



April 14, 2022

9:00 AM

**Douglas County Economic Development Authority
8512 Bowden Street**

- I. Call to Order
- II. Roll Call
- III. Reading and approval of the minutes from the previous meeting
- IV. Budget Report
- V. New Business

- Discussion, review and consideration of a Resolution (i) accepting Project KIS' application under the City of Douglasville's 2020 Tax Savings Plan, subject to further action of the Mayor and Council of the City of Douglasville, and (ii) authorizing the execution and delivery to Project KIS of a Revised Inducement Agreement in substantially the form attached to the Resolution.

-Approval of the Fiscal Year 2023 Development Authority Budget

- VI. Other Business
- VII. Project Updates
- VIII. Set Date of Next Meeting—May 12, 2022
- IX. Adjournment

DEVELOPMENT AUTHORITY OF THE CITY OF DOUGLASVILLE, GEORGIA
MINUTES OF THE REGULARLY CALLED MEETING
March 10, 2022 — 9AM

Douglas County Economic Development Authority
8512 Bowden Street

Call to Order: Chair Choo called the meeting to order at 9:04 am.

Roll Call: Conducted by Kristen Tate

Members Present: Chairman Leslie Choo, Phil Sisk, Jeff Camp, John Williams, Don Watts, Cathy Smith-Curry (9:12am)

Staff Present: Kristen Tate

Others Present: John Gornall, Arnall Golden Gregory, LLP, Authority Attorney
Wilhelm Ziegler, Arnall Golden Gregory, LLP, Authority Attorney
Chris Pumphrey, Elevate Douglas Economic Partnership
Breezy Straton, Elevate Douglas Economic Partnership
Charnae Ware, Elevate Douglas Economic Partnership
Maggie Scoggins, Elevate Douglas Economic Partnership
Aaron Szarowicz, City of Douglasville

Special Action

- To elect Kristen Tate as Acting Secretary for the March 10, 2022 Meeting.

Mr. Williams made a motion to approve Ms. Tate as acting Secretary for the March 10, 2022 meeting; Mr. Camp seconded the motion. All members present voted in favor of the motion. The motion was approved.

Adoption of Minutes

Mr. Sisk made a motion to approve the minutes from the February 10, 2022 meeting; Mr. Watts seconded the motion. All members present voted in favor of the motion. The motion was approved.

Budget Report

Ms. Tate was present and reviewed the March 2021 budget.

New Business

- To discuss and review a resolution recommending City of Douglasville approval for participation in the City's Revised 2020 Tax Plan for Relish Labs LLC's ("Relish Labs") food processing business. Such recommendation to be made only upon Relish Labs' execution of an Inducement Agreement in form substantially similar to the Relish Labs Inducement Agreement attached to the resolution to be considered by the Board.

Ms. Smith-Curry made a motion to approve the agreements and amendment; Mr. Sisk seconded the motion. All members present voted in favor of the motion. The motion was approved.

- To discuss and review a resolution recommending City of Douglasville approval for PME Oakmont Skyview, LLC's ("Oakmont") participation in the City's Revised 2020 Tax Plan as owner of the land and building on and in which Relish Labs will operate its food processing business. Such recommendation to be made only upon Oakmont's execution of an Inducement Agreement in form substantially similar to the Oakmont Inducement Agreement attached to the Resolution to be considered by the Board.

Ms. Smith-Curry made a motion to approve the agreements and amendment; Mr. Williams seconded the motion. All members present voted in favor of the motion. The motion was approved.

- To discuss and review consider a resolution recommending City of Douglasville approval for Project KIS' participation in the City's Revised 2020 Tax Plan. Such recommendation to be made only upon Project KIS' execution of an Inducement Agreement in form substantially similar to the Project KIS Inducement Agreement attached to the resolution to be considered by the Board.

No action.

- Any other matter that comes before the Meeting.

No action.

Other Business

None.

Project Updates

Mr. Pumphrey was present to provide project updates.

Set Date of Next Meeting

The next meeting is set for Thursday, April 14, 2022 unless cancelled, and will be held at the Douglas County Economic Development Authority Office.

Adjournment

Mr. Sisk made a motion to adjourn the meeting; Mr. Watts seconded the motion. All members present voted in favor of the motion. The meeting was adjourned at 9:46am.

Leslie Choo, Chairman
Development Authority of the City of
Douglasville, Georgia

Kristen Tate, Acting Secretary/Treasurer
Development Authority of the City of
Douglasville, Georgia

04/11/2022

REVENUE AND EXPENDITURE REPORT FOR CITY OF DOUGLASVILLE
 PERIOD ENDING 03/31/2022

GL NUMBER	DESCRIPTION	2021-22 AMENDED BUDGET	YTD BALANCE 03/31/2022	AVAILABLE BALANCE	% BDGT USED
Fund 314 - CITY OF DOUGLASVILLE DEV. AUTHORITY					
Revenues					
Dept 7511					
314-7511-38.99005	MISC REVENUE	0.00	0.00	0.00	0.00
314-7511-39.33004	DDA BOND ISSUANCE FEES	0.00	10,000.00	(10,000.00)	100.00
314-7511-39.33300	PROC GLT LIAB/OTHER BOND PROC	0.00	0.00	0.00	0.00
314-7511-39.33304	DOUGLASVILLE DEVELOPEMENT AUTH	0.00	0.00	0.00	0.00
Total Dept 7511		0.00	10,000.00	(10,000.00)	100.00
TOTAL REVENUES		0.00	10,000.00	(10,000.00)	100.00
Expenditures					
Dept 7511					
314-7511-52.11230	LEGAL	45,000.00	4,429.69	40,570.31	9.84
314-7511-52.11290	OTH PROFESSIONAL SERVICES	130,000.00	75,000.00	55,000.00	57.69
314-7511-52.33100	OTH PUR SVCS/GEN LIAB-INSURANCE	4,375.00	4,375.00	0.00	100.00
314-7511-52.33700	OTH PUR SVCS-EDU/TRAINING	1,000.00	0.00	1,000.00	0.00
314-7511-61.15010	TRANSFER TO FUND 100	12,000.00	9,000.00	3,000.00	75.00
Total Dept 7511		192,375.00	92,804.69	99,570.31	48.24
TOTAL EXPENDITURES		192,375.00	92,804.69	99,570.31	48.24

RESOLUTION OF THE
DEVELOPMENT AUTHORITY OF THE CITY OF DOUGLASVILLE, GEORGIA
APRIL , 2022

WHEREAS, the Development Authority of the City of Douglasville, Georgia (the “Authority”) is informed that Flexential Corp., a Delaware corporation (the “Company”) proposes the construction and equipping of a colocation data center in the City of Douglasville, Georgia (the “City”) located in the Riverside West Business Park (the “Project”); and

WHEREAS, the Authority, by Resolution adopted on February 10, 2022 by the Authority’s Board in a meeting open to the public, held in accordance with the Open Meetings Law, found that the proposed Project will develop and promote for the public good and general welfare trade, commerce, industry and employment opportunities and will increase employment opportunities within the City, all for the promotion of the general welfare of the area served by the Authority and of the State of Georgia, indicated its willingness to issue taxable revenue bond financing of up to \$163,200,000 (the “Bond”) for the proposed Project, and authorized the execution and delivery to the Company of an inducement agreement (the “Inducement Agreement”); and

WHEREAS, the Company has applied for the City of Douglasville’s 2020 Tax Savings Plan (the “Tax Plan”) and received a score of 27 points thereunder; and

WHEREAS, given that additional information was made available to the Authority after adoption of the Resolution dated February 10, 2022, the Authority wishes to revise the Inducement Agreement so as to incorporate such additional information (the “Revised Inducement Agreement”).

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Authority hereby finds that the proposed Project will develop and promote for the public good and general welfare trade, commerce, industry and employment opportunities and will increase employment opportunities within the City, all for the promotion of the general welfare of the area served by the Authority and of the State of Georgia.

2. In order to indicate the Authority's willingness to issue its Bond in an amount up to \$163,200,000 for the proposed Project, the execution and delivery to the Company of the Revised Inducement Agreement to be in substantially the form attached hereto as Exhibit "A" subject to such changes, insertions and omissions as may be approved by the Chairman or Vice Chairman of the Authority (the "Inducement Agreement"), and the execution of said inducement agreement by the Chairman or Vice Chairman and Secretary or Assistant Secretary of the Authority as herewith authorized shall be conclusive evidence of any such approval.

3. The Bond shall constitute only the limited obligation of the Authority to pay principal and interest thereon from payments to be received under an agreement with the Company and any other revenue sources arranged for by the Company and specifically pledged for that purpose. The Bond shall not be backed by other credit of the Authority or by any credit of the State of Georgia, its political subdivisions including the City of Douglasville, or any taxes or governmental funds. Nothing herein should be understood as an endorsement or evaluation of the credit quality of the Company, the Project or the Bond.

4. The Authority accepts and approves the Company's application under the Tax Plan, subject to the further action of the Mayor and Council of the City of Douglasville as required by said Tax Plan ("Further Action").

5. In the Revised Inducement Agreement, the Authority requires that the Company acknowledge and agree that the real and personal property of its tenants and customers of the Project are not and shall not be entitled to participate in the Tax Plan by reason of the Authority's recommendation or the City's approval of the Project's participation in the Tax Plan.

6. In order to facilitate the commencement of the proposed Project, subject to Further Action, the Chairman or Vice Chairman and Secretary or Assistant Secretary of the Authority are hereby authorized to execute, or accept the assignment of, contracts for the proposed Project, and to appoint the Company as the agent of the Authority to enter into such contracts, subject to the receipt of appropriate guarantees of payment by the Company and the limited liability of the Authority.

7. The Authority has determined that no performance audit or performance review shall be conducted with regard to the Bond and such statement of that determination shall be included in the published Notice to the Public in the validation proceedings for the Bond. As a result, no performance audit or performance review shall be required with regard to the issuance of the Bond.

8. The Chairman or Vice Chairman and Secretary or Assistant Secretary of the Authority are further hereby authorized to take any and all further action and execute and deliver any and all other documents as may be necessary to issue and deliver the aforementioned Bond and to effect the undertaking for which said Bond are proposed to be issued.

ADOPTED this April __, 2022.

**DEVELOPMENT AUTHORITY OF
THE CITY OF DOUGLASVILLE,
GEORGIA**

By: _____
Leslie Choo, Chairman

[SEAL]

Attest:

Chelsea Jackson, Secretary

SECRETARY'S CERTIFICATE

I, Chelsea Jackson, Secretary of the Development Authority of the City of Douglasville, Georgia, DO HEREBY CERTIFY that the foregoing pages of typewritten matter constitute a true and correct copy of the resolution adopted on April __, 2022, by said Authority in a meeting, in accordance with the Open Meetings Law and the procedures of the said Authority, duly called and assembled, which was open to the public and at which a quorum was present and acting throughout, and that the original of said resolution appears of public record in the Minute Book of said Authority which is in my custody and control.

Given under my hand and the seal of said Authority, this April __, 2022.

Chelsea Jackson, Secretary

(SEAL)

EXHIBIT A

REVISED INDUCEMENT AGREEMENT

See attached.



Development Authority of the City of Douglasville, Georgia

April __, 2022

Via Email Only: Becca.Parsons@Flexential.com

Ms. Becca Parsons
Senior Director of Real Estate
Flexential Corp.
600 Forest Point Circle, Ste. 100
Charlotte, NC 28273

Re: Proposed Revenue Bond Transaction with Project KIS

Dear Ms. Parsons :

The Development Authority of the City of Douglasville, Georgia (“Authority”) is informed that Flexential Corp., a Delaware corporation (the “Company”), proposes the construction and equipping of a colocation data center in the City of Douglasville, Georgia (the “City”) located in the Riverside West Business Park (the “Project”).

We understand that the Project will be operated by the Company and will increase employment opportunities in the area served by the Authority and that the Project may require taxable revenue bond funding of up to \$163,200,000 in the aggregate. It is our understanding that the availability of the taxable revenue bond transaction contemplated hereby for the Project is an important factor under consideration by the Company in determining the feasibility of the Project. As a result of our discussions with your officers and agents, we have determined that the Authority’s willingness to issue one or more of its taxable revenue bonds or other appropriate

obligations to assist the Company with the financing of the Project will develop and promote for the public good and general welfare trade, commerce, industry and employment opportunities and will increase employment opportunities within the City, all for the promotion of the general welfare of the area served by the Authority and the State of Georgia, and it is, therefore, the conclusion of the Authority that in assisting with the financing of the Project the Authority will be acting in furtherance of the public purposes for which it was created.

In order to induce the Company to locate and to operate the Project in the City and in order to carry out the public purposes for which the Authority was created, we hereby make the following proposals:

1. The Authority will issue its taxable revenue bond in a total principal amount not to exceed \$163,200,000 (the “Bond”) for the purpose of paying or reimbursing the costs of the Project. The Bond shall constitute only the limited obligation of the Authority to pay principal and interest thereon from payments to be received under a lease agreement with the Company and any other revenue sources arranged for by the Company and specifically pledged for that purpose. The Bond shall not be backed by the credit of the Authority or by any credit of the State of Georgia, its political subdivisions including the City, or any taxes or governmental funds. Nothing herein should be understood as an endorsement or evaluation of the credit quality of the Company, the Project or the Bond.

2. The terms of the Bond (maturity schedule, interest rates, denominations, redemption provisions, security, etc.) must be satisfactory to the Company and the Authority and will be determined by a bond purchase contract or similar instrument to be entered into between the Authority and a purchaser or purchasers satisfactory to the Company or between the Authority and underwriters of the Bond satisfactory to the Company.

3. (a) Simultaneously with the delivery of the transfer of the Project to the Authority and the issuance of the Bond for the Project, the Project will be leased by the Authority to the Company, and the terms and provisions of such lease agreement (the “Company

Agreement”) shall be substantially in the form generally utilized in connection with such financial undertakings, as agreed upon by the Authority and the Company.

(b) The Company Agreement will be dated contemporaneously with the Bond and the term of the Company Agreement will be not less than the principal maturity date of the Bond. The Company Agreement shall be in the form of a net lease agreement from the Authority to the Company.

(c) The amounts payable under the Company Agreement will be paid directly to the holder of the Bond at such times and in such amounts as shall be timely and sufficient to pay the principal of, redemption premium (if any) and the interest on the Bond as the same become due and payable. The obligation of the Company to make all payments required under the Company Agreement shall be absolute and unconditional after the delivery of the Bond.

(d) The proceeds from the sale of the Bond may be deposited in a project fund (the “Project Fund”) and disbursed pursuant to requisitions in accordance with the requirements of the Company Agreement. Moneys in the Project Fund may be invested in any obligations which represent legal investments for proceeds of Bond issued by the Authority.

(e) The Company will pay any taxes, assessments or utility charges which may be lawfully levied, assessed or charged upon the Company, the Authority, the Project or the payments under the Company Agreement if such would result in a lien or charge upon the Project or the revenues of the Authority therefrom.

(f) The Company Agreement will require the Company to keep the Project insured against loss or damage or perils generally insured against by industries similar to the Company and to carry commercial general liability insurance covering personal injury, death and property damage with respect to the Project. The Company agrees to cause the Authority to be named an additional insured by endorsement to such policies and to provide annually to the Authority a certificate of insurance evidencing the continued existence of such policies and endorsement.

(g) The Company Agreement shall provide that in the performance of the covenants contained therein on the part of the Authority, any obligations the Authority may incur for the payment of money shall not be a general debt on the Authority's part or on the part of the State of Georgia, the City, or any other political subdivision or municipality, but shall be payable solely from the specific payments received under such Company Agreement or from Bond proceeds, insurance proceeds and/or condemnation awards.

(h) The Company Agreement shall contain covenants providing for the indemnification of the Authority and the individual members, directors, officers and agents thereof for all expenses incurred by them and for any loss suffered or damage to property or any injury or death of any person occurring in connection with the Project, including environmental loss and damages.

4. The Authority will, if the Company so requests, enter into an assignment of rents and leases, or similar instrument subject to the approval of the Company. Such instruments will pledge the Company Agreement and the rentals, revenues and receipts due thereunder for the benefit of the holders of the Bond. The Authority may also convey any interest which it might hold in and to the Project by a deed to secure debt and/or security agreement, if requested by the Company. The terms of such instruments shall be agreed upon by the Authority and the Company.

5. If required by the Authority or by the financial arrangements entered into between the Company and the purchasers of the Bond, the Company will enter into a guaranty agreement under the terms of which the Company will unconditionally guarantee payment of the principal of, redemption premium (if any) and interest on the Bond.

6. The Authority hereby makes, constitutes and appoints the Company as its true, lawful and exclusive agent for the purpose of starting work on the Project, and the Company, in accepting this proposal, hereby accepts such agency to act and do all things on behalf of the Authority and to perform all acts and agreements of the Authority in connection with the development of the Project. This appointment of the Company to act as agent and all authority

hereby conferred are granted and conferred irrevocably until superseded by the Company Agreement, or until the termination of this agreement as hereinafter provided. Notwithstanding the foregoing, the Authority will not be liable as a result of any acts or omissions of the Company, acting as the Authority's agent, except from the proceeds of any Bond that may be issued as provided for herein.

7. The Authority will, upon the request of the Company, permit the work on the Project to begin and continue prior to the issuance and delivery of the Bond. Contracts for the work on the Project deemed necessary or desirable by the Company may be entered into by the Company and thereafter assigned to the Authority or, if requested by the Company, the Authority may enter into all such contracts in its name. Any such contracts entered into in the name of the Authority may contain language which serves to apprise the other party to the contract that the source of the payment thereof is limited to the proceeds of the Bond that may be issued pursuant to the provisions hereof or any guarantee of the Company.

8. The Authority will assist in the prompt preparation of the Company Agreement, the bond resolution, the bond purchase contract or similar instrument and where requested, any security deed, security agreement, promissory note or guaranty agreement, which must be in form and content satisfactory to the Authority and the Company. Following the consideration and adoption of a final bond resolution, the Authority will proceed with the validation of the Bond in the Superior Court of Douglas County.

9. Upon delivery of the Bond, the provisions of this proposal and the agreement resulting from its acceptance by the Company shall have no further effect and, in the event of any inconsistency between the terms of this proposal and (as the case may be) the terms of the Company Agreement, security deed, promissory note or guaranty agreement or any other security documents such Company Agreement, security deed, promissory note, guaranty agreement or other security documents shall control.

10. If for any reason the Bond is not delivered within six months of the date hereof, the provisions of this proposal and the agreement resulting from its acceptance by the Company, the

Authority, upon thirty (30) days written notice to the Company, shall have the right to terminate this agreement, and thereafter neither party shall have any rights against the other and no third parties shall have any rights against either party except:

(a) The Authority will transfer to the Company any portion of the Project acquired or paid for by or on behalf of the Company, to the extent of the Authority's ownership therein, if any;

(b) The Company will pay the Authority for all reasonable expenses which have been incurred by the Authority in connection with the Project, including any such reasonable expenses incurred in connection with the preparation of the Bond documents and any related documents;

(c) The Company will assume and be responsible for all contracts entered into by the Authority at the request or direction of the Company in connection with the Project; and

(d) The Company shall remain responsible for its obligations to pay expenses and indemnify as set forth in the following Paragraphs.

11. Whether or not the Bond is issued, the Company will pay any out-of-pocket expenses of directors, members, officers or agents of the Authority incurred in connection with the Project and the proposed issuance of the Bond and will pay the legal fees and expenses of Counsel for the Authority, Company Counsel, and Bond Counsel related to the Project and the proposed issuance of the Bond as follows: (i) a flat fee of \$200,000 to Arnall Golden Gregory as Bond Counsel to the Authority, plus expenses in connection with the issuance of the Bond, (ii) a flat fee of \$30,000 plus expenses of Hartley, Rowe & Fowler, P.C. for services as Authority Counsel in connection with the Bond validation, and (iii) legal fees to Ballard Spahr LLP, which will serve as Counsel to the Company. Further, if the Bond is issued, the Company will pay a debt issuance fee to the Authority of 1/4th of 1% of the principal amount of the Bond (1/4th of 1% of \$163,200,000 = \$408,000). The parties agree that Arnall Golden Gregory LLP shall serve as Bond Counsel to the Authority, Hartley, Rowe & Fowler, P.C. shall serve as Authority Counsel, and Ballard Spayr

shall serve as Company Counsel. The Company shall also pay an annual administrative fee to the Authority of \$5,000 beginning the first year after the year in which the Bond is issued. The debt issuance fee of the Authority is payable at the time of closing of the bond transaction. If the Bond is not issued, the Company will pay instead the hourly rates of Arnall Golden Gregory LLP and Hartley, Rowe & Fowler, P.C. The Company will not be responsible for paying the Authority debt issuance fee if the Closing does not occur.

12. The Company shall, and agrees to, indemnify and save the Authority and their respective officials, directors, officers, members, agents, attorneys, and employees (individually an "Indemnified Person", and collectively, the "Indemnified Persons") harmless against and from all claims by or on behalf of any person arising from the conduct or management of or from or relating to (i) the installation of or the operation of the Project, (ii) any act or negligence of the Company or of any of its agents, contractors, servants, employees, or licensees, (iii) any act or negligence of any assignee or subtenant of the Company or of any agents, contractors, servants, employees, or licensees of any assignee or subtenant of the Company, (iv) any violation or alleged violation of any federal or State securities laws, (v) any claim or liability arising out of the Authority's ownership of the Project or its participation thereunder or any related transactions, or (vi) any legal proceeding relating to the non-taxability or taxability of the Project or the interest of the Company and the Authority in the Project. However, this indemnity is subject to the subparagraph immediately following below. The Company shall indemnify and save the Authority (and other persons and entities referred to above, as appropriate) harmless from and against all actual costs and expenses incurred in or in connection with any such claim or in connection with an action or proceeding brought thereon, including reasonable attorneys' fees, and upon notice from the Authority, the Company shall defend such action or proceeding subject to the subparagraph immediately following below.

Nothing contained in this Section 12 shall require the Company to indemnify any Indemnified Person as to any acts of willful or malicious misconduct on the part of such Indemnified Person. The indemnity of the Indemnified Persons contained in this Section 12 shall survive termination of this agreement.

The Indemnified Persons shall each be entitled to enforce their rights to indemnification under this Section by any legal means.

13. The issuance of the Bond is conditioned upon the City's approval of the Project for participation in the City's Revised 2020 Tax Plan (the "Tax Plan") and the Authority's approval of a final bond resolution incorporating such terms or conditions as the Authority, in its sole discretion, deems appropriate, and the review and approval by the Authority's legal counsel. All bond documents, as well as all questions relating to the validity and priority thereof, shall be determined by and shall be satisfactory to the Authority and its counsel. The Authority may terminate this agreement prior to the issuance of the Bond by notice in writing to the Company in the event that (i) the City does not approve of the Project for participation in the Tax Plan, (ii) the Company shall fail or refuse to comply in a timely manner with any of the terms, provisions or conditions contained herein; (iii) the Authority determines in its sole discretion that an adverse change has occurred with respect to the Company or the Project; (iv) any of the information, data, representations, exhibits or other materials submitted to the Authority by the Company contain any inaccuracy or misrepresentation or shall omit to set forth any information that is material to the completeness or accuracy of such information, data, representations, exhibits or other materials; or (v) any material default by the Company under any obligation to any third party shall occur or exist.

14. The attached Schedule 1B shows the estimated benefits, based upon the stated assumptions, to the Company for its participation in the Tax Plan. However, Schedule 1B does not show the effect of depreciation or appreciation. Property of tenants which have collocated in the Project shall not be entitled to any benefits under the Tax Plan.

15. The tax benefits described shall be subject to the following performance standards of the Authority: (a) to make a capital investment in land, improvements, fixtures and equipment of at least \$163,200,200 by the end of Year 3, and (b) (i) create at least ten (10) new full time jobs (excluding any positions that will be transferred from existing facilities of Company or any affiliate) by the earlier of (1) the end of the third calendar year following the calendar year in which the Company receives a Certificate of Occupancy for any portion of the Project, or (2)

December 31, 2025, and (c) for which the employees are paid a minimum average hourly wage of not less than \$32.00, excluding benefits. Employees not located in the City shall not be considered in determining performance. The Company agrees that the capital investment, creation of new full time jobs and payment of wages by tenants colocated in the Project shall not be considered in determining the Company's performance.

16. It shall be a condition precedent to the Authority's issuance of the Bond, that at least forty-five (45) days prior to closing of the Bond transaction, the Company shall provide to the Authority, at the Company's expense, a reliance letter addressed to the Authority and the Company and a Phase I Environmental Assessment and Report (the "Phase I Assessment and Report") in the name of the Company, that summarizes the results of an environmental site assessment of the Premises. The Phase I Assessment and Report shall be dated less than one hundred eighty (180) days prior to the closing. In addition, the Phase I Assessment and Report shall comply with ASTM International Designation E1527-13, "Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process," as the same may be amended, modified or supplemented from time to time. The Phase I Assessment and Report or the reliance letter shall expressly authorize reliance by the Authority on its contents, including its conclusions and any recommendations for further assessment. If the Phase I Assessment and Report suggest further assessment and reports, the Company agrees that it will, at its expense, cause such assessments to be conducted and reports to be prepared, and that at least forty-five (45) days prior to the Closing of the Bond, the Company shall cause a copy of such assessments and reports to be delivered to the Authority along with a reliance letter that expressly authorizes the Authority to rely on their contents. Such assessments, reports and reliance letter shall be dated less than one hundred eighty (180) prior to the Closing of both Bonds.

17. The Company acknowledges and agrees that that real and personal property of its tenants and customers of the Project are not and shall not be entitled to participate in the Tax Plan by reason of the Company's participation in the Tax Plan.

18. This agreement shall inure to the benefit of and be binding upon the Company and the Authority and their respective legal representatives, successors and assigns.

19. No rights or benefits of the Company under this agreement and the Authority's resolution authorizing this agreement may be transferred or assigned by the Company without the written approval of the Authority. Such approval shall not be unreasonably withheld, conditioned or delayed.

20. At any time prior to the issuance and delivery of the Bond, the Company (or any assignee of the Company's rights hereunder), may, at its option, and upon written notice to the Authority, direct the Authority not to issue the Bond and terminate this agreement, provided that such termination shall not terminate the Company's or any such assignee's obligations that are stated in this agreement relating to the reimbursement of the Authority for expenditures incurred by the Authority and counsel fees, and shall not terminate the Company's or any such assignee's indemnification obligations that are stated in this agreement.

If the foregoing proposal is satisfactory to you, the Company may so indicate by having the following acceptance executed by a duly authorized officer of the Company and returning a copy to the Authority. This proposal and acceptance will then constitute an agreement in principle with respect to the matters herein contained.

Yours very truly,

**DEVELOPMENT AUTHORITY OF
THE CITY OF DOUGLASVILLE,
GEORGIA**

By: _____

Leslie Choo, Chairman

[SEAL]

Attest:

Chelsea Jackson, Secretary

ACCEPTANCE OF PROPOSAL

The terms and conditions contained in the foregoing proposal by the Development Authority of the City of Douglasville Development, Georgia are hereby accepted, this April __, 2022.

Flexential Corp.

By: _____

Print Name: _____

Its: _____

SCHEDULE 1 A

Tax Incentive Schedule

PROJECT KIS Tax Incentive Plan		Tax Incentive Plan	
		Year (of Abatement)	Qualified Schedule of Incentive for Real Property
		Regular tax valued on January 1 st of current year	
		Year Zero	Regular tax valued on January 1 st of current year
		Year One*	Pay 0%
Investment/Fair Market Value	\$163,200,00	Year Two	Pay 0%
		Year Three	Pay 0%
		Year Four	Pay 10%
		Year Five	Pay 10%
		Year Six	Pay 20%
		Year Seven	Pay 40%
		Year Eight	Pay 50%
		Year Nine	Pay 60%
		Year Ten	Pay 60%

* Year 1 commences on the earlier of (i) January 1 of the first calendar year immediately following the calendar year in which a certificate of occupancy is obtained for any portion of the Project or (ii) January 1, 2024.

* Prior to Year 1, the Company shall pay regular ad valorem property taxes determined under standard rates and processes for determining ad valorem property taxes valued on January 1st of the then current year.

SCHEDULE 1 B

Project Name: KIS

Investment/fair market value	\$163,200,000
Jobs	10
Average Wage	\$32.00
Estimated Millage Rate	41.754
Lease Term	10
Building Square Footage	204,000
Estimated Assessed Value (40%)	\$65,280,000.0
Estimated Annual Tax Bill	\$2,725,701.12
Years to Qualify for Abatement	10
Percentage Increase	10.0000

C12

	Estimated Tax Due	Estimated Tax Savings	Qualified Schedule	
Year One (No abatement)	**** Regular tax valued on January 1st			
Year Two (Year 1 Abatement)	\$0.00	\$2,725,701.12	Pay 0 %	0
Year Three (Year 2 Abatement)	\$0.00	\$2,725,701.12	Pay 0 %	0
Year Four (Year 3 Abatement)	\$0.00	\$2,725,701.12	Pay 0%	0%
Year Five (Year 4 Abatement)	\$272,570.11	\$2,453,131.01	Pay 10%	10
Year Six (Year 5 Abatement)	\$272,570.11	\$2,453,131.01	Pay 10%	10
Year Seven (Year 6 Abatement)	\$545,140.22	\$2,180,560.90	Pay 20%	20
Year Eight (Year 7 Abatement)	\$1,090,280.45	\$1,635,420.67	Pay 40%	40
Year Nine (Year 8 Abatement)	\$1,362,850.56	\$1,362,850.56	Pay 50%	50
Year Ten (Year 9 Abatement)	\$1,635,420.67	\$1,090,280.45	Pay 60%	60
Year Eleven (Year 10 Abatement)	\$1,635,420.67	\$1,090,280.45	Pay 60%	60
Total savings		\$20,442,758.40		
Annual savings (divided by lease term)		\$2,044,275.84		
Savings per square foot over lease term		\$100.21		
Year one savings per square foot		\$13.36		

This estimate of ad valorem property tax savings does not take account of depreciation or appreciation.

FY 23 CDDA Proposed Budget

Account	Object Long Description	FY 22 Amended Budget	FY 23 Proposed Budget	Difference
RV				
314-0000-36.11000	INTEREST INCOME	400	400	0
314-0000-39.01000	OTHER FIN SRCE-APPROPR FUND			
314-0000-39.11101	TRANSFER FROM FUND 100	133425	133425	0
314-0000-39.39012	APPROPRIATE PRIOR YR	58550	28550	(30,000)
314-7511-39.33004	DDA BOND ISSUANCE FEES	0	0	0
314-7511-39.33300	PROC GLT LIAB/OTHER BOND PROC	0	0	0
314-7511-39.33304	DOUGLASVILLE DEVELOPEMENT AUTH	0	0	0
RV Total:		192375	162375	(30,000)
XP				
314-7511-52.11230	LEGAL	40625	45000	4375
314-7511-52.11290	OTH PROFESSIONAL SERVICES	130000	100000	(30,000)
314-7511-52.22310	BUILDING AND LAND	0	0	0
314-7511-52.22320	EQUIPMENT RENTALS	0	0	0
314-7511-52.33100	OTH PUR SVCS/GEN LIAB-INSURANCE	8750	4375	4375
314-7511-52.33700	OTH PUR SVCS-EDU/TRAINING	1000	1000	0
314-7511-53.11110	GEN SUPP-OFFICE SUPPLIES	0	0	0
314-7511-53.11270	GASOLINE	0	0	0
314-7511-54.22300	MACH/EQUIP-FURNITURE/FIXTURES	0	0	0
314-7511-54.22400	MACH/EQUIP-COMPUTER	0	0	0
314-7511-61.15000	OPER ATING TRANSFER OUT	0	0	0
314-7511-61.15010	TRANSFER TO FUND 100	12000	12000	0
XP - TOTAL		192375	162375	(21,250)

Due to two invoices being paid in FY22