

RESOLUTION NO. 28-2023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A PROGRAM TO PROMOTE LOCAL ECONOMIC DEVELOPMENT AND STIMULATE BUSINESS AND COMMERCIAL ACTIVITY IN THE CITY; AUTHORIZING THE CITY MANAGER TO FINALIZE AND EXECUTE AN ECONOMIC DEVELOPMENT PROGRAM CHAPTER 380 AGREEMENT FOR SUCH PURPOSES WITH CANADIAN SOLAR US MODULE MANUFACTURING CORPORATION; AND AUTHORIZING THE CITY MANAGER TO TAKE SUCH ACTIONS AND EXECUTE SUCH DOCUMENTS AS ARE NECESSARY OR ADVISABLE TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED BY THE AGREEMENT, AND ADMINISTER THE AGREEMENT ON BEHALF OF THE CITY.

WHEREAS, Chapter 380 of the Texas Local Government Code authorizes the City of Mesquite, Texas (the “**City**”), and other municipalities to establish and provide for the administration of programs that promote local economic development and stimulate business and commercial activity; and

WHEREAS, the City Council has been presented with a proposed agreement providing economic incentives to Canadian Solar US Module Manufacturing Corporation, a Delaware corporation, (the “**Company**”), for the expansion of a global solar panel manufacturing company, the creation of new jobs, and the redevelopment of an existing commercial building and potential development of an additional commercial building, a copy of said agreement being attached hereto as Exhibit 1 and incorporated herein by reference (the “**Agreement**”); and

WHEREAS, the proposed development is located on approximately 90.75 acres of land located at 3000 Skyline Drive, City of Mesquite, Dallas County, Texas, Block A, Lots 1 and 2 (the “**Property**”); and

WHEREAS, the Company will lease, renovate, and occupy the existing 753,000 square foot industrial building on the Property and invest over \$175,000,000 in real property and business personal property improvements, potentially construct another industrial building on the Property of at least 500,000 square feet and invest over \$90,000,000 in real property and business personal property improvements, and employ at least 1,400 employees; and

WHEREAS, the City would like to encourage the foregoing development and employment opportunities by granting certain economic development incentives to the Company; and

WHEREAS, the foregoing development will increase the taxable value of the Property thereby adding value to the City’s tax rolls and increasing the ad valorem property taxes to be collected by the City, along with increasing employment opportunities in the City; and

Eco Dev / Canadian Solar US Module Manufacturing Corporation / 380 Agreement

June 20, 2023

Page 2 of 3

WHEREAS, after holding a public hearing and upon full review and consideration of the Agreement and all matters attendant and related thereto, the City Council is of the opinion that the Agreement will assist in implementing a program whereby local economic development will be promoted, and business and commercial activity will be stimulated in the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS:

SECTION 1. That the City Council finds that the terms of the proposed Agreement by and between the City and the Company, a copy of which is attached hereto as Exhibit 1 and incorporated herein by reference, will benefit the City and will accomplish the public purpose of promoting local economic development and stimulating business and commercial activity in the City in accordance with Section 380.001 of the Texas Local Government Code.

SECTION 2. That the City Council hereby adopts an economic development program whereby, subject to the terms and conditions of the Agreement, the City will provide economic development incentives to the Company and take other specified actions as more fully set forth in the Agreement in accordance with the terms and subject to the conditions outlined in the Agreement.

SECTION 3. That the terms and conditions of the Agreement, having been reviewed by the City Council and found to be acceptable and in the best interest of the City and its citizens, are hereby approved.

SECTION 4. That the City Manager is hereby authorized to finalize and execute the Agreement and all other documents necessary to consummate the transactions contemplated by the Agreement.

SECTION 5. That the City Manager is further hereby authorized to administer the Agreement on behalf of the City including, without limitation, the City Manager shall have the authority to: (i) provide any notices required or permitted by the Agreement; (ii) approve amendments to the Agreement provided such amendments, together with all previous amendments approved by the City Manager, do not increase City expenditures under the Agreement in excess of \$50,000; (iii) approve or deny any matter in the Agreement that requires the consent of the City provided, however, notwithstanding the foregoing, any assignment of the Agreement that requires the consent of the City pursuant to the terms of the Agreement shall require the approval of the City Council; (iv) approve or deny the waiver of performance of any covenant, duty, agreement, term or condition of the Agreement; (v) exercise any rights and remedies available to the City under the Agreement; and (vi) execute any notices, amendments, approvals, consents, denials and waivers authorized by this Section 5 provided, however, notwithstanding anything contained herein to the contrary, the authority of the City Manager pursuant to this Section 5 shall not include the authority to take any action that cannot be delegated by the City Council or that is within the City Council's legislative functions.

SECTION 6. That the sections, paragraphs, sentences, clauses and phrases of this Resolution are severable and, if any phrase, clause, sentence, paragraph or section of this

Eco Dev / Canadian Solar US Module Manufacturing Corporation / 380 Agreement

June 20, 2023

Page 3 of 3

Resolution should be declared invalid, illegal or unenforceable by the final judgment or decree of any court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any of the remaining phrases, clauses, sentences, paragraphs and sections of this Resolution and such remaining provisions shall remain in full force and effect and shall be construed and enforced as if the invalid, illegal or unenforceable provision had never been included in this Resolution.

DULY RESOLVED by the City Council of the City of Mesquite, Texas, on the 20th day of June 2023.

DocuSigned by:

Daniel Aleman Jr.

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Daniel Alemán, Jr.
Mayor

ATTEST:

APPROVED AS TO LEGAL FORM:

DocuSigned by:

Sonja Land

C2518095973F46A...

Sonja Land
City Secretary

DocuSigned by:

David Paschall

666E18891208434...

David L. Paschall
City Attorney

EXHIBIT 1

**ECONOMIC DEVELOPMENT PROGRAM AGREEMENT
(Chapter 380 Agreement)**

**Between the City of Mesquite and
Canadian Solar US Module Manufacturing Corporation**

For Execution

ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

(Chapter 380 Agreement; Canadian Solar US Module Manufacturing Corporation)

This Economic Development Program Agreement (“**Agreement**”) is made and entered into by and between the City of Mesquite, a Texas home rule municipality (the “**City**”) Canadian Solar US Module Manufacturing Corporation, a Delaware corporation (the “**Company**”).

WITNESSETH:

WHEREAS, all capitalized terms used herein shall have the meanings set forth in this Agreement; and

WHEREAS, CA 3000 Skyline Drive, LLC, a Delaware limited liability company, MRC Skyline, LLC, a South Dakota limited liability company, Wilson Property Holdings, LLC, a California limited liability company, and Chapman & Wilson LLC, a California limited liability corporation doing business as Capstar Real Estate Advisors (collectively, “**Landlord**”), are the owner of that certain tract of real property consisting of approximately 56.456 acres and being located at 3000 Skyline Drive, Mesquite, Texas, Block A, Lot 1 (the “**Land**”); and

WHEREAS, the Landlord has constructed an industrial building containing approximately 753,000 of net leasable square feet of floor space on the Land (the “**Building**”); and

WHEREAS, the Land and Building are hereinafter sometimes collectively referred to as the “**Mesquite Facility**”; and

WHEREAS, the Company is an industry-leading provider of solar panels for residential and commercial uses (the “**Company’s Business**”); and

WHEREAS, the Company has decided to locate its first office, manufacturing facility and warehouse in the greater Dallas area at the Mesquite Facility; and

WHEREAS, the Company has plans, but is not obligated, to expand the Mesquite Facility to include an additional Class A industrial structure of no less than 500,000 square feet on land adjoining the Mesquite Facility, being an approximately 34.296 acres and being located at 3000 Skyline Drive, Mesquite, Texas, Block A, Lot 2, currently owned by the Landlord (the “**Mesquite Facility Expansion**”); and

WHEREAS, by the end of calendar year 2025, the Company has committed to employ and maintain at least 1400 full-time and full-time equivalent Employees at the Mesquite Facility with a minimum, average Wage of \$50,120.00 during the Term, which will result in the creation and retention of employment opportunities in the City; and

WHEREAS, conducting Company’s Business at the Mesquite Facility will result in the addition of leasehold improvements in the amount of at least \$110,000,000.00, resulting in an increase in the taxable value of the Mesquite Facility, and an increase in the ad valorem real property taxes assessed and collected by the City; and

WHEREAS, it is anticipated that the Company will own tangible Business Personal Property in the amount of at least \$80,000,000.00, to be used in the operation of the Company's Business at the Mesquite Facility, resulting in an increase in the taxable value of tangible Business Personal Property located at the Mesquite Facility, and an increase in the ad valorem business personal property taxes assessed and collected by the City; and

WHEREAS, if constructed, expansion of Company's Business to the Mesquite Facility Expansion would result in the addition of leasehold improvements in the amount of at least \$90,000,000.00, creating new taxable value and an increase in the ad valorem real property taxes assessed and collected by the City; and

WHEREAS, the Company has advised the City that a principal factor inducing the Company to locate to and improve the Mesquite Facility, and consider building the Mesquite Facility Expansion, and perform its obligations provided herein during the Incentive Period is the agreement by the City to provide the Economic Development Incentives (as hereinafter defined) to the Company under the terms and conditions more fully set forth in this Agreement; and

WHEREAS, the City desires to encourage and incentivize the Company to locate Company's Business to the Mesquite Facility and to construct and operate the Mesquite Facility Expansion; and

WHEREAS, the City has established an Economic Development Program pursuant to Section 380.001 of the Texas Local Government Code and authorizes this Agreement as part of that Economic Development Program (the "**Program**"); and

WHEREAS, the Company desires to participate in the Program by entering into this Agreement; and

WHEREAS, the City Council finds and determines that this Agreement will effectuate the purposes set forth in the Program, and that the Company's performance of its obligations herein will promote local economic development in the City, increase employment opportunities in the City, stimulate business and commercial activity in the City, increase the amount of Ad Valorem Taxes assessed and collected by the City, and benefit the City and its citizens.

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, the Parties agree as follows:

ARTICLE I
Incorporation of Recitals

Capitalized terms used in the foregoing recitals ("**Recitals**") are incorporated by reference into the body of this Agreement.

ARTICLE II
Definitions

As used herein, the following terms shall have the following meanings, to-wit:

“**Additional Term**” shall mean the extension of the Initial Term only if exercised in accordance with Article IV, Section 2 of this Agreement.

“**Ad Valorem Taxes**” shall mean those real property and tangible personal property taxes authorized, adopted, imposed or collected by or on behalf of the City pursuant to § 11.01 of the Texas Tax Code, as amended or replaced.

“**Agreement**” shall mean this Agreement together with all exhibits attached hereto.

“**Base Tax Year – Mesquite Facility**” shall mean the period beginning with **January 1, 2023** and continuing until and including **December 31, 2023**.

“**Base Tax Year – Mesquite Facility Expansion**” shall mean the period beginning with **January 1, 2024** and continuing until and including **December 31, 2024**.

“**Building**” shall have the meaning set forth in the Recitals to this Agreement.

“**Business Personal Property**” shall mean moveable items of personal property owned by the Company and used in the Company’s ordinary course of business which are located at the Mesquite Facility or Mesquite Facility Expansion, but are not permanently affixed to, or part of, the Land or Building and shall consist of machinery, equipment, rack shelving, furniture, computers, vehicles (but only if such vehicles are licensed and registered in Dallas County, Texas), and Taxable Inventory provided such items, other than Taxable Inventory, are considered capital assets under generally accepted accounting principles.

“**Capital Investment Certificate**” shall mean a certificate in such form as is reasonably acceptable to the City executed by the Developer certifying, as of the date of such certificate, the amount of capital expenditures made by the Company (a) in connection with building improvements made to the Mesquite Facility and Mesquite Facility Expansion, or (b) in connection with the cost of Business Personal Property located by Company at the Mesquite Facility and Mesquite Facility Expansion. With respect to a Capital Investment Certificate, the Parties agree that only expenditures capitalized as capital assets on the books of Company in accordance with generally accepted accounting principles shall be included in the expenditures reported in a Capital Investment Certificate.

“**Certificate of Compliance**” shall mean a certificate in such form as is reasonably acceptable to the City executed on behalf of the Company by a duly authorized Company Representative certifying to the City: (i) that all General Conditions Precedent and all applicable Specific Conditions Precedent have been satisfied and are then continuing; and (ii) that no Company Default then exists under the terms of this Agreement and that no event exists which, but for notice, the lapse of time, or both, would constitute a Company Default under the terms of this Agreement.

“**Certificate of Occupancy**” with respect to the Mesquite Facility shall mean a final certificate of occupancy issued by the City to the Company authorizing the Company to occupy and operate the Company’s Business from one hundred percent (100%) of the Building. The term “Certificate of Occupancy” with respect to the Mesquite Facility Expansion shall mean a final certificate of occupancy issued by the City to the Company authorizing the Company to occupy

and operate the Company's Business from one hundred percent (100%) of the Mesquite Facility Expansion.

"City" shall mean the City of Mesquite, a Texas home rule municipality.

"City Default" shall have the meaning set forth in Article XI, Section 1 of this Agreement.

"Commence Construction" or **"Commencement of Construction"** shall mean with respect to the Building: (i) all building plans have been prepared and all approvals thereof required by applicable governmental authorities have been obtained to begin improvement of the Buildings; (ii) all necessary permits to begin improvement of the Building have been issued by the applicable governmental authorities; and (iii) actual construction of the Building improvements has commenced. The words "Commence Construction" or "Commencement of Construction" shall mean with respect to the Mesquite Facility Expansion, if, by or for the Company that: (i) plans have been prepared and all approvals thereof required by applicable governmental authorities have been obtained to begin construction of the Mesquite Facility Expansion; (ii) necessary permits to begin construction of the Mesquite Facility Expansion improvements have been issued by the applicable governmental authorities; and (iii) actual vertical and horizontal construction of the building(s) and improvements have commenced.

"Completion of Construction" or **"Complete Construction"** shall mean with respect to the Building the Company must obtain from the City a Certificate of Occupancy for occupying the Building, which shall be constructed in accordance with this Agreement. The words "Completion of Construction" or "Complete Construction" with respect to the Mesquite Facility Expansion shall mean the Company must obtain from the City a Certificate of Occupancy for occupying the Mesquite Facility Expansion if constructed by or for the Company, which shall be constructed in accordance with this Agreement.

"Company" shall mean Canadian Solar US Module Manufacturing Corporation, a Delaware corporation, its successors and assigns only as permitted by Article XIII, Section 1 of this Agreement; provided that, with respect to obligations of the Company to occupy 100% of the Mesquite Facility or the Mesquite Facility Expansion hereunder, "Company" shall be deemed to include affiliates of Company that are under 100% common ownership with Company.

"Company's Business" shall have the meaning set forth in the Recitals of this Agreement.

"Company Default" shall have the meaning set forth in Article XI, Section 1 of this Agreement.

"Company Representative" shall mean the Chief Executive Officer, Chief Financial Officer or any other duly authorized officer of the Company acting on behalf of the Company.

"Conditional Lease Requirement" shall have the meaning set forth in Article VIII, Section I.A. of this Agreement.

"DCAD" shall mean Dallas Central Appraisal District.

“**Economic Development Incentive**” shall mean any incentive described in Article X, of this Agreement and “**Economic Development Incentives**” shall mean more than one or all of the incentives described in Article X of this Agreement.

“**Effective Date**” shall mean the date the Company and the City execute this Agreement if the Company and the City execute this Agreement on the same date. If the Company and the City execute this Agreement on different dates, any reference to the “**Effective Date**” shall mean the later of the dates this Agreement is executed by the Company and the City.

“**Employee**” shall mean (a) a full-time, direct employee of the Company, working a minimum of thirty-five (35) hours per week and entitled to at least the customary employer-sponsored benefits package afforded by the Company to its similarly situated employees at other locations, or (b) two or more part-time direct employees of the Company working a combined minimum of thirty-six (36) hours per week (“full-time equivalent”); in each case each Employee shall be employed in a position physically based at the Mesquite Facility and/or Mesquite Facility Expansion and reported on the Texas Employers Quarterly Wage Report from the Texas Workforce. Employee shall not include employees of Company’s subcontractors or vendors, whether working at the Mesquite Facility or otherwise. “Employee” shall include any replacement of a former Employee whose employment is terminated for any reason, with such original Employee and any replacement employee counting as one (1) Employee for purposes of the calculations in this Agreement. “Employee” shall also mean employees transferred to the Mesquite Facility or Mesquite Facility Expansion from the Company’s or its affiliates’ locations other than the Mesquite Facility or Mesquite Facility Expansion.

“**Event of Bankruptcy or Insolvency**” shall mean the dissolution or termination of a Party’s existence as a going business, insolvency, appointment of a receiver for any part of such Party’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, the voluntary commencement of any proceeding under any bankruptcy or insolvency laws by any Party, or the involuntary commencement of any proceeding against any Party under any bankruptcy or insolvency laws and such involuntary proceeding is not dismissed within ninety (90) days after the filing thereof.

“**General Condition Precedent**” and “**General Conditions Precedent**” shall have the meanings set forth in Article VI of this Agreement.

“**Incentive Payment**” and “**Incentive Payments**” shall mean the Economic Development Incentive(s) to be paid by the City to the Company pursuant to the terms and subject to the conditions and limitations set forth in this Agreement to provide economic development grants to the Company for the Incentive Period.

“**Incentive Period**” shall mean the period commencing with the Effective Date of this Agreement and continuing until the earlier of: (i) the end of the Term; or (ii) the date this Agreement is terminated by the City or the Company pursuant to a right to terminate more fully set forth herein.

“**Incentive Tax Year**” shall mean the period consisting of three hundred and sixty five (365) calendar days (or three hundred and sixty six (366) calendar days for any calendar year that

is a leap year) beginning on **January 1, 2024**, and ending on **December 31, 2024**, and continuing on January 1st and ending on December 31st of each calendar year thereafter during the applicable Incentive Period.

“**Initial Term**” shall have the meaning set forth in Article IV, Section 1 of this Agreement.

“**Land**” shall have the meaning set forth in the Recitals to this Agreement.

“**Landlord**” shall have the meaning given that term in the Recitals, together with their successors and assigns. In the event Company acquires ownership of the Mesquite Facility and/or Mesquite Facility Expansion, then the word Landlord shall include Company with respect to the building acquired by Company.

“**Lease**” shall mean (a) with respect to the Mesquite Facility that certain Lease Agreement executed by the Company and the Landlord relating to the right and obligation of the Company to occupy the Building consisting of a term commencing no later than **January 1, 2024**, and continuing until and including **December 31, 2033**, and (b) with respect to the Mesquite Facility Expansion, if constructed and leased by the Company, that certain Commercial Lease executed by the Company and an affiliate of the Landlord relating to the right and obligation of the Company to occupy the Mesquite Facility Expansion consisting of a term commencing no later than **January 1, 2025**, and continuing until and including **December 31, 2033**.

“**Lease Requirement**” shall have the meaning set forth in Article VII, Section 1 of this Agreement.

“**Maximum Lawful Rate**” shall mean the maximum lawful rate of non-usurious interest that may be contracted for, charged, taken, received or reserved by the City in accordance with the applicable laws of the State of Texas (or applicable United States federal law to the extent that such law permits the City to contract for, charge, take, receive or reserve a greater amount of interest than under Texas law).

“**Mesquite Facility**” shall have the meaning set forth in the Recitals in this Agreement.

“**Mesquite Facility Expansion**” shall have the meaning set forth in the Recitals in this Agreement.

“**Minimum Taxable Valuations – Mesquite Facility**” shall have the meaning set forth in Article X, Section 6 of this Agreement.

“**Minimum Taxable Valuations – Mesquite Facility Expansion**” shall have the meaning set forth in Article X, Section 6 of this Agreement.

“**Parties**” shall mean the Company and the City.

“**Party**” shall mean either the Company or the City.

“**Payment Request**” shall mean a written request executed by the Company and delivered to the City’s Director of Finance requesting the payment of an Economic Development Incentive.

For Execution

“**Person**” or “**Persons**” shall mean one or more individual(s) or corporation(s), general or limited partnership(s), limited liability company(s), trust(s), estate(s), unincorporated business(es), organization(s), association(s) or any other entity(s) of any kind.

“**Phase I Condition Precedent**” and “**Phase I Conditions Precedent**” shall have the meanings set forth in Article VII of this Agreement.

“**Phase II Condition Precedent**” and “**Phase II Conditions Precedent**” shall have the meanings set forth in Article VIII of this Agreement.

“**Program**” shall have the meaning set forth in the Recitals to this Agreement.

“**Real Property**” shall mean land and any taxable improvements on the land, but not including Business Personal Property.

“**Specific Condition Precedent**” shall mean any condition precedent described as a Phase I Condition Precedent or a Phase II Condition Precedent and “**Specific Conditions Precedent**” shall mean more than one or all of the conditions precedent described as a Phase I Conditions Precedent or a Phase II Conditions Precedent of this Agreement.

“**Taxable Inventory**” shall mean taxable merchandise and supplies owned by the Company and located at the Mesquite Facility and Mesquite Facility Expansion and shall include raw materials, work-in-process and finished goods but shall specifically exclude goods in transit, freeport goods and merchandise, supplies, materials or other goods that are non-taxable.

“**Term**” shall mean the Initial Term of this Agreement and shall include each properly exercised Additional Term.

“**Unauthorized Alien**” has the meaning given that term in 8 USC § 1324a(h)(3), as such statute may be amended from time to time.

“**Wage(s)**” shall mean the annual, taxable compensation of each Employee, as reported on such Employee’s final Form W-2 or as may be verified by Company’s Texas Employers Quarterly Reports filed with the Texas Workforce or the Company’s federal employer payroll tax form 941 or form 940.

ARTICLE III Authority for Agreement

This Agreement is authorized by Article III, Section 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code. The City Council finds and determines that this Agreement will effectuate the purposes set forth in the Program and that the Company’s performance of its obligations herein will increase the amount of Ad Valorem and Business Personal Property Taxes assessed and collected by the City, result in employment opportunities being created and maintained in the City, promote local economic development in the City, stimulate business and commercial activity in the City, and benefit the City and its citizens.

ARTICLE IV

Term

1. Initial Term. This Agreement shall be effective as of the Effective Date of this Agreement, and shall continue thereafter until **December 31, 2033**, unless terminated sooner or extended later under the provisions hereof (the “**Initial Term**”). Notwithstanding the foregoing, in the event this Agreement is not fully executed within sixty (60) days after approval by the City Council of the City of Mesquite, Texas, then this Agreement shall be null and void, and shall have no effect on either Party. This Agreement may be terminated by the City if any subsequent federal or state legislation or any decision of a court of competent jurisdiction declares or renders this Agreement, or any part thereof, invalid, illegal or unenforceable.

2. Additional Term. The Parties may extend this Agreement for an additional term by mutual written agreement prior to the end of the Initial Term (the “**Additional Term**”).

ARTICLE V

Company’s Covenant Not to Employ Unauthorized Aliens

1. Covenant Not to Employ Unauthorized Aliens. The Company hereby certifies that the Company and each branch, division, and department of the Company does not knowingly employ any Unauthorized Aliens and the Company hereby covenants and agrees that the Company and each branch, division and department of the Company will not knowingly employ any Unauthorized Aliens during the Term of this Agreement.

2. Covenant to Notify City of Conviction for Unauthorized Aliens. The Company further hereby covenants and agrees to provide the City with written notice of any conviction of the Company, or any branch, division or department of the Company, of a violation under 8 U.S.C. § 1324a (f) within thirty (30) days from the date of such conviction.

3. Repayment of Economic Development Incentives in Event of Conviction for Employing Unauthorized Aliens. Notwithstanding any other provision of this Agreement, if, after receiving any Economic Development Incentive under the terms of this Agreement, the Company, or a branch, division or department of the Company, is convicted of a violation under 8 U.S.C. § 1324a (f), the Company shall pay to the City, not later than the 120th day after the date the City notifies the Company of the violation, an amount equal to the total Economic Development Incentives previously paid by the City to the Company under the terms of this Agreement plus interest at the rate equal to the *lesser* of: (i) the Maximum Lawful Rate; or (ii) five percent (5%) per annum, such interest rate to be calculated on the amount of each Economic Development Incentive being recaptured from the date each Economic Development Incentive was paid by the City to the Company until the date repaid by the Company to the City and such interest rate shall adjust periodically as of the date of any change in the Maximum Lawful Rate.

4. Limitation on Economic Development Incentives. The City shall have no obligation to pay any Economic Development Incentives to the Company if the Company, or any branch, division or department of the Company is convicted of a violation under 8 U.S.C. § 1324a (f).

5. Remedies. Notwithstanding any other provision of this Agreement, the City shall have the right to exercise all remedies available by law to collect any sums due by the Company to

the City pursuant to this Article V including, without limitation, all remedies available pursuant to Chapter 2264 of the Texas Government Code.

6. Limitation. Company is not liable for a violation of Article V of this Agreement by a subsidiary, affiliate, or franchisee of the Company, or by a person with whom the Company contracts.

7. Survival. The terms, provisions, covenants, agreements and obligations of the Company and the rights and remedies of the City set forth in Article V of this Agreement shall expressly survive the expiration or termination of this Agreement.

ARTICLE VI

General Conditions Precedent to Payment of Economic Development Incentives

The Company and the City hereby expressly acknowledge and agree that the City's obligation to pay any and each Economic Development Incentive to the Company during the Term of this Agreement, in addition to any applicable Specific Conditions Precedent as specified in this Agreement, shall be conditioned upon the timely satisfaction of each and every one of the following conditions precedent (sometimes referred to singularly herein as a "**General Condition Precedent**" and collectively as the "**General Conditions Precedent**"), to-wit:

1. Payment Request. The Company shall have submitted a Payment Request to the City no earlier than January 30th and no later than April 15th of the calendar year following the Incentive Tax Year for which the Payment Request is being made requesting payment of the Economic Development Incentive then due by the City to the Company pursuant to the terms of this Agreement. For example, the first such Payment Request shall be submitted no earlier than **January 30, 2025**, and no later than **April 15, 2025**, for the Economic Development Incentive for the first Incentive Tax Year for the Mesquite Facility, and subsequent Payment Requests shall be submitted no earlier than January 30th and no later than April 15th of each calendar year thereafter during the Incentive Period. Each Payment Request shall be accompanied by a Certificate of Compliance dated effective as of the date of the Payment Request and, as of the date of the Payment Request, all other General Conditions Precedent and Specific Conditions Precedent (as applicable) set forth herein shall have been satisfied and are then continuing;

2. Payment of Fees. The Company or the Landlord shall have timely paid to the City all permit, development, review, inspection fees and such other fees due and payable to the City in connection with the operation of Company's Business at the Mesquite Facility, Mesquite Facility Expansion, and any other land or building used as a basis for Economic Development Incentives under this Agreement;

3. Required Jobs. Beginning **January 1, 2025**, the Company shall employ at least one thousand four hundred (**1,400**) Employees who conduct their job duties at the Mesquite Facility and/or Mesquite Facility Expansion, of which at least 1,190 shall be full-time Employees working a minimum of thirty-five (35) hours per week and entitled to at least the customary employer-sponsored benefits package afforded by the Company to its similarly situated employees at other locations and the remainder may be full-time equivalent Employees, and Company will maintain at least such one thousand seven hundred (**1,400**) Employees at the Mesquite Facility and/or Mesquite Facility

Expansion at all times thereafter during the Term of this Agreement. The minimum, average Wage of said Employees shall be no less than \$50,120.00 per year during the Term of this Agreement;

4. Payment of Business Personal Property Ad Valorem Taxes. For the Incentive Tax Year beginning **January 1, 2024** and each Incentive Tax Year thereafter during the Term of this Agreement, the Company shall have timely paid the Ad Valorem Taxes assessed against the Business Personal Property at the Mesquite Facility and Mesquite Facility Expansion, if constructed and occupied by the Company;

5. Payment of Real Property Ad Valorem Taxes. For the Incentive Tax Year beginning **January 1, 2024** and each Incentive Tax Year thereafter during the Term of this Agreement, the Landlord shall have timely paid the Ad Valorem Taxes assessed against the Real Property of the Mesquite Facility and Mesquite Facility Expansion, if constructed and occupied by the Company;

6. Compliance with Applicable Laws. The Mesquite Facility, Mesquite Facility Expansion (if occupied by Company during the Additional Term, and any other land or building being used as a basis for Economic Development Incentives under this Agreement, as of the date of the Payment Request, shall be in compliance with all applicable building codes, zoning ordinances and all other codes, ordinances and regulations of the City. The Company shall comply with all applicable federal, state and local laws, ordinances and regulations during the Term of this Agreement;

7. Records and Reports. The Company shall have delivered to the City copies of such records and such other documentation as the City may reasonably request to confirm compliance by the Company with this Agreement;

8. Inspection. The Company shall provide the City, its agents and employees with access to the Mesquite Facility and the Mesquite Facility Expansion (if occupied by Company during the Additional Term) at such times as the City may reasonably request to conduct such inspections as the City deems necessary in order to confirm compliance by the Company with the representations, covenants and agreements of the Company as set forth in this Agreement provided the City has given the Company at least seventy-two (72) hours prior written notice of such inspection and the City's agents and employees agree to comply with Company's site safety and security requirements as a condition of access;

9. Representative of Company to Accompany Inspections. The Company shall provide a representative of the Company to accompany the City during all inspections of the Mesquite Facility and the Mesquite Facility Expansion (if occupied by Company during the Additional Term) conducted by the City pursuant to this Article;

10. Performance of this Agreement. The Company shall have timely kept and performed all material terms, provisions, agreements, covenants, conditions and obligations to be kept or performed by the Company under the terms of this Agreement and no Company Default shall then exist and no event shall exist which, but for notice, the lapse of time, or both, would constitute a Company Default under the terms of this Agreement;

11. Performance of other Agreements. The Company shall have timely kept and performed all terms, provisions, agreements, covenants, conditions and obligations to be kept or

performed by the Company under the terms of all other agreement(s) now and hereafter existing between the Company and the City that require approval by the City Council, if any, and no default shall then exist under the material terms of such agreement(s) and no event shall exist which, but for notice, the lapse of time, or both, would constitute a default by the Company under the terms of such agreement(s); and

12. No Conviction for Unauthorized Aliens. As of the date of the Payment Request, and at all times during the Term of this Agreement prior to the Payment Request, the Company shall not have been convicted by a court of competent jurisdiction of knowingly employing Unauthorized Aliens to work for the Company at the Mesquite Facility or at any other branch, division or department of the Company.

13. No Modification of Greenbelt Area. During the Term of this Agreement and without first obtaining written consent from the City, Company agrees not to construct or cause the construction of any improvement in the greenbelt area of the Mesquite Facility and Mesquite Facility Expansion fronting Skyline Drive or Town East Boulevard.

ARTICLE VII

Phase I Conditions Precedent to Payment of Economic Development Incentives

The Company and the City hereby expressly acknowledge and agree that the City's obligation to pay any and each Economic Development Incentive to the Company for the Incentive Tax Year beginning **January 1, 2024** and every remaining Incentive Tax Year during the Term of this Agreement, shall be conditioned upon the timely satisfaction of each and every one of the General Conditions Precedent in addition to the following conditions precedent (sometimes referred to singularly herein as a "**Phase I Condition Precedent**" and collectively as the "**Phase I Conditions Precedent**"), to-wit:

1. Lease of Mesquite Facility. The Company shall lease one hundred percent (100%) of the Building for a primary term commencing no later than **January 1, 2024**, and terminating no earlier than **December 31, 2033** (the "**Lease Requirement**"). In the event Company extends the Term of this Agreement to include the Additional Term in accordance with Article IV of this Agreement, Company shall continue leasing one hundred percent (100%) of the Building for an extended or renewed term terminating no earlier than the termination of the Additional Term;

2. Copy of Lease. The Company shall deliver to the City a copy of the Lease satisfying the Lease Requirement on or before **July 31, 2023**, and in the event the Company extends the Term of this Agreement to include the Additional Term in accordance with Article IV of this Agreement, the Company shall deliver to the City a copy of an extended or renewed Lease evidencing an extended or renewed term terminating no earlier than the termination of the Additional Term;

3. Commence Construction. The Company shall Commence Construction on the improvements to the Mesquite Facility on or before **October 1, 2023**;

4. Completion of Construction. The Company shall achieve Completion of Construction of the improvements to the Mesquite Facility on or before **March 1, 2024**;

5. Certificate of Occupancy. The Company shall obtain a Certificate of Occupancy to occupy the Building and shall commence operations of the Company's Business at the Building on or before **March 1, 2024**, and shall fully continue said operations for the Term of this Agreement;

6. Required Jobs. On or before **March 1, 2024**, the Company shall have employed at least two hundred and fifty (250) Employees, of which at least 213 shall be full-time Employees working a minimum of thirty-six (36) hours per week and entitled to at least the customary employer-sponsored benefits package afforded by the Company to its similarly situated employees at other locations and the remainder may be full-time equivalent Employees, with a minimum, average Wage of \$50,120.00 per year, who conduct their job duties at the Mesquite Facility and shall maintain at least such two hundred and fifty (250) Employees at the Mesquite Facility at all times thereafter up to and including the date of the Payment Request. Notwithstanding the foregoing, the Company shall also satisfy the Required Jobs provision of the General Conditions Precedent beginning **January 1, 2025**;

7. Capital Expenditures for Business Personal Property. For the Incentive Tax Year commencing **January 1, 2024**, the Company shall provide the City with a Capital Investment Certificate evidencing capital expenditures for the Company's Business Personal Property at the Mesquite Facility in an amount equal to or greater than \$80,000,000.00; and

8. Capital Expenditures for Real Property Improvements. For the Incentive Tax Year beginning **January 1, 2024**, the Company shall provide the City with a Capital Investment Certificate evidencing capital expenditures for improvements to the Mesquite Facility in an amount equal to or greater than \$110,000,000.00.

ARTICLE VIII

Phase II Conditions Precedent to Payment of Economic Development Incentives

This Article VIII applies if the Company proceeds with the Mesquite Facility Expansion. The Company and the City hereby expressly acknowledge and agree that the City's obligation to pay any and each Economic Development Incentive to the Company for the Incentive Tax Year beginning **January 1, 2025** and every remaining Incentive Tax Year during the remaining Term of this Agreement shall be conditioned upon the timely satisfaction of each and every one of the General Conditions Precedent and each and every one of the Phase I Conditions Precedent in addition to the following conditions precedent (sometimes referred to singularly herein as a "**Phase II Condition Precedent**") and collectively as the "**Phase II Conditions Precedent**"), to-wit:

1. If Company is not the owner of the Mesquite Facility Expansion, then Company shall comply with the following requirements:

A. Lease of Mesquite Facility Expansion. The Company shall lease one hundred percent (100%) of the Mesquite Facility Expansion for a primary term commencing no later than **January 1, 2025**, and terminating no earlier than **December 31, 2033** (the "**Conditional Lease Requirement**"). In the event Company extends the Term of this Agreement to include the Additional Term in accordance with Article IV of this Agreement, Company shall continue leasing one hundred percent (100%) of the Building

for an extended or renewed term terminating no earlier than the termination of the Additional Term;

B. Copy of Lease. The Company shall deliver to the City a copy of the Lease satisfying the Conditional Lease Requirement on or before **December 31, 2024**;

2. Commencement of Construction. There is Commencement of Construction by the Company of the Mesquite Facility Expansion in compliance with the terms of this Agreement, on or before **December 31, 2023**;

3. Completion of Construction. There is Completion of Construction by the Company of the improvements to the Mesquite Facility Expansion in compliance with the terms of this Agreement, on or before **December 31, 2024**; and

4. Certificate of Occupancy. The Company shall obtain a Certificate of Occupancy to occupy one hundred percent (100%) of the Mesquite Facility Expansion (in addition to occupying the Mesquite Facility) on or before **December 31, 2024**, shall commence operations of the Company's Business at the Mesquite Facility Expansion on or before **January 1, 2025**, and fully continue said operations for the Term of this Agreement.

5. Capital Expenditures for Real Property Improvements. For the Incentive Tax Year beginning **January 1, 2025**, the Company shall provide the City with a Capital Investment Certificate evidencing capital expenditures for improvements to the Mesquite Facility Expansion in an amount equal to or greater than \$90,000,000.00.

ARTICLE IX Force Majeure

It is expressly understood and agreed by the Parties to this Agreement that if a Party's ability to satisfy any obligation under this Agreement including, but not limited to the substantial completion of the improvements to the Mesquite Facility and/or Mesquite Facility Expansion, if constructed, is delayed by reason of war, civil commotion, acts of God, inclement weather, governmental restrictions, regulations, or interferences, delays caused by franchised utilities or their contractors, fire or other casualty, court injunction, necessary condemnation proceedings, 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, the Party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such performance, including without limitation, the Incentive Period, shall be extended for a period of time equal to the period such Party was delayed, but in no event shall the Incentive Period exceed more than ten years. Notwithstanding the foregoing, a Force Majeure event does not include: (1) any financial or economic hardship; (2) changes in market or economic conditions; (3) any default or failure (financial or otherwise) of the general contractor or any subcontractor, vendor or supplier of the affected party; (4) insufficiency of funds; (5) any delay of the general contractor or any subcontractor, vendor or supplier, except for delay(s) as a result of an act or event defined herein as Force Majeure; or (6) a governmental order that prevents Developer or their contractors or subcontractors, from proceeding with the construction of any portion of the improvements to the Mesquite Facility and/or Mesquite Facility Expansion, if constructed, as a result of the Company's,

or its contractors' or subcontractors, failure to comply with Applicable Law.

ARTICLE X
Economic Development Incentives

1. Grant of Economic Development Incentives for Real Property Ad Valorem Taxes on the Mesquite Facility. Provided (a) the applicable General Conditions Precedent set forth in Article VI of this Agreement have been timely satisfied and are then continuing, and (b) the Phase I Conditions Precedent set forth in Article VII of this Agreement have been timely satisfied and are then continuing, the City hereby approves an economic development grant from the revenue of the City's general fund to the Company for a period of ten Incentive Tax Years, the first beginning on **January 1, 2024** and the last ending on **December 31, 2033**, said grant being annually calculated by subtracting the Real Property Ad Valorem Taxes assessed against the Mesquite Facility and owed to the City for the Base Year – Mesquite Facility from the total amount of Real Property Ad Valorem Taxes collected by the City against the Mesquite Facility for such Incentive Tax Year and multiplying that amount by twenty-five percent (25%).

2. Grant of Economic Development Incentives for Business Personal Property Ad Valorem Taxes for the Mesquite Facility. Provided (a) the applicable General Conditions Precedent set forth in Article VI of this Agreement have been timely satisfied and are then continuing, and (b) the Phase I Conditions Precedent set forth in Article VII of this Agreement have been timely satisfied and are then continuing, the City hereby approves an economic development grant from the revenue of the City's general fund to the Company for a period of ten Incentive Tax Years, the first beginning on **January 1, 2024** and the last ending on **December 31, 2033**, said grant being annually calculated by subtracting the Business Personal Property Ad Valorem Taxes assessed against the Mesquite Facility and owed the City for the Base Tax Year – Mesquite Facility from the total amount of Business Personal Property Ad Valorem Taxes collected by the City against the Mesquite Facility for such Incentive Tax Year and multiplying that amount by seventy-five percent (75%).

3. Grant of Economic Development Incentives for Real Property Ad Valorem Taxes on the Mesquite Facility Expansion. Provided (a) the Company elects to proceed with the Mesquite Facility Expansion, (b) the applicable General Conditions Precedent set forth in Article VI of this Agreement have been timely satisfied and are then continuing, (c) the Phase I Conditions Precedent set forth in Article VII of this Agreement have been timely satisfied and are then continuing, and (d) the Phase II Conditions Precedent set forth in Article VIII of this Agreement have been timely satisfied and are then continuing, the City hereby approves an economic development grant from the revenue of the City's general fund to the Company for a period of ten Incentive Tax Years, the first beginning on **January 1, 2025** and the last ending on **December 31, 2034**, said grant being annually calculated by subtracting the Real Property Ad Valorem Taxes assessed against the Mesquite Facility Expansion and owed to the City for the Base Tax Year – Mesquite Facility Expansion from the total amount of Real Property Ad Valorem Taxes collected by the City against the Mesquite Facility Expansion for such Incentive Tax Year and multiplying that amount by twenty-five percent (25%).

4. Grant of Economic Development Incentives for Business Personal Property Ad Valorem Taxes on the Mesquite Facility Expansion. Provided (a) the Company elects to proceed with the Mesquite Facility Expansion, (b) the applicable General Conditions Precedent set forth in

Article VI of this Agreement have been timely satisfied and are then continuing, (c) the Phase I Conditions Precedent set forth in Article VII of this Agreement have been timely satisfied and are then continuing, and (d) the Phase II Conditions Precedent set forth in Article VIII of this Agreement have been timely satisfied and are then continuing, the City hereby approves an economic development grant from the revenue of the City's general fund to the Company for a period of ten Incentive Tax Years, the first beginning on **January 1, 2025** and the last ending on **December 31, 2034**, said grant being annually calculated by subtracting the Business Personal Property Ad Valorem Taxes assessed against the Mesquite Facility Expansion and owed the City for the Base Tax Year – Mesquite Facility Expansion from the total amount of Business Personal Property Ad Valorem Taxes collected by the City against the Mesquite Facility Expansion for such Incentive Tax Year and multiplying that amount by seventy-five percent (75%).

5. Other Taxing Entities. The Parties acknowledge and agree that Ad Valorem Taxes assessed or collected against the Mesquite Facility and Mesquite Facility Expansion by the Mesquite Independent School District, the County of Dallas and/or any other taxing entity other than the City shall not be included in determining the amount of any Economic Development Incentive payable under the terms of this Agreement.

6. Agreement Regarding Protest, Challenge or Appeal of Property Valuations. The Company acknowledges that a material consideration for the City's agreement to enter into this Agreement and to pay the Economic Development Incentives set forth herein is the City's expectation that: (i) the minimum Real Property and Business Personal Property taxable valuations of the Mesquite Facility for the Incentive Tax Year after the Base Tax Year – Mesquite Facility (the "**Minimum Taxable Valuations – Mesquite Facility**") will materially increase; and (ii) if the Company proceeds with the Mesquite Facility Expansion, the minimum Real Property and Business Personal Property taxable valuations of the Mesquite Facility Expansion for the Incentive Tax Year after the Base Tax Year – Mesquite Facility Expansion (the "**Minimum Taxable Valuations – Mesquite Facility Expansion**") will materially increase. The Company and/or the Landlord may protest, challenge or appeal the Business Personal Property and/or Real Property taxable value of the Mesquite Facility and/or Mesquite Facility Expansion as appraised by DCAD for any Incentive Tax Year during the Term of this Agreement provided, however, in consideration of the City's agreement to enter into this Agreement and grant the Economic Development Incentives under the terms and conditions set forth herein, the Parties agree that if such protest, challenge or appeal results in a reduction in the valuation of the Real Property or Business Personal Property of the Mesquite Facility or Mesquite Facility Expansion for such Incentive Tax Year to an amount less than ninety percent (90%) of the Minimum Taxable Value Valuations – Mesquite Facility or Minimum Taxable Valuations – Mesquite Facility Expansion, as applicable, then no Incentive Payment will be due or payable by the City to the Company for that Incentive Tax Year and any other Incentive Tax Year in which at least ninety percent (90%) of the foregoing Minimum Taxable Valuations are not achieved.

7. Payment of Economic Development Incentives. Provided all terms and conditions of this Agreement, including but not limited to the General Conditions Precedent and the Specific Conditions Precedent (as applicable), have been satisfied and are then continuing, the economic development grants set forth in Article X above shall be payable by the City to the Company in annual payments (referred to herein as "**Incentive Payments**") on the later of: (i) June 1st of the calendar year following the Incentive Tax Year for which the Incentive Payment is payable; or (ii) sixty (60) days after all General Conditions Precedent and Specific Conditions Precedent (as

applicable) to the payment of such Incentive Payment have been satisfied. Any Incentive Payment delayed as a result of the filing of a tax protest, challenge or appeal shall no longer be due and payable in the event that the minimum Business Personal Property and Real Property tax valuations required herein are not achieved.

8. Funds Available for Payment of Economic Development Incentives. The grants of Economic Development Incentives payable by the City to the Company as more fully set forth in this Agreement are not secured by a pledge of Ad Valorem Taxes or financed by the issuance of any bonds or other obligations payable from Ad Valorem Taxes of the City. All Economic Development Incentives payable hereunder shall be paid only from funds of the City authorized by Article III, Section 52-a, of the Texas Constitution and Texas Local Government Code Chapter 380. Each Incentive Payment shall be subject to the City's appropriation of funds for such purpose to be paid in the budget year for which the Incentive Payment is to be made. The provisions of this Article X, Section 10 shall expressly survive the expiration or termination of this Agreement.

ARTICLE XI Events of Default

1. Each of the following shall constitute a "**Company Default**" or "**City Default**", as applicable, under this Agreement:

- (a) **General Event of Default.** Failure of Company or City to comply with or to timely perform any material term, obligation, covenant or condition contained in this Agreement.
- (b) **False Statements.** A determination by the City that any warranty, representation, or statement made or furnished to the City by or on behalf of Company under this Agreement is false or misleading in any material respect, either now or at the time made.
- (c) **Event of Bankruptcy or Insolvency.** The occurrence of an Event of Bankruptcy or Insolvency of either Party.
- (d) **Ad Valorem Taxes.** Ad Valorem Taxes owed to the City become delinquent and Company fails to cure, and/or cause the Landlord to cure, such failure within thirty (30) days after written notice thereof from City or DCAD, as applicable.
- (e) **Company Fee Payments.** Company does not timely pay City all impact fees, permit fees, development fees, review fees, inspection fees and such other fees owed by Company to City in connection with the Mesquite Facility.
- (f) **Contract Compliance.** Company or City has breached a material provision of this Agreement beyond the notice and cure periods, if applicable, set forth herein.
- (g) **Assignment.** Company assigns this Agreement, in whole or in part, in violation of this Agreement.

2. Excepting and excluding Article IX.1.(c) and (d) immediately above, in the Event of Default under Article IX of this Agreement, the non-defaulting Party shall give written notice to the other Party of any default, and the defaulting Party shall have thirty (30) days to cure said

default. Should said default remain uncured, the non-defaulting Party shall have the right to exercise the exclusive remedies provided in Article XII of this Agreement.

ARTICLE XII Remedies

1. City Remedies. In the event of a Company Default that has continued uncured beyond any applicable grace or cure period, the City shall have no obligation to pay any Incentive Payment to the Company and the City shall have the right as its sole remedies (other than the remedies set forth in Section 5.3) to: (a) if already paid, recapture the prior year's Incentive Payment paid by the City to the Company as more fully set forth herein; and (b) terminate this Agreement by written notice to the Company in which event neither Party hereto shall have any further rights or obligations hereunder except for those that expressly survive the termination of this Agreement. Except as provided herein, in no event will the City be entitled to the recovery of attorneys' fees (except in the event of the exercise by the City of the remedies set forth in Chapter 2264 of the Texas Government Code or except in the event Company asserts a claim for attorneys' fees against City) or consequential, punitive, exemplary or speculative damages. In the event of an uncured Company Default and should the City have already paid an Incentive Payment to Company, Company shall immediately pay to the City, at the City's address set forth in this Agreement, the amount of the Incentive Payment paid by City to Company for the preceding Incentive Tax Year plus interest at the rate equal to the lesser of: (i) the Maximum Lawful Rate; or (ii) five percent (5%) per annum, such interest rate to be calculated on the Incentive Payment being recaptured from the date such Incentive Payment was paid by the City until the date repaid by the Company to the City and such interest rate shall adjust periodically as of the date of any change in the Maximum Lawful Rate. The remedies provided in this Section are in addition to any other rights and remedies available to the City under this Agreement and applicable law.

2. Company Remedies. Upon the occurrence of a City Default that has continued uncured beyond any applicable grace or cure period, Company shall have the right as its sole remedies to: (a) terminate this Agreement by written notice to the City in which event neither Party hereto shall have any further rights or obligations hereunder except for those that expressly survive the termination of this Agreement; and/or (b) recover from the City the amount of any Economic Development Incentive then earned, owed and unpaid by the City as damages in accordance with the following provisions. The recovery of damages against the City shall not include attorney's fees, court costs, or consequential, punitive, exemplary, or speculative damages including, but not limited to, lost profits. The City and Company acknowledge and agree that this Agreement is not a contract for goods or services and the City's immunity from suit is not waived pursuant to Subchapter I of Chapter 271, V.T.C.A., Local Government Code, as amended. Alternatively, if and only in the event a court of competent jurisdiction determines the City's immunity from suit is waived under Subchapter I of Chapter 271, V.T.C.A., Local Government Code or otherwise, the Parties hereby acknowledge and agree that in a suit against the City for breach of this Agreement or otherwise to recover damages:

- (a). the total amount of damages, if any, awarded against the City shall be limited to actual damages in an amount not to exceed that of the Economic Development Incentive provided in Article X of this Agreement earned by the Company, owed and unpaid by the City;

(b). any Economic Development Incentive past due and not paid following the required notice and cure period shall accrue interest at the lesser of: (i) the Maximum Lawful Rate; or (ii) five percent (5%) per annum beginning the day after expiration of the cure period until paid, and such interest rate shall adjust periodically as of the date of any change in the Maximum Lawful Rate; and

(c). the recovery of damages against the City shall not include attorneys' fees, court costs, or consequential, punitive, exemplary, or speculative damages including, but not limited to, lost profits.

3. Survival. All terms, provisions, agreements, covenants, conditions, obligations, rights and remedies of each Party pursuant to this Article shall expressly survive the expiration or termination of this Agreement.

ARTICLE XIII Miscellaneous Provisions

1. Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties hereto, their respective successors and permitted assigns provided, however, except as described below, notwithstanding anything contained herein to the contrary, this Agreement may not be assigned or transferred without the express written consent of the other Party, such consent not to be unreasonably withheld where such assignment is to an affiliate. No assignment of this Agreement shall contain any terms in contravention of any provisions of this Agreement. No assignment of this Agreement shall be effective unless: (i) the assignment is in writing signed by the assignor and the assignee; (ii) the assignee assumes the assignor's obligation to timely keep and perform all terms, provisions, agreements, covenants, conditions and obligations of the assignor under the terms of this Agreement; (iii) a true and correct copy of such assignment has been provided to the City; and (iv) the City has approved such assignment in writing. Every assignee shall be subject to and bound by all the provisions, covenants, and conditions of this Agreement and shall be required to obtain the prior written consent of the City with respect to any future or further assignment. Any attempted assignment in violation of the terms and provisions of this Agreement shall be void and shall constitute a material breach of this Agreement by Company and in the event Company attempts to assign this Agreement in violation of this section, the City shall have the right to terminate this Agreement with Company for cause by written notice to Company.

2. Notices. Any notice and/or certificate or statement required or permitted to be given to any Party under the terms of this Agreement shall be in writing and shall be considered properly given if sent by United States electronically tracked certified mail, return receipt requested, in a postage paid envelope addressed to the respective Party at the following addresses or by delivery of the notice in person to the intended addressee by hand delivery or by a nationally recognized courier service for overnight delivery having the ability to track shipping and delivery of notices including but not limited to services such as Federal Express or United Parcel Service (UPS). Notices mailed by certified mail as set forth above shall be effective three (3) business days after deposit in the United States mail. Notices sent by a nationally recognized courier service as set forth above shall be effective one (1) business day after deposit with the nationally recognized courier service. Notices given in any other manner shall be effective only if and when received by the addressee. For purposes of notice, the addresses of the Parties shall be as set forth

For Execution

below; provided, however, that any Party shall have the right to change such Party's address for notice purposes by giving the other Party at least thirty (30) days prior written notice of such change of address in the manner set forth herein:

(a) For purposes of notice, the address of the Company shall be as follows:

COMPANY: Canadian Solar US Module Manufacturing Corporation
3000 Skyline Dr.
Mesquite, TX 75149
Attn: Philip Zheng
Email: philip.zheng@csisolar.com

With copy to:

Canadian Solar (USA) Inc.
1350 Treat Blvd., Suite 500
Walnut Creek, CA 94597
Attn: General Counsel
Email: LegalSupportUS@csisolar.com

(b) For purposes of notice, the address of the City shall be as follows:

CITY: City of Mesquite
1515 N. Galloway Avenue
Mesquite, TX 75149
Attention: City Manager

With a copies to:

Director of Economic Development
City of Mesquite
1515 N. Galloway Ave.
Mesquite, Texas 75149

City Attorney
City of Mesquite
1515 N. Galloway Ave.
Mesquite, Texas 75149

3. Right to Offset. The City shall have the right to offset any amounts due and payable by the City under this Agreement against any debt (including taxes) lawfully due and owing by the Company to the City pursuant to the terms of this Agreement or otherwise, and regardless of whether the debt has been reduced to judgment by a court.

4. Remedies Cumulative. The Parties hereby agree that each right and remedy of the Parties provided for in this Agreement shall be cumulative and are exclusive.

5. Authority. The Company represents that it is duly formed, validly existing and in good standing under the laws of the State of its formation and is duly authorized to transact business in the State of Texas. The Company represents that it has the full power and authority to enter into and fulfill its obligations under this Agreement and that the Person signing this Agreement on behalf of the Company has the authority to sign this Agreement on behalf of the Company. This Agreement was authorized by resolution of the City Council approved at a duly noticed City Council meeting.

6. No Acceleration. All amounts due pursuant to this Agreement and any remedies under this Agreement are not subject to acceleration.

7. Captions. The descriptive captions of this Agreement are for convenience of reference only and shall in no way define, describe, limit, expand or affect the scope, terms, conditions, or intent of this Agreement.

8. Sovereign Immunity. No Party hereto waives any statutory or common law right to sovereign or governmental immunity by virtue of its execution hereof

9. Modification. No alteration of or amendment to this Agreement shall be effective unless in writing and signed by the Party or Parties sought to be charged or bound by the alteration or amendment.

10. Interpretation. Regardless of the actual drafter of this Agreement, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against any Party.

11. Waivers. All waivers, to be effective, must be in writing and signed by the waiving Party. No failure by any Party to insist upon the strict or timely performance of any covenant, duty, agreement, term or condition of this Agreement shall constitute a waiver of any such covenant, duty, agreement, term or condition. No delay or omission in the exercise of any right or remedy accruing to any Party upon a default of this Agreement shall impair such right or remedy or be construed as a waiver of any such breach or a waiver of any breach theretofore or thereafter occurring.

12. Governing Law; Venue. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Texas (without giving effect to any conflict of law principles that would result in the application of the laws of any state other than Texas). The Parties agree that venue of any suit to construe or enforce this Agreement shall lie exclusively in state courts in Dallas County, Texas.

13. **WAIVER OF CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SPECULATIVE DAMAGES. THE COMPANY AND THE CITY AGREE THAT, IN CONNECTION WITH ANY ACTION, SUIT OR PROCEEDING ARISING FROM OR RELATING TO THIS AGREEMENT, EACH PARTY MUTUALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY CLAIM FOR CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SPECULATIVE DAMAGES. THIS SUBSECTION SHALL EXPRESSLY SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.**

14. Severability. The sections, paragraphs, sentences, clauses, and phrases of this Agreement are severable and, if any phrase, clause, sentence, paragraph, or section of this Agreement should be declared invalid, illegal or unenforceable by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect the validity or enforceability of any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Agreement and such remaining provisions shall remain in full force and effect and shall be construed and enforced as if the invalid provision had never been included in the Agreement.

15. No Partnership or Joint Venture. Nothing contained in this Agreement shall be deemed or construed by the Parties hereto, nor by any third party, as creating the relationship of partnership or joint venture between the Parties.

16. No Third Party Beneficiaries. The Parties to this Agreement do not intend to create any third party beneficiaries of the contract rights contained herein, including but not limited to the Landlord. This Agreement shall not create any rights in any individual or entity that is not a signatory hereto. No Person who is not a party to this Agreement may bring a cause of action pursuant to this Agreement as a third party beneficiary.

17. Number and Gender. Whenever used herein, unless the context otherwise provides, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all other genders.

18. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

19. Entire Agreement. This Agreement sets forth the entire agreement between the Parties with respect to the subject matter hereof, and all prior discussions, representations, proposals, offers, and oral or written communications of any nature are entirely superseded hereby and extinguished by the execution of this Agreement. There are no oral agreements between the Parties.

20. Usury Savings Clause. The Company and the City intend to conform strictly to all applicable usury laws. All agreements of the City and the Company are hereby limited by the provisions of this subsection which shall override and control all such agreements, whether now existing or hereafter arising and whether written or oral. In no event shall any interest contracted for, charged, received, paid or collected under the terms of this Agreement exceed the Maximum Lawful Rate or amount of non-usurious interest that may be contracted for, taken, reserved, charged, or received under applicable law. If, from any possible development of any document, interest would otherwise be payable to City in excess of the Maximum Lawful Rate, any such construction shall be subject to the provisions of this subsection and such document shall be automatically reformed and the interest payable to the City shall be automatically reduced to the Maximum Lawful Rate, without the necessity of execution of any amendment or new document. If the City shall ever receive anything of value which is characterized as interest under applicable law and which would apart from this provision be in excess of the Maximum Lawful Rate, an amount equal to the amount which would have been excessive interest shall at the option of the City be refunded to Company or applied to the reduction of the principal amount owing under this Agreement or such document in the inverse order of its maturity and not to the payment of interest.

The right to accelerate any indebtedness does not include the right to accelerate any interest which has not otherwise accrued on the date of such acceleration, and City does not intend to charge or receive any unearned interest in the event of acceleration. All interest paid or agreed to be paid to the City shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full stated term (including any renewal or extension) of such indebtedness so that the amount of interest on account of such indebtedness does not exceed the Maximum Lawful Rate.

21. Non-Collusion. The Company represents and warrants that neither the Company, nor anyone on the Company's behalf has given, made, promised or paid, nor offered to give, make, promise or pay any gift, bonus, commission, money or other consideration to any employee, agent, representative or official of the City as an inducement to or in order to obtain the benefits to be provided by the City under this Agreement.

22. Date for Performance. If the time period by which any act required hereunder must be performed falls on a Saturday, Sunday, legal or City holiday, then such time period shall be automatically extended through the close of business on the next regularly scheduled business day.

23. Form 1295 Certificate. The Company agrees to comply with Texas Government Code, § 2252.908 and in connection therewith, the Company agrees to go online with the Texas Ethics Commission to complete a Form 1295 Certificate and further agree to print the completed certificate and execute the completed certificate in such form as is required by Texas Government Code, § 2252.908 and the rules of the Texas Ethics Commission and provide to the City, at the time of delivery of an executed counterpart of this Agreement, a duly executed completed Form 1295 Certificate.

24. Execution of Agreement by Parties. If this Agreement is not executed by the Company and City within sixty (60) days after approval by the City Council of the City of Mesquite, Texas, this Agreement will be null and void and of no force or effect.

25. Time is of the Essence. THE PARTIES SPECIFICALLY AGREE THAT TIME IS OF THE ESSENCE OF EACH AND EVERY PROVISION OF THIS AGREEMENT AND EACH PARTY HEREBY WAIVES ANY RULE OF LAW OR EQUITY WHICH WOULD OTHERWISE GOVERN TIME OF PERFORMANCE.

26. Non-Boycott of Israel Provision. In accordance with Chapter 2271 of the Texas Government Code, a Texas governmental entity may not enter into an agreement with a business entity for the provision of goods or services unless the agreement contains a written verification from the business entity that it: (1) does not boycott Israel; and (2) will not boycott Israel during the Term of the agreement. Chapter 2271 of the Texas Government Code does not apply to a (1) a business that is a sole proprietorship; (2) a business that has fewer than ten (10) full-time employees; or (3) the contract has a value of less than One Hundred Thousand Dollars (\$100,000.00). Unless Company is not subject to Chapter 2270 of the Texas Government Code for the reasons stated herein, the signatory executing this Agreement on behalf of Company verifies that Company does not boycott Israel and will not boycott Israel during the Term of this Agreement.

27. Prohibition on Contracts with Certain Companies Provision. In accordance with §

2252.152 of the Texas Government Code, the Parties covenant and agree that Company is not on a list maintained by the State Comptroller's office prepared and maintained pursuant to § 2252.153 of the Texas Government Code.

28. Firearm Entity or Trade Association. Pursuant to Texas Government Code Chapter 2274, unless otherwise exempt, if the Company employs at least ten (10) fulltime employees and this Agreement has a value of at least \$100,000 that is paid wholly or partly from public funds of the governmental entity, the Company represents that: (i) the Company does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (ii) the Company will not discriminate during the Term of this Agreement against a firearm entity or firearm trade association.

29. Energy Boycott. Pursuant to Texas Government Code Chapter 2274, unless otherwise exempt, if the Company employs at least ten (10) or more full-time employees and this Agreement has value of at least \$100,000 or more that is paid wholly or partly from public funds of the governmental entity, the Company represents that the Company: (i) does not boycott energy companies; and (ii) will not boycott energy companies during the Term of the Agreement.

30. Report Agreement to Comptroller's Office. City covenants and agrees to report this Agreement to the State Comptroller's office within fourteen (14) days of the Effective Date of this Agreement, in accordance with § 380.004 of the Texas Government Code, as added by Texas House Bill 2404, 87th Tex. Reg. Session (2021) (effective September 1, 2021).

31. Reservation of Legislative Authority. Notwithstanding any provision in this Agreement, this Agreement does not control, waive, limit or supplant the legislative authority or discretion of the City Council of the City of Mesquite.


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For Execution

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement by their duly authorized agents, officers and/or officials on the dates set forth below.

CITY:

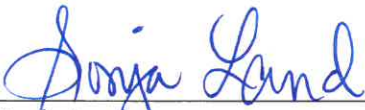
CITY OF MESQUITE, TEXAS,
A Texas home-rule municipality



Cliff Keheley, City Manager


Dated: 7-11-2023

ATTEST:



Sonja Land
City Secretary

APPROVED AS TO LEGAL FORM:


By: 

David L. Paschall
City Attorney

For Execution

COMPANY:

**CANADIAN SOLAR US MODULE
MANUFACTURING CORPORATION,** a
Delaware corporation

By: 

Philip Zheng
President

Dated: 03/07/2023