for all purposes, and as described in Ordinance No. 2013-32, which created Reinvestment Zone No. 17 located within the City of Rosenberg, **Exhibit A** attached hereto and incorporated by reference herein for all purposes.

- c. **“Improvements”** means a new building to be used for divisional office and distribution facility located in Reinvestment Zone No. 17, containing at least 650,000 square feet of floor space, and the interior improvements to such office, distribution and warehousing building and any sidewalks, parking lots, outdoor lighting, landscaping and other improvements to serve the building, all as shown in **Exhibit D**, attached to and incorporated into this Agreement by reference.
- d. **“Abatement”** means the full or partial exemption from ad valorem taxes of certain property in the City of Rosenberg Reinvestment Zone No. 17 designated for economic development purposes.
- e. **“Eligible Property”** means the personal property which is not Ineligible Property (defined below) and which is acquired by Owner and installed at the Improvements on or before March 1, 2017. Abatement may be extended to fixed machinery and equipment, necessary to the operation and administration of the facility. Eligible Property is subject to abatement only as included in Section 5(c).
- f. **“Ineligible Property”** means real property, existing improvements, tangible personal property that the Central Appraisal District classifies as inventory or supplies, real property used primarily to provide retail sales or services to the public, real property used for residential purposes, tangible personal property classified as furnishings, tangible personal property located in the reinvestment zone prior to the execution date of the tax abatement agreement, real property with a productive life of less than 10 years, or any other property for which abatement is not allowed by state law.
- g. **“Owner”** means ALDI (TEXAS) L.L.C., the Owner of the Real Property that is the subject to this Agreement, or other person or entity to which this Agreement is assigned, with prior approval of the District Board of Directors.
- h. **“District”** means the Fort Bend Drainage District.
- i. **“CAD”** means Fort Bend County Central Appraisal District.

3. Subject Property:

The City of Rosenberg Reinvestment Zone No. 17 is an area located in Fort Bend County, Texas, being legally described in **Exhibit A** attached hereto and incorporated herein for all purposes.

The CAD has established the base year values for the subject property as of March 1, 2017.

4. Responsibility of Owner:

In consideration of receiving the tax abatement granted herein, Owner represents and agrees:

- (a) That construction of the Improvements will commence on or before June 1, 2014.
- (b) That construction of the Improvements shall be completed on or before March 1, 2017. Within sixty (60) days after completion of the Improvements, Owner shall provide the District's Tax Assessor/Collector a certified statement evidencing a minimum cost of \$30,000,000 for (i) the project costs with respect to the design and construction of the Improvements, plus (ii) the cost of the Eligible Property.
- (c) That the combined Certified Appraised Value of the Improvements plus the Eligible Property on March 1, 2017, and on each and every January 1 thereafter during the term of this Agreement will not be less than \$30,000,000.00. Owner may, from time to time during the term of this Agreement, for the Improvements and the Eligible Property, install additional improvements or property, and modify, remove or replace improvements or property, as Owner may determine in its discretion, provided such shall not modify the minimum value requirements hereof.
- (d) That Owner shall provide the District's Tax Assessor/Collector with a copy of the Certificate of Occupancy for the Improvements on or before March 1, 2017. Owner's failure to present a copy of the Certificate of Occupancy to District may result in a forfeiture of the tax abatement of tax year 2017.
- (e) That Owner has, as of the effective date of this Agreement, the financial resources to implement the above representations.
- (f) That Owner will participate in the continuing economic development process in Fort Bend County by becoming a Trustee Member (\$6,000/year dues) of the Greater Fort Bend Economic Development Council for a minimum period coinciding with the term of this Agreement.
- (g) **OWNER SHALL BE RESPONSIBLE FOR NOTIFYING THE CAD OF THE ABATEMENT, INCLUDING FILING WITH THE CAD ANY APPLICATION OR OTHER FORMS NECESSARY TO**

QUALIFY FOR OR RECEIVE THE ABATEMENT GRANTED.

- (h) **OWNER SHALL BE RESPONSIBLE FOR REQUESTING AN ASSIGNMENT OF THIS AGREEMENT IN THE EVENT THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT IS SOLD, TRANSFERRED OR ASSIGNED. EXCEPT AS OTHERWISE PROVIDED HEREIN, ANY ASSIGNMENT IS NOT EFFECTIVE UNTIL APPROVED IN WRITING BY DISTRICT.**

5. Value and Term of Abatement:

(a) This Agreement shall be effective on the date executed by District and shall terminate (unless earlier terminated in accordance with the terms hereof) on December 31, 2026. In no event shall this Agreement extend beyond December 31, 2026. This Agreement shall terminate on the completion of the abatement, unless earlier terminated as provided elsewhere herein. Owner's obligation upon default to pay to District any taxes abated under this Agreement shall not terminate until the abated taxes are paid.

(b) In each year that this Agreement is in effect, the amount of abatement shall be an amount equal to the percentage indicated below of the taxes assessed upon the Improvements and Eligible Property.

(c) Subject to the limitations imposed by law and conditioned upon the representations outlined in Section 4 herein above, there shall be granted and allowed hereunder a property tax abatement for the following years and in the following amounts on the value of the Improvements and Eligible Property:

<u>Tax Year</u>	<u>Percentage Abatement</u>
2017	70%
2018	70%
2019	70%
2020	70%
2021	70%
2022	70%
2023	70%
2024	70%
2025	70%
2026	70%

- (1) The abatement granted shall not apply to the value of the Real Property,

increases in the value of the Real Property, Ineligible Property, inventory or supplies.

- (2) All Eligible Property shall be placed and/or installed in accordance with applicable laws, ordinances, rules or regulations in effect at the time such Eligible Property is placed and/or installed.
- (3) The District's determination of values shall be used to determine the value of the property subject to this Agreement. If Owner protests the CAD's valuation of the property, the valuation placed on the property after the protest is resolved under State law shall be used.
- (4) On or before September 1 of each year of this Agreement, Owner shall certify in writing to District Tax Assessor/Collector Owner's compliance with each term of this Agreement.

6. Taxability:

During the period that this tax abatement is effective, taxes shall be payable by the Owner as follows:

- (a) The value of Real Property and Ineligible Property shall be fully taxable, including inventory, and
- (b) The value of existing improvements, if any, and existing Eligible Property shall be determined in the base year by the CAD.

7. Event of Default:

- (a) District may declare Owner in default of this Agreement if: (1) Owner fails to comply with any term of this Agreement or (2) Owner allows District ad valorem taxes on any Eligible Property or Ineligible Property, or any property located thereon, to become delinquent, or (3) ceases operations on the Real Property for a continuous period of one hundred eighty (180) days before the expiration of the term of the Abatement without the prior written consent of the District, except that (i) a temporary shutdown of the facility, with assurance of the resumption of operations, for the purpose of facility modification, expansion, improvement, retooling or similar purpose, (ii) in the event the facility is being actively marketed, the District shall not unreasonably withhold consent to a reasonable extension to such period to permit the sale of the

facility to another operator, (iii) the closure of the facility pending settlement of insurance, casualty or condemnation claims or (iv) the closure of the facility due to inadequate or unacceptable raw water supply shall not constitute a vacating of or a cessation of operations on the Real Property under this Section 13(a)(3). Such exceptions are subject to further extension for force majeure as defined in Section 17 herein.

- (b) District shall notify Owner of any default in writing specifying the default. Owner shall have sixty (60) days from the date of the notice to cure any default. If Owner fails to cure the default within ninety (90) days from receipt of notice, District may terminate this Agreement by written notice.
- (c) If this Agreement is terminated by District, Owner agrees that it shall be liable for and will pay to District within thirty (30) days of the termination of this Agreement:
 - (1) The amount of all taxes abated during the term of this Agreement; and
 - (2) Interest on the abated amount at the rate provided for in the TEXAS TAX CODE for delinquent taxes.
- (d) Penalties on the amount abated in the year of default, at the rate provided for in the TEXAS TAX CODE for delinquent taxes. District shall have a lien against the Real Property, Ineligible Property and Eligible Property for the taxes and interest owed because of the recapture of taxes under this paragraph during the time period beginning on the date such payment obligation accrues and continuing until the date is paid.
- (e) This paragraph is required by Chapter 2264, TEXAS GOVERNMENT CODE and governs over any conflicting provisions of this Agreement. Owner is prohibited from knowingly employing undocumented workers as that term is defined in Section 2264.001, TEXAS GOVERNMENT CODE. If Owner is convicted of a violation under 8 U.S.C. Section 1324a(f), the conviction shall be considered a default of this Agreement, from which no cure provisions shall apply. In such event, District shall provide written notice to Owner of the default and this Agreement shall automatically terminate on the 30th day after the date of the notice of default from District to Owner. In the event of termination under this paragraph, Owner shall repay to District the amount of all property taxes abated under this

Agreement, plus interest on the abated amount at the rate provided for in the TEXAS TAX CODE for delinquent taxes.

8. Administration and Inspection

(a) This Agreement shall be administered on behalf of the District Tax Assessor/Collector or her designee. Owner shall allow employees or other representatives of District who have been designated by the Tax Assessor/Collector to have access to the Real Property (during normal business hours) during the term of the Agreement. All such access and inspections shall be made only after two (2) business days prior notice and will be conducted in such a manner as not to unreasonably interfere with the construction or operation of the facility. A representative of Owner may accompany the inspector. District shall cause each of its employees and representatives who conduct such inspections to abide by all of Owner's security, safety and operational rules (as the same may be amended from time to time), copies of which have been made available to District.

(b) Upon completion of the placement and/or installation of the Eligible Property, District shall annually evaluate the Improvements and any Eligible Property to ensure compliance with the terms and provisions of this Agreement and shall report potential defaults to the Owner.

(c) The Chief Appraiser of the CAD shall annually determine (1) the taxable value under the terms of this abatement of the Improvements and any Eligible Property located on the Real Property, and (2) the full taxable value without abatement of the Real Property, the Improvements and any Eligible Property located on the Real Property. The Chief Appraiser shall record both abatement taxable value and full taxable value in the appraisal records. The full taxable value figure listed in the appraisal records shall be used to compute the amount of abated taxes that is terminated in a manner that results in recapture of abated taxes.

(d) Owner shall furnish the Chief Appraiser annually such information as provided for under Chapter 22 of the TEXAS TAX CODE, including payroll records, as may be necessary for

the administration of the this Agreement. Such information, including payroll records, shall also be provided annually to the District Tax Assessor/Collector in preparation of its annual evaluation for compliance with the terms and provisions of this Agreement.

9. Assignment

(a) Owner may not assign this Agreement without prior written consent of District. No assignment shall be effective or approved if District has declared a default hereunder which has not been cured or the assignee is delinquent in the payment of any ad valorem taxes owed to District. Approval shall not be unreasonably withheld.

(b) Any and all assignments shall contain the same terms and conditions as set out in this Agreement and shall be granted for the remaining term of the original Agreement only.

(c) Owner shall provide notice to District within ninety (90) days of any sale or assignment of the Real Property subject to this Agreement.

10. Indemnity

It is understood and agreed between the parties that Owner, in performing its obligations hereunder, is acting independently, and District assumes no responsibilities or liabilities in connection therewith to third parties. **OWNER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS DISTRICT AND THE CAD FROM ANY AND ALL NON-OWNER CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF OWNER'S BREACH OF ITS OBLIGATIONS HEREUNDER EXCEPT THAT THE INDEMNITY SHALL NOT APPLY TO THAT PORTION OF RESPONSIBILITIES AND LIABILITIES RESULTING FROM THE FAULT OR NEGLIGENCE OF DISTRICT OR TAXING UNITS, THEIR RESPECTIVE OFFICERS, AGENTS OR EMPLOYEES. OWNER'S INDEMNIFICATION OBLIGATIONS INCLUDE THE PAYMENT OF REASONABLE ATTORNEYS FEES AND EXPENSES INCURRED IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, AND CAUSES OF**

ACTION WHICH ARE NOT DUE TO DISTRICT'S, THE CAD'S OR THEIR REPRESENTATIVES' INTENTIONAL CONDUCT OR NEGLIGENCE. OWNER SHALL BE RESPONSIBLE FOR ALL FEES INCURRED BY DISTRICT IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, OR CAUSES OF ACTION SO LONG AS DEFENSE COUNSEL AND COURSES OF ACTION ARE DETERMINED SOLELY BY OWNER. NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED TO PROHIBIT DISTRICT FROM INCURRING REPRESENTATION OF ANY SUCH CLAIM, SUIT OR CAUSE OF ACTION AND OWNER SHALL NOT BE RESPONSIBLE FOR ANY SUCH COSTS AND OR FEES SO INCURRED.

11. Force Majeure:

If by reason of force majeure, Owner is unable to perform any obligation of this Agreement, it shall give notice of the force majeure to District in writing within thirty (30) calendar days after Owner first become aware or should have become aware of the occurrence relied upon. By doing so, the obligation of Owner, to the extent and for the period of time affected by the force majeure, shall be suspended. Owner shall endeavor to remove or overcome the inability with all reasonable effort. For purposes of this provision, "force majeure" shall include, but not be limited to acts of God, landslides, lightning, earthquakes, hurricanes, storms, floods, or other natural occurrences; strikes, lockouts, insurrections, riots, wars or other civil or industrial disturbances; orders of any kind of the federal, state or local government or of any civil or military authority; explosions, fires, breakage or accidents to machinery, lines, or equipment, or the failure or lack of capacity of the wastewater system or water supply system; or any other cause not reasonably within the control of the Owner.

12. Commissioners Court Approval:

This Agreement is conditioned entirely upon the approval of the Commissioners' Court by the affirmative vote of a majority of the members present at a duly scheduled meeting of the Commissioner's Court.

13. Compliance with State and Local Regulations:

This Agreement shall not be construed to alter or affect the obligations of Owner to comply with any city ordinance or federal or state law or regulation.

14. Changes in Laws/Vested Rights:

The tax abatement provided in this Agreement is conditioned upon and subject to any changes in the state tax laws during the term of this Agreement, but only the extent required by law to be enforceable and after giving Owner all vesting, non-conforming and/or "grandfather" rights, contained in and applicable to this Agreement and allowed by law.

15. Miscellaneous:

(a) This Agreement and the rights and obligations of each party shall be construed and enforced under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Fort Bend County, Texas.

(b) In the event that 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 hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

(c) The waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach.

(d) Any amendments of this Agreement shall be of no effect unless in writing and signed by both parties hereto.

16. Notices

Any notice required to be given under the provisions of this Agreement shall be in writing and shall be duly served when it shall have been hand delivered or deposited, enclosed in a wrapper with the proper postage prepaid thereon, and certified, return receipt requested, in a

United States Post Office, addressed to District and/or Owner at the mailing address as hereinafter set out. If mailed, any notice of communication shall be deemed to be received three (3) business days after the date of deposit in the United States Mail. Unless otherwise provided in this Agreement, all notices shall be delivered to Owner or District at the following addresses:

To the Tax Assessor/Collector: The Honorable Patsy Schultz
Tax Assessor-Collector
1317 Eugene Heimann Circle
Richmond, Texas 77406

To Owner: Aldi (Texas) LLC
c/o Aldi Inc.
Attn: Secretary/Treasurer
1200 North Kirk Road
Batavia, IL 60510

To District: Fort Bend County Drainage District
301 Jackson, Suite 719
Richmond, Texas 77469
Attention: County Judge

Copy to: Fort Bend County Attorney
301 Jackson, Suite 728
Richmond, Texas 77469

Any party may designate a different address by giving the other parties ten (10) days prior written notice thereof. **The failure of Owner to provide District Tax Assessor/Collector thirty (30) days notice of a change of address may result in termination of this Agreement.**

17. Entire Agreement; Ordinance and Economic Impact Statement

This Agreement contains the entire Agreement among the parties and supercedes all other negotiations and agreements, whether written or oral. This Agreement shall inure to the benefit of and be binding upon the parties hereto and each of their respective successors and assigns. Attached hereto are (a) **Exhibit A** – City of Rosenberg Ordinance No. 2013-32 designating Reinvestment Zone No. 17, (b) **Exhibit B** - Economic Impact Statement/Application for Value Added Tax Abatement, (c) **Exhibit C** – legal description of Real Property which are made part of this Agreement, and (d) **Exhibit D** – Site Plan.

18. Execution

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by District and Owner as of the dates below stated. Owner warrants and represents that the individuals executing this agreement on behalf of Owner have full authority to execute this Agreement and bind Owner to the same.

"DISTRICT:"
FORT BEND COUNTY
DRAINAGE DISTRICT

By: 

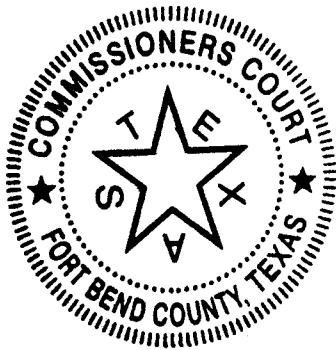
Robert E. Hebert, County Judge

ATTEST:

Date: 10-1-2013



Dianne Wilson, County Clerk



"Owner"

Aldi (TEXAS) L.L.C.

A Texas limited liability company

By: **Aldi Inc. (Pennsylvania),**
a Pennsylvania corporation

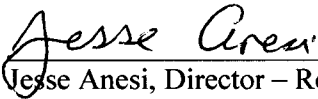
Its: Sole Member

By: 

Scott W. Huska,
Vice President

Date: 9/23/13

ATTEST:



Jesse Anesi, Director – Real Estate

Exhibit A
Ordinance Creating City of Rosenberg Reinvestment Zone No. 17

ORDINANCE NO. 2013-32

AN ORDINANCE CREATING CITY OF ROSENBERG REINVESTMENT ZONE NO. 17, SAME BEING 81.826 ACRES OF LAND, BEING IN THE HENRY SCOTT LEAGUE, ABSTRACT 83, CITY OF ROSENBERG, FORT BEND COUNTY, TEXAS, BEING THE RESIDUE OF THAT CERTAIN CALLED 89.12 ACRE TRACT RECORDED UNDER COUNTY CLERK'S FILE NUMBER 2007004092, OFFICIAL PUBLIC RECORDS, FORT BEND COUNTY, TEXAS, SAID TRACT ALSO BEING DESCRIBED AS A CALLED 81.86 ACRE TRACT RECORDED IN VOLUME 549, PAGE 320, DEED RECORDS, FORT BEND COUNTY, TEXAS, AND BEING AN 81.823 ACRE TRACT AS SHOWN ON SURVEY PREPARED BY FRANKLIN SCHODEK, RPLS 1535, DATED MAY 2, 2005, SAID 81.826 ACRE TRACT ALSO BEING OUT OF LOTS 22, 23, 24, 26 AND 17 OF THE ROSENBERG FARMS SUBDIVISION, ACCORDING TO MAP OR PLAT THEREOF RECORDED IN VOLUME 4, PAGE 25, DEED RECORDS, FORT BEND COUNTY, TEXAS; MAKING CERTAIN FINDINGS; REPEALING ALL ORDINANCES INCONSISTENT OR IN CONFLICT HERewith; AND PROVIDING FOR SEVERABILITY.

WHEREAS, City Council has passed and approved Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones Created in the City of Rosenberg, Texas (Guidelines); and,

WHEREAS, pursuant to such Guidelines, the City Council has received an application for creation of a reinvestment zone and the granting of tax abatement; and,

WHEREAS, after the giving of proper notice, as required by law, the City Council held a public hearing where all interested persons were given an opportunity to speak and present evidence for and against the creation of Reinvestment Zone No. 17; and,

WHEREAS, notice of such public hearing was duly given to the presiding officer of the governing body of each taxing unit that includes within its boundaries real property that is to be included in proposed Reinvestment Zone No. 17; and,

WHEREAS, City Council has determined that the improvements sought to be located in proposed Reinvestment Zone No. 17 are feasible and practical and would be a

benefit to the land to be included in the Zone and to the City after the expiration of the tax abatement agreement; and,

WHEREAS, the creation of Reinvestment Zone No. 17 will be reasonably likely, as a result of its creation, to contribute to the retention or expansion of primary employment or to attract major investment into the Zone that would benefit to property located therein and that will contribute to the economic development of the City of Rosenberg; now, therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ROSENBERG:

Section 1. The facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

Section 2. Reinvestment Zone No. 17 is hereby created for the purpose of encouraging economic development through tax abatement. A description of the property that comprises said Reinvestment Zone No. 17 is attached hereto as Exhibit "A" and made a part hereof for all purposes. Improvements constructed, erected, or placed within Reinvestment Zone No. 17 as created hereby shall be eligible for commercial-industrial tax abatement.


Section 3. The property that comprises Reinvestment Zone No. 17 is located within the corporate limits of the City of Rosenberg and is not now included within the boundaries of any current reinvestment zone.

Section 4. This designation of Reinvestment Zone No. 17 shall expire five (5) years after the date of adoption of this Ordinance.

Section 5. All ordinances or parts of ordinances inconsistent or in conflict herewith are, to the extent of such inconsistency or conflict, hereby repealed.

Section 6. In the event any clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Rosenberg, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

PASSED AND APPROVED by a vote of 7 "ayes" in favor and 0 "noes" against on this first and final reading in full compliance with the provisions of Section 3.10 of the Charter of the City of Rosenberg on the 3rd day of September 2013.

ATTEST:

Linda C. [Signature]
Linda C. [Signature], City Secretary

APPROVED:
[Signature]
Vincent M. Morales, Jr., Mayor

APPROVED AS TO FORM:

[Signature]
Lora Jean D. Lenzsch, City Attorney

Exhibit "A"

CHARLIE KALKOMEY SURVEYING, INC.
A JONES & CARTER COMPANY
 6415 READING ROAD
 ROSENBERG, TEXAS 77471
 281 342-2033

FIELD NOTES FOR AN 81.826 ACRE TRACT OF LAND IN THE HENRY SCOTT LEAGUE, ABSTRACT 83, CITY OF ROSENBERG, FORT BEND COUNTY, TEXAS, BEING THE RESIDUE OF THAT CERTAIN CALLED 89.12 ACRE TRACT RECORDED UNDER COUNTY CLERK'S FILE NUMBER 2007004092, OFFICIAL PUBLIC RECORDS, FORT BEND COUNTY, TEXAS, SAID TRACT ALSO BEING DESCRIBED AS A CALLED 81.86 ACRE TRACT RECORDED IN VOLUME 549, PAGE 320, DEED RECORDS, FORT BEND COUNTY, TEXAS, AND BEING AN 81.823 ACRE TRACT AS SHOWN ON SURVEY PREPARED BY FRANKLIN SCHODEK, RPLS 1535, DATED MAY 2, 2005, SAID 81.826 ACRE TRACT ALSO BEING OUT OF LOTS 22, 23, 24, 26, AND 17 OF THE ROSENBERG FARMS SUBDIVISION, ACCORDING TO MAP OR PLAT THEREOF RECORDED IN VOLUME 4, PAGE 25, DEED RECORDS, FORT BEND COUNTY, TEXAS, WITH ALL BEARINGS BASED UPON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NAD83, BASED UPON GPS OBSERVATIONS, AND ALL BOUNDARY CALLS REFERENCED HEREIN BASED UPON SAID FRANKLIN SCHODEK SURVEY OF MAY 2, 2005.

BEGINNING at a thick-wall ¾ inch iron pipe found in the south right-of-way line of U. S. Highway 90-A (100-feet wide) for the northwest corner of said residue of a called 89.12 acre tract, the northwest corner of said called 81.86 acre tract, and the northwest corner of said 81.823 acre Schodek tract, same being the northeast corner of an adjoining called 7.352 acre tract recorded in Volume 544, Page 3, Deed Records, Fort Bend County, Texas, for the northwest corner and **Place of Beginning** of the herein described tract;

THENCE North 81 degrees 03 minutes 00 seconds East (called North 83 degrees 58 minutes East) along the north line of the herein described tract, same being the south right-of-way line of U. S. Highway 90-A, 2,023.69 feet (called 2,023.69 feet) to a 2-inch iron pipe with a ½ inch iron rod inside found for the northeast corner of the herein described tract, the northeast corner of said called 89.12 acre tract, the northeast corner of said called 81.86 acre tract, and the northeast corner of said 81.823 acre Schodek tract, same being the northwest corner of the adjoining Lanes Subdivision, according to map or plat thereof recorded in Volume 174, Page 484-B, Deed Records, Fort Bend County, Texas;

THENCE South 03 degrees 02 minutes 30 seconds East (called South 00 degrees 07 minutes 21 seconds East, adjoiner called South) along the east line of the herein described tract, same being the west line of said adjoining Lanes Subdivision, 1,203.93 feet (called 1,204.07 feet, adjoiner called 1,203.00 feet) to a ¼-inch x 1-inch flat iron found for the southeast corner of the herein described tract, the southeast corner of said called 89.12 acre tract, the southeast corner of said called 81.86 acre tract, and the southeast corner of said 81.823 acre Schodek tract, same being the southwest corner of said adjoining Lanes Subdivision, and being in the northerly right-of-way line of the Kansas City Southern Railroad right-of-way (100-feet wide);

CHARLIE KALKOMEY (1921-2006)
 REGISTERED PROFESSIONAL LAND SURVEYOR

CHARLES A. KALKOMEY
 REGISTERED PROFESSIONAL LAND SURVEYOR

CHRIS D. KALKOMEY
 REGISTERED PROFESSIONAL LAND SURVEYOR

THENCE South 53 degrees 22 minutes 57 seconds West (called South 56 degrees 18 minutes 04 seconds West) along the southerly line of the herein described tract, same being the northerly right-of-way line of said adjoining Kansas City Southern Railroad right-of-way, 2,421.99 feet (called 2,421.62 feet) to a thick-wall ¼ inch iron pipe found for the southwest corner of the herein described tract, the southwest corner of said called 81.86 acre tract, and the southwest corner of said 81.823 acre Schodek tract, same being the southeast corner of the aforementioned adjoining called 7.352 acre tract;

THENCE North 02 degrees 55 minutes 13 seconds West (called North 00 degrees 00 minutes 31 seconds West, adjoiner called North 02 degrees 55 minutes 20 seconds West) along the west line of the herein described tract, same being the east line of said adjoining called 7.352 acre tract, 2,335.08 feet (called 2,334.95 feet, adjoiner called 2,334.98 feet) to the **Place of Beginning** and containing 81.826 acres of land, more or less.

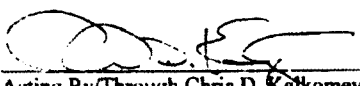
For reference and further description see Survey Plat No. 11985-1894-00 prepared by the undersigned on same date.

July 22, 2013

Job Number 11985-1894-00

Charlie Kalkomey Surveying, Inc.
6415 Reading Road
Rosenberg, TX 77471-5655
(281) 342-2033




Acting By/Through Chris D. Kalkomey
Registered Professional Land Surveyor
No. 5869
CDKalkomey@jonescarter.com

P:\PROJECTS\11985 Graycor Construction Company, Inc\1894-00 ALDI Distribution Center\Survey\Legal Desc\81.826ac.docx

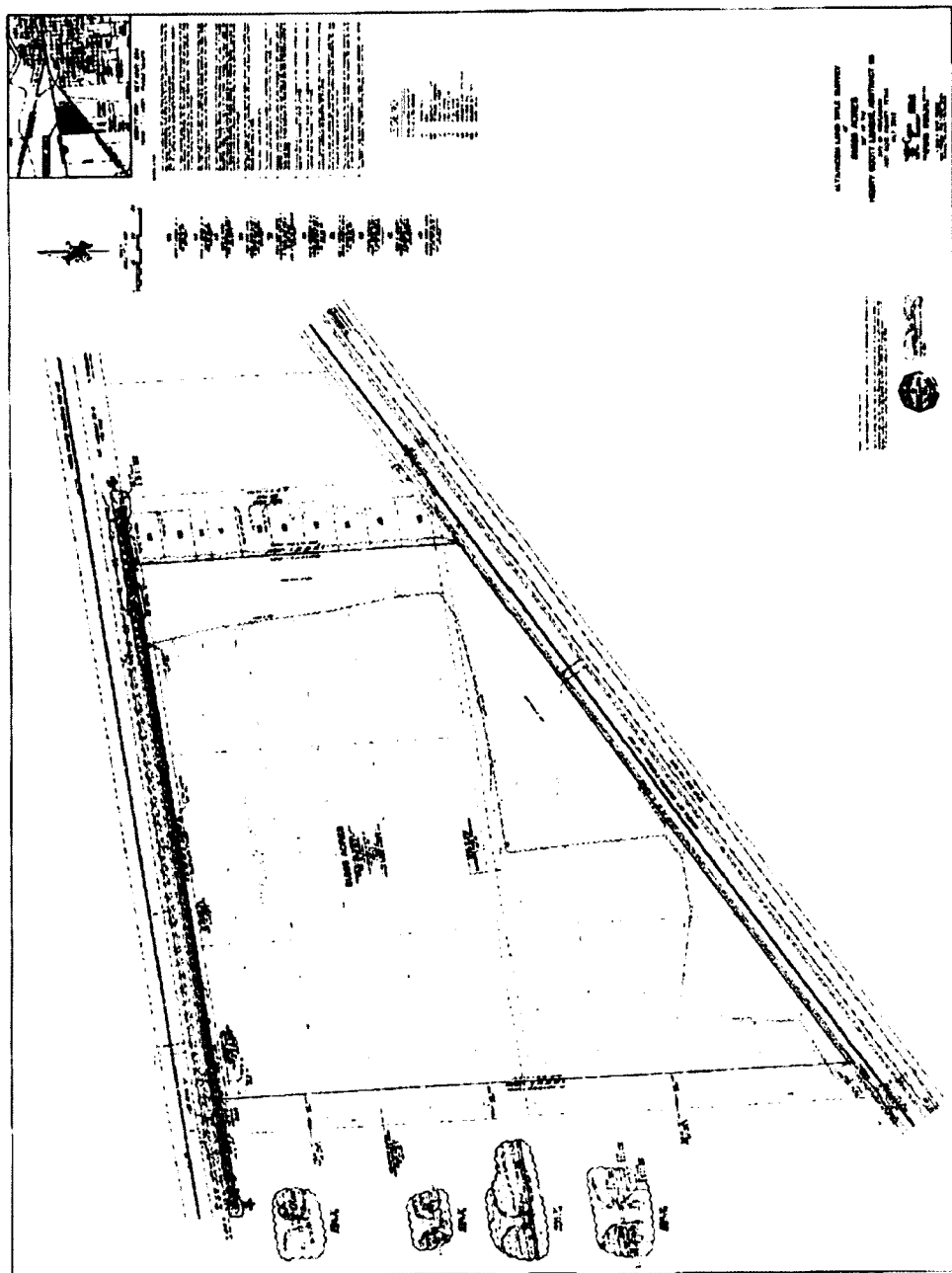


Exhibit B
Economic Impact Statement/Application for Value Added Tax Abatement



ECONOMIC IMPACT QUESTIONNAIRE – PART I
Initial Company Information

Company Name
Rosenberg, Fort Bend County

This document is part one of a two-part questionnaire. Based on the information you provide below, the City of Rosenberg and the Rosenberg Development Corporation (RDC) will begin prequalification of your project. The information you provide will allow the City to begin to develop your economic impact statement for presentation to the taxing entities for consideration of economic incentives. The following factors will be considered as a whole to determine the entire economic impact of the company: location of project, type of business, number of jobs, skill level of each job, average salary, investment in building improvements or new building, value of taxable inventory, value of taxable personal property and equipment, sales tax revenue generated for the city, impact on local infrastructure, and impact (good or bad) on existing businesses in the City.

1. Information About Your Company

Company Name: Aldri Texas LLC	
Contact Person: Jess Aiken	Title: Director of Real Estate
Current Address: 15915 Katy Fwy, Suite 850 Houston, TX 77064	
Office #	Mobile #
Fax #	Website
Email Address:	
The Company's Primary SIC Code: 53140	

2. Type of project (check all that apply):

- ☐ Existing business in Rosenberg
- ☒ New business to Rosenberg
- ☐ Expansion of existing facility
- ☒ Construction of new facility
- ☐ Company will lease facility
- ☒ Company will own facility
- ☒ Corporate/Regional Headquarters

3. If the company will lease the facility, who will be the owner?

Aldri Texas LLC

4. Location of proposed site(s) in Rosenberg (street address, name of Business Park or other development, city, or name of area if unincorporated): 81 Acre Tarantino Tract

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5. Scope of project:

Size of new facility (expansion):	650,000 s.f.
Size of existing facility (if applicable):	N/A
Size of lease space in existing facility (if applicable):	N/A
Number of acres at facility site:	81
Type of Construction (tilt wall, metal, concrete, etc.):	Tilt Wall

6. Please give detailed breakdown of operations within the proposed facility (i.e., 20% office; 25% distribution; 15% metal fabrication; 40% warehouse, etc.):

15% Office, 85% Warehouse

7. Truck traffic to be generated (# daily or weekly): 160 Truck Trips Daily

8. Targeted start of construction: December 3, 2013

9. Targeted start of operations: August 31, 2015

10. Market value (taxable assets) of the firm's property that would be located at the facility in Rosenberg (new property to Rosenberg):

Land	Existing Improvements	Construction Costs of Building Improvements	Furniture & Fixtures	Equipment	Inventory	Total
\$ 800,000	\$0	\$44,000	\$2,500,000	\$0	\$14,000,000	\$ 61,300,000

11. Estimated percent of inventory that would be Freeport qualified: 0 %

Freeport qualified inventory includes: raw materials, goods in process, and finished products acquired by a business and held for resale and not sold prior to being shipped out of state.

12. Employment information:

Current Number of Employees	Number of new jobs to Rosenberg	Number of existing jobs to be retained (if company currently located in Rosenberg)	Total Number of Jobs
0	72	0	72

Job growth projections: Year 2, Year 3, Year 4 and Year 5 = 30 New Jobs

Will the jobs in Rosenberg be filled by persons residing or projected to reside within the municipal limits of the City or its extra territorial jurisdiction (ETJ)? Yes

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13. Average salary (before benefits): \$33,000
14. The firm's estimated annual amount of taxable sales (that generate sales taxes) if the site will be located within the city limits of Rosenberg. (If you are currently located in Rosenberg, list your current amount of taxable sales and your predicted amount of taxable sales after improvements.) \$200,000 in construction materials
15. Will the company's local business practices necessitate business travel that will bring clients or employees to the Rosenberg facility, resulting in hotel/motel bookings? If so, what is the estimated number of hotel/motel stays per year that will be booked locally: N/A

CERTIFICATION - PART II

Aldi (Texas) L.L.C. does hereby certify that:

1. All statements and representations made herein are accurate to the best of their knowledge and agree to comply with these terms.
2. All requirements of the Code of Ordinances of the City of Rosenberg have been met in relation to the application filed herein; that applicant is not relying upon any representation of any employee, officer or agent of the City in making this application and further acknowledges that no rights or privileges may be relied on as a part of any application. In addition, it is acknowledged that the City Council may or may not grant any application or request hereunder purely as a matter of discretion; that there is no legal right to rely on any previous actions taken in same or similar applications or in previous actions taken on another application concerning the same or similar property.
3. If applicant is a corporate entity, applicant swears and affirms that all applicable franchise taxes or other taxes paid for the privilege of conducting business have been fully paid and that the applicant entity is fully authorized to transact business in the State of Texas and in the state of incorporation if different from the State of Texas. In addition, applicant, whether a corporate entity, partnership of any legal type or an individual, acknowledges and verifies that it is current on all current tax obligations, assessments or other governmental levies and assessments and that the same have been paid when due and payable and that no delinquencies exist at this time.
4. The information contained in this application is confidential between the applicant and the City of Rosenberg; thus in the event this application is rejected and/or the request for tax abatement is denied, the City of Rosenberg shall promptly return this application and not keep a copy thereof for any reason. If the request for tax abatement is granted and the City of Rosenberg enters into a tax abatement agreement with the applicant, this application and all related documents will be filed with the City Secretary and available for public inspection under the Texas Open Government Code. Rosenberg pledges itself to respect and honor the right of any person to maintain the confidentiality of any information or documents that are submitted to Rosenberg to the extent permitted by the laws of the State of Texas and, thus, deems any rejected or declined application to be working papers and not official document of the City or any other political entities created by or under the authority of the City of Rosenberg.
5. By signing and submitting this application you certify that the company, its branches, divisions and departments (company) do not and will not knowingly employ an undocumented worker. An agreement with the company will require the company to repay the total amount of the public benefit received with interest at the rate and according to the terms of the agreement if the company is convicted of a violation under B.U.S.C. Section 1324a (1). Repayment will be due no later than the 120th day after the date the City notifies the company of the violation as provided in the agreement.

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An undocumented worker is an individual who, at the time of employment, is not
(1) lawfully admitted for permanent residence in the United States, or
(2) authorized under law to be employed in that manner in the United States.

By Authorized Representative:

Jesse Agnew 9/23/13
Signature Date

Printed Name Jesse Agnew

Title Director of Real Estate

Company Aldi (Texas) LLC

The City of Rosenberg certifies that Aldi (Texas) LLC has met the standard requirements and is qualified for value added tax abatement in the City of Rosenberg, Texas.

Matthew Fieder Date
Economic Development Director, City of Rosenberg

The Greater Fort Bend Economic Development Council certifies that ALDI
has met the standard
requirements and is qualified for value added tax abatement in Fort Bend County

W. Jackson Belt 9/20/13
W. Jackson Belt Date
Executive Vice President
Greater Fort Bend Economic
Development Council

Exhibit C
Legal Description

A Field Note Description of 81.823 Acres of Land, being the Rodman Peddie, Trustee Tract (FBC 99003425, See Volume 549, Page 320; Deed Records); being all of Lot 23 and Part of Lots No. 22, 24, 25, 26 and also an abandoned 30' road in the ROSENBERG FARMS SUBDIVISION (Volume 4, Page 25; Deed Records); and being in the Henry Scott League, Abstract 83 City of Rosenberg, Fort Bend County, Texas.

Beginning at a 2 inch iron pipe with 3/8 inch iron rod inside found in the South right-of-way line of U.S. Highway No. 90A (100 feet wide) and marking the Northwest corner of LANE'S 568 ACRE SUBDIVISION (Volume 174, Page 484; Deed Records); said corner being the Northeast corner of and place of beginning for this tract;

THENCE, South 00 deg. 07'21" East; along evidence of old fence line and the West line of said LANE'S 568 ACRE SUBDIVISION, 1204.07 feet to a 3/8 x 1" Flat Iron Bar found marking the Southeast corner of this tract;

THENCE, South 56 deg. 18'04" West, along the Northwest line of the G.H. & S.A. Railroad 2421.62 feet to a 7/8 inch iron pipe found marking the Southwest corner of this tract;

THENCE, North 00 deg. 00'31" West, along the East line of the Centerpoint Energy Houston Electric, LLC (Houston Lighting & Power Company) 7.352 Acre Tract (Volume 544, Page 3; Deed Records); 2334.95 feet to a 7/8 inch iron pipe found marking the Northwest corner of this tract;

THENCE, North 83 deg. 58' East (Base Bearing), along the South right-of-way line of U.S. Highway No. 90A, 2023.68 feet to the place of beginning and containing 81.823 Acres of land.

Exhibit "D" Site Plan

