

STATE OF TEXAS §
 § **ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT**
COUNTY OF DALLAS §

This Economic Development Incentive Agreement (“Agreement”) is made by and between the City of Coppell, Texas (the “City”), and Amazon.com.kydc LLC, a Delaware limited liability company (“Company”) (each a “Party” and collectively the “Parties”), acting by and through their respective authorized officers.

W I T N E S S E T H:

WHEREAS, Company has leased or intends to lease approximately 1,053,365 square feet of space in a distribution center and warehouse building located at 2701 W. Bethel Road, DFW Airport, Dallas County, Texas 75261] (hereinafter described as the “Leased Premises”), for a period of at least ten (10) years (hereinafter defined as the “Lease”), and intends to locate and maintain Tangible Personal Property (hereinafter defined) at the Leased Premises; and

WHEREAS, Company has advised City that a contributing factor that would induce Company to enter into the Lease and occupy the Leased Premises would be an agreement by City to provide an economic development grant to Company to defray a portion of the costs of occupying the Leased Premises; and

WHEREAS, City has adopted programs for promoting economic development and this Agreement and the economic development incentives set forth herein are given and provided by City pursuant to and in accordance with those programs; and

WHEREAS, City is authorized by Article 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code to provide economic development grants to promote local economic development and to stimulate business and commercial activity in City; and

WHEREAS, City and Company also are entering into a separate Economic Development Incentive Agreement of even date herewith or nearly even date herewith with respect to grants based on sales and use tax revenues (the “Sales Tax Incentive Agreement”); and

WHEREAS, City has determined that making economic development grants to Company in accordance with this Agreement is in accordance with City Economic Development Program and will: (i) further the objectives of City; (ii) benefit City and City’s inhabitants; and (iii) promote local economic development and stimulate business and commercial activity in City.

NOW THEREFORE, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Article I Term

This Agreement shall be effective on the last date of execution hereof (“Effective Date”) and shall continue until the Expiration Date, unless sooner terminated as provided herein.

Article II Definitions

Wherever used in this Agreement, the below terms shall have the meanings ascribed to them.

“Annual BPP Grants” shall mean ten (10) annual economic development grants to be provided by City, each in an amount equal to seventy-five percent (75%) of the BPP Taxes assessed against the Tangible Personal Property located at the Leased Premises and collected by City for the applicable Tax Year, to be paid as set forth herein.

“Bankruptcy or Insolvency” shall mean the dissolution or termination of Company’s existence, insolvency, employment of receiver for any part of Company’s property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors or the commencement of any proceedings under any bankruptcy or insolvency laws by or against Company and such proceedings are not dismissed within ninety (90) days after the filing thereof; provided however Bankruptcy or Insolvency shall not include an event that does not affect the Company’s ability to continue to make the Required Use of the Leased Premises and otherwise to meet its obligations under this Agreement.

“BPP Taxes” shall mean: (i) one third of ad valorem taxes assessed and collected by the City against the Tangible Personal Property attributed to that portion of the tax rate for the applicable Tax Year for maintenance and operations; and (ii) one hundred percent of the ad valorem taxes assessed and collected by the City against the Tangible Personal Property that is attributed to that portion of the tax rate for the applicable tax year for an interest and sinking fund for debt service. For illustration purposes only assume the City tax rate for a given tax year is \$0.63 on each one hundred dollars (\$100) assessed valuation of taxable property apportioned and distributed for purpose of defraying the current expenditures of the municipal government of the City (Maintenance and Operations) a tax of \$0.38 on each one hundred dollars (\$100) assessed value on all taxable property and for the purpose of creating a sinking fund to pay the interest and principal maturities of all outstanding debt of the City of a tax of \$0.25 on each one hundred dollars (\$100) assessed value of taxable property within the City to be applied to the payment of interest and maturities of all outstanding debt (Debt Service) then the BPP Taxes would be 1/3 of the ad valorem taxes at the rate of \$0.38 on each one hundred dollars (\$100) assessed value of the Tangible Personal Property plus one hundred percent of the ad valorem taxes at the rate of \$0.25 on each one hundred dollars (\$100) assessed

value of the Tangible Personal Property. The BPP Taxes would then be applied to the Annual BPP Grant percentage to arrive at the Annual BPP Grant Amount.

“City” shall mean City of Coppell, Texas.

“Company” shall mean Amazon.com.kydc LLC, a Delaware limited liability company, along with its successors and permitted assigns.

“Company Affiliates” means any entities related to the Company by direct or indirect common or overlapping majority ownership, where collectively the Company and all Company Affiliates are a group of entities in which a single parent entity owns directly or indirectly a majority interest in each other entity that is part of the group.

“Company Notice to Proceed” shall mean written notification from the Company to the City that Company intends to treat the sale of Taxable Items at the Leased Premises as Consummated at the Leased Premises within the Eligibility Period.

“Consummated” shall have the same meaning assigned by Texas Tax Code, Section 321.203, or its successor, including after a change of law the applicable principles for determining the incidence of local sales and use taxes for purposes of retailers’ collection of Sales and Use Tax on sales of Taxable Items related to the Leased Premises.

“Eligibility Period” shall mean the period beginning on the Effective Date and continuing through and including January 1, 2021, unless the City and Company agree to extend the period to January 1, 2022 or a later date.

“Expiration Date” shall mean March 1 of the calendar year following the tenth (10th) anniversary date of the first Grant Year.

“Force Majeure” shall mean any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, government or de facto governmental action (unless caused by the intentionally wrongful acts or omissions of the Party), fires, explosions or floods, strikes, slowdowns, work stoppages, or any circumstances which are reasonably beyond the control of the Party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstances are similar to any of those enumerated or not.

“Freeport Goods” shall have the same meaning as assigned by Section 11.251 of the Tax Code and Article VIII, Section 1-j of the Texas Constitution. Freeport Goods does not include “Goods in Transit” as defined by Tax Code, Section 11.253.

“Goods in Transit” shall have the same meaning assigned by Tax Code, Section 11.253.

“Grant Year” shall mean a given Tax Year, and the first Grant Year shall mean the Tax Year commencing January 1 of the year in which Company provides the Company Notice to Proceed.

“Impositions” shall mean all taxes, assessments, use and occupancy taxes, charges, excises, license and permit fees, and other charges by public or governmental authority, general and special, ordinary and extraordinary, foreseen and unforeseen, which are or may be assessed, charged, levied, or imposed by any public or governmental authority on Company or any property or any business owned by Company within City.

“Lease” shall mean the lease of the Leased Premises by Company for a period of not less than ten (10) years commencing on the Lease Inception Date.

“Lease Inception Date” shall mean the commencement date of the lease term under the Lease, but no later than December 31, 2016.

“Leased Premises” shall mean approximately [1,053,365 square feet of space in a distribution center and warehouse building located at 2701 W. Bethel Road, DFW Airport, Dallas County, Texas 75261].

“Payment Request” shall mean a written request from Company to City for payment of the applicable Annual BPP Grant, which request shall be accompanied by copies of tax statement and/or receipt(s) and/or other evidence reasonably satisfactory to City to establish that the ad valorem taxes assessed by City against the Tangible Personal Property has been timely paid for such Grant Year. The Payment Request shall be in a form determined by the Company in its reasonable discretion.

“Required Use” shall mean the Company’s continuous lease or ownership and occupancy of the Leased Premises, and the Company’s continuous operation of a fulfillment center at the Leased Premises, which may include other functions and activities consistent with the Company’s business purposes, including but not limited to an employee store, a product return center, and a sortation center.

“Sales and Use Tax” shall mean the one percent (1%) sales and use tax imposed by the City pursuant to Chapter 321, Texas Tax Code on the sale of Taxable Items by the retailers Consummated in the City at the Leased Premises, for revenues for general City use.

“Sales Tax Receipts” shall mean the City’s receipts of Sales and Use Tax from the State of Texas from the retailers’ collection of Sales and Use Tax as a result of sales of Taxable Items by retailers Consummated at the Leased Premises. For clarity, Sales Tax Receipts means amounts of Sales and Use Taxes actually received by the City from the State of Texas and therefore does not include Sales and Use Taxes retained by the State of Texas, rather than paid to the City, as the State of Texas’ administrative fee for collection of the Sales and Use Taxes pursuant to Texas Tax Code, Section 321.503.

Sales Tax Receipts include the City's one percent (1%) general sales and use tax but do not include the one-half percent (0.5%) sales and use tax imposed for the benefit of the Coppell Recreation Development Corporation, pursuant to the Development Corporation Act, Chapters 501-505 of the Texas Local Government Code, the one-quarter percent (0.25%) sales and use tax imposed by the City and specifically devoted to street maintenance and repairs, or the one-quarter percent (0.25%) sales and use tax imposed for the Coppell Crime Control Special Purpose District.

"State of Texas" shall mean the Office of the Texas Comptroller, or its successor.

"Tangible Personal Property" shall have the same meaning assigned by Tax Code, Section 1.04, and shall mean all tangible personal property, equipment, fixtures, and machinery, inventory and supplies owned or leased by Lessee and located in the Leased Premises on January 1 of a given Tax Year. Tangible Personal Property shall not include Freeport Goods or Goods in Transit.

"Taxable Items" shall mean both "tangible personal property" and "taxable services" as those terms are defined by Chapter 151, Texas Tax Code, as amended.

"Taxable Value" shall mean the appraised value as certified by the Appraisal District as of January 1 of the given Tax Year.

"Tax Year" shall have the meaning assigned to such term in Section 1.04 of the Texas Tax Code (i.e., the calendar year).

Article III Economic Development Grant

3.1 Annual BPP Grants.

(a) Subject to Section 3.8 below and subject to the continued satisfaction of all the terms and conditions of this Agreement by Company, and provided the Taxable Value of the Tangible Personal Property is at least Five Million Five Hundred Thousand Dollars (\$5,500,000.00), (the "Minimum Taxable Value") City agrees to provide Company with ten (10) Annual BPP Grants to be paid within thirty (30) days after receipt of a Payment Request following March 1 of each calendar year (or the immediately following business day if March 1 is not a business day), beginning with March 1, of the year following the first Grant Year, provided City ad valorem taxes assessed against the Tangible Personal Property have been paid in full for the respective Grant Year (i.e., the Tax Year immediately preceding the year in which an Annual BPP Grant is to be made) prior to the delinquency date. The failure of the Tangible Personal Property to have a Taxable Value of at least the Minimum Taxable Value as of January 1 of any calendar year during the term of this Agreement shall not be considered an event of default or breach of this Agreement, but rather such event shall result in the forfeiture of the Annual BPP Grant for the Tangible Personal Property for such Tax Year.

(b) Each Payment Request shall be submitted to the City not later than seventy-five calendar days (75) days immediately following the end of the applicable Grant Year. If the Company fails to timely submit the Payment Request for any applicable Grant Year the Company shall forfeit the Annual BPP Grant for such Grant Year; provided, however, the City must provide written notice pursuant to Section 6.5 of this Agreement to the Company that the City did not receive a timely submitted Payment Request for an applicable Grant Year and that the City is claiming a forfeiture of the corresponding Annual BPP Grant under this Section 3.1, and the Company shall not forfeit the Annual BPP Grant for such Grant Year if the Company provides a Payment Request within thirty (30) days following the Company's receipt of such notice

3.2 Tax Protest. In the event Company or another party timely and properly protests or contests (including any motion to correct the appraisal roll) the Taxable Value and/or the taxation of the Tangible Personal Property with the applicable appraisal district (or its successor), the obligation of City to provide the Annual BPP Grant with respect to the Tangible Personal Property for such Tax Year shall be delayed with respect to the portion protested or contested until a final determination has been made of such protest or contest. In the event Company or another party's protests and/or contests results in a final determination that changes the amount of ad valorem taxes assessed and due for the Tangible Personal Property (or portion thereof) after any Annual BPP Grant has been paid for such Tax Year, the Annual BPP Grant for such Tax Year shall be adjusted (increased or decreased as the case may be) accordingly on the date of payment of the next Annual BPP Grant, or within thirty (30) business days after such determination in the event no further Annual BPP Grant is due under the Agreement.

3.3 Refunds and Underpayments of Grants. In the event City reasonably determines that the amount of any Annual BPP Grant paid by City to Company was incorrect, Company shall, within thirty (30) days after receipt of written notification thereof from City specifying the amount by which such Annual BPP Grant exceeded the correct amount to which Company was entitled (together with such records, reports and other information necessary to support such determination), pay such amount to City. If City reasonably determines that the amount by which such Annual BPP Grant was less than the correct amount to which Company was entitled (together with such records, reports and other information necessary to support such determination), City shall, within thirty (30) days, pay the adjustment to Company.

3.4 Current Revenue. The Annual BPP Grants shall be paid solely from annual appropriations from the general funds of the City or from such other funds of the City as may be legally set aside for such purpose consistent with Article III, Section 52(a) of the Texas Constitution. Further, the City shall not be obligated to pay any commercial bank, lender or similar institution for any loan or credit agreement made by Company.

3.5 Grant Limitations. Under no circumstances shall the obligations of the City hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision; provided; however, the City agrees during the term of this Agreement to make a good faith effort to appropriate funds each year to pay the Annual BPP Grant for the then ensuing fiscal year. Further, the City shall not be obligated to pay any commercial bank, lender or similar institution for any loan or credit agreement made by the Company. None of the obligations of

the City under this Agreement shall be pledged or otherwise encumbered by the Company in favor of any commercial lender and/or similar financial institution.

3.6 Escrow of Annual BPP Grants.

(a) Notwithstanding anything to the contrary herein the Annual BPP Grants shall not be paid or distributed by City to Company as provided in Section 3.1 of this Agreement but rather shall be held by City in a separate interest bearing account until the Leased Premises is a place of business for the purposes of Texas sales and use tax generating Sales and Use Tax Receipts due to the City (“Sales Tax Sourcing”) which Sales Tax Sourcing shall occur within before the end of the Eligibility Period. Within thirty (30) days after the Sales Tax Sourcing first occurs, the City shall pay to the Company all withheld Annual BPP Grants with the interest earned thereon.

(b) This Agreement shall terminate without notice or further action by either Party in the event the Sales Tax Sourcing has not occurred before the end of the Eligibility Period. In such event the Annual BPP Grants which have been held by City shall be forfeited by Company and retained by the City for its use.

Article IV
Conditions to Grants

The obligation of City to provide the Annual BPP Grants shall be conditioned upon the compliance and satisfaction by Company of the terms and conditions of this Agreement and each of the conditions set forth in Article IV.

4.1 Payment Request. Company shall, as a condition precedent to the payment of each applicable Annual BPP Grant, timely provide City with the applicable Payment Request pursuant to Section 3.1(b) of this Agreement.

4.2 Good Standing. Company shall not have an uncured breach or default of this Agreement.

4.3 Required Use. During the period beginning on the Lease Inception Date and continuing until the Expiration Date, the Leased Premises shall not be used for any purpose other than the Required Use, and the operation of the Leased Premises in conformance with the Required Use shall not cease for more than thirty (30) continuous days except in connection with, and to the extent of an event of Force Majeure, a casualty to the Leased Premises preventing the Company from using the Leased Premises for the Required Use, or a temporary cessation of operations for a business purpose related to and consistent with the Company’s use of the Leased Premises for the Required Use, such as temporary cessation of operations to remodel or modernize the Leased Premises.

4.4 Lease. The Company shall have entered into the Lease on or before December 31, 2016, and the Company shall initially occupy the Leased Premises on or before December 31,

2017; provided, however, such dates shall be extended as reasonably necessary if the Company's entry into the Lease or its occupancy of the Leased Premises is delayed by an event of Force Majeure, a delay in the construction of the Premises, or other unforeseen delays for reasonable cause.

4.5 Continuous Occupancy. Subject to the provisions of Section 4.3 of this Agreement, the Company shall, beginning on the Lease Inception Date and continuing thereafter until the Expiration Date, continuously lease or own, and occupy the Leased Premises. Notwithstanding the foregoing, during the period beginning on the Lease Inception Date and continuing until the Expiration Date, the operation of the Leased Premises shall not cease for more than thirty (30) continuous days except in connection with, and to the extent of an event of Force Majeure, a casualty to the Leased Premises preventing the Company from using the Leased Premises for the Required Use, or a temporary cessation of operations for a business purpose related to and consistent with the Company's use of the Leased Premises for the Required Use, such as temporary cessation of operations to remodel or modernize the Leased Premises.

Article V Termination

5.1 Termination. This Agreement shall terminate upon any one or more of the following:

- (a) by written agreement of the Parties;
- (b) Expiration Date;
- (c) upon written notice, by either Party in the event the other Party breaches any of the terms or conditions of this Agreement and such breach is not cured within forty-five (45) days after the non-breaching Party sends written notice to the breaching Party of such breach;
- (d) by the Company, upon written notice of termination, without breach and effective immediately if the Lease terminates according to its terms, if the Lease is not renewed or extended at the end of the Lease term, if the Company remains a lessee under the Lease but discontinues active business operations at the Leased Premises, or otherwise in the Company's discretion;
- (e) by the City, upon written notice of termination, if Company suffers an event of Bankruptcy or Insolvency;
- (f) by the Company, upon written notice of termination, if the City suffers an event of Bankruptcy or Insolvency;
- (g) by the City, upon written notice of termination, if any Impositions owed to the City or the State of Texas by Company shall become delinquent; provided, however, (i) the City shall provide the Company notice within thirty (30) days of learning of any Impositions it believes are owed by the Company and have become delinquent; (ii) the Company shall have an

opportunity to cure such delinquent Impositions in the same cure period as provided for breaches of this Agreement under Section 5.1(c) of this Agreement; and (iii) the Company retains the right to timely and properly protest and contest any such Impositions and no Imposition shall be considered delinquent during any period that the Company is pursuing any rights to protest or contest such Imposition; or

- (h) by either party, upon written notice of termination, if any subsequent Federal or State legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal or unenforceable.

5.2 Right of Offset. The City may, at its option, offset any amounts due and payable under this Agreement against any debt (including taxes) lawfully due to the City from the Company, regardless of whether the amount due arises pursuant to the terms of this Agreement or otherwise; provided, however (i) the City shall provide the Company notice within thirty (30) days of determining that any debt is believed lawfully due to the City from the Company; (ii) the Company shall have an opportunity for no less than forty-five (45) days to resolve or pay such debt to City before any offset to amounts payable under this Agreement may occur; and (iii) the Company retains all rights to contest whether or in what amount any debt is owed to the City, and the City may not offset any asserted amount of debt owed by the Company against amounts due and owing under this Agreement during any period during which the Company is contesting whether such amount of debt is due and owing.

5.3 Waiver of Immunity. Notwithstanding anything to the contrary herein, the City and the Company acknowledge and agree that this Agreement is subject to the provisions of Subchapter I of Chapter 271, Texas Local Government Code, as amended. The City agrees that its immunity from suit is waived for the purpose of adjudicating a claim for breach of this Agreement, which is subject to the terms and conditions of Subchapter I of Chapter 271, Texas Local Government Code, as amended.

Article VI Miscellaneous

6.1 Binding Agreement. The terms and conditions of this Agreement are binding upon the successors and permitted assigns of the Parties hereto. This Agreement may not be assigned without the express written consent of City Manager, which may not be unreasonably withheld, except that Company may assign this Agreement to a Company Affiliate or in connection with any merger, reorganization, sale of all or substantially all of Company's assets or any similar transaction.

6.2 Limitation on Liability. It is understood and agreed by the Parties that Company, in satisfying the conditions of this Agreement, has acted independently, and City assumes no responsibilities or liabilities to third parties in connection with these actions. Except to the extent caused by City's gross negligence or willful misconduct, Company agrees to indemnify and hold harmless City from all such claims, suits, and causes of actions, liabilities and expenses of any

nature whatsoever by a third party arising out of Company's failure to perform its obligations under this Agreement. City agrees that Company has the right to take over and manage the defense of any claim for which City seeks indemnification. Notwithstanding any other provision in this Agreement, Company will not be required to indemnify City for any settlements reached with respect to a third party claim unless Company has provided its prior written consent for such settlement. Moreover, Company shall not be liable for incidental or consequential damages.

6.3 No Joint Venture. It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the Parties.

6.4 Authorization. Each Party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.

6.5 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the Party at the address set forth below or on the day actually received if sent by nationally recognized overnight courier service, facsimile with electronic confirmation, or otherwise hand delivered. Each Party may update its contact information by notice to the other. Routine business and technical correspondence must be in English, and may be in electronic form. All legal notices given under this Agreement must be written, in non-electronic form, and in English, and will be effective when received.

If intended for City, to:

Attn: City Manager
City of Coppell, Texas
P. O. Box 478
Coppell, Texas 75019

With a copy to:

Peter G. Smith
Nichols, Jackson, Dillard, Hager & Smith, L.L.P.
1800 Ross Tower
500 N. Akard
Dallas, Texas 75201

If intended for Company, to:

Amazon.com.kydc LLC
410 Terry Avenue North
Seattle, Washington 98109
Attn: Director of Economic Development
Fax: (206) 266-7010
Email: economicdevelopment@amazon.com

With a copy to:

Amazon.com, Inc.
410 Terry Avenue North
Seattle, Washington 98109
Attn: General Counsel (Real Estate)
Fax: (206) 266-7010
Email: contracts-legal@amazon.com

6.6 Entire Agreement. This Agreement is the entire Agreement between the Parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written Agreement between the Parties that in any manner relates to the subject matter of this Agreement, except as provided in any Exhibits attached hereto.

6.7 Governing Law. The Agreement shall be governed by the laws of the State of Texas without regard to any conflict of law rules. Exclusive venue for any action concerning this Agreement shall be in the State District Court of Dallas County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

6.8 Amendment. This Agreement may only be amended by the mutual written agreement of the Parties.

6.9 Legal Construction. In the event 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 other provisions, and it is the intention of the Parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

6.10 Recitals. The recitals to this Agreement are incorporated herein.

6.11 Counterparts. This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

6.12 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

6.13 Employment of Undocumented Workers. During the term of this Agreement Company agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a (f), Company shall repay the amount of the Annual BPP Grants and any other funds received by Company from City as of the date of such violation within one hundred twenty (120) days after the date Company is notified by City of such violation, plus interest at the rate of four percent (4%) compounded annually from the date of violation until paid. Company is not liable for a violation of this section in relation to any workers employed by a subsidiary, affiliate, or franchisee of Company or by a person with whom Company contracts.

6.14 Conditions Precedent. This Agreement is expressly subject to and the obligations of the Parties are subject to the following conditions precedent: (i) Company having entered into the Lease on or before December 31, 2016; and (ii) Company occupying the Leased Premises on or before December 31, 2016.

6.15 Confidentiality/Information Security. The City will use adequate safeguards to maintain the security and confidentiality of all materials, communications, data and information related to this Agreement or supplied by the Company in connection with this Agreement. The City's staff, representatives and agents will exercise the utmost discretion in oral and written communications regarding the project and will provide information internally only to those individuals who need the information to facilitate the parties' performance under this Agreement.

The City will use adequate physical and technical measures to maintain the security of all electronic and tangible records relating to this Agreement. The City agrees to promptly notify the Company in the event the City experiences a security breach that could have impacted any electronic or tangible records relating to this Agreement. The City acknowledges and agrees that the Company must comply with its information security policies in performing its obligations under this Agreement and that to the extent the Company is required to deliver certain sensitive information in connection with this Agreement, the Company may deliver such information in password protected and encrypted files.

The City shall endeavor to notify the Company within five (5) business days after receiving any Public Information Act request that seeks disclosure of information provided by or concerning the Company or a Company Affiliate, and the parties will reasonably cooperate to determine whether or to what extent the requested information may be released without objection and without seeking a written opinion of the Texas Attorney General. The City shall, if reasonable under the Public Information Act or other applicable law, take the position that any information responsive to a Public Information Act request relating to the Company or a Company Affiliate that the parties do not mutually agree to release without objection is information not subject to release to the public pursuant to Section 552.110 of the Texas Government Code, or other applicable law. The City shall, if reasonably supported by applicable

law, seek a written opinion from the Texas Attorney General raising any applicable exception to release of such information prior to any release to a third party under the Texas Public Information Act. If the City seeks a written opinion from the Texas Attorney General pursuant to Section 552.305 of the Texas Government Code, the City may require the Company to draft and submit to the Texas Attorney General the substantive comments or arguments in support of such opinion request. The City shall provide the Company timely notice and an opportunity to review and comment on any opinion request submitted by the City.

[Signature page to follow]

EXECUTED on this _____ day of _____, 2016.

CITY OF COPPELL, TEXAS

By: _____
Karen Selbo Hunt, Mayor

ATTEST:

By: _____
Christel Pettinos, City Secretary

APPROVED AS TO FORM:

By: _____
City Attorney

EXECUTED this the _____ day of _____, 2016.

AMAZON.COM.KYDC LLC

By: _____

Name: _____

Title: _____