RESOLUTION NO. 14-2024

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF APPROVING MESOUITE. TEXAS. 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") TOWN EAST AGREEMENT WITH SHOPPING CENTER, LLC, A TEXAS LIMITED LIABILITY COMPANY, THE MAJOR RENOVATION FOR AND REDEVELOPMENT OF THE PROPERTY LOCATED AT 3301 NORTH TOWN EAST BOULEVARD, 2937 MOTLEY DRIVE, AND 2945 MOTLEY DRIVE IN THE CITY OF MESQUITE, TEXAS 75150: AND AUTHORIZING THE CITY MANAGER TO 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, Town East Shopping Center, LLC, a Texas limited liability company (the "**Company**"), currently owns an approximate 11.886-acre parcel or parcels of land and improvements located at 3301 North Town East Boulevard, and additional parcels located at 2801 Motley Drive, 2937 Motley Drive, and 2945 Motley Drive, Mesquite, Texas 75150 ("Town East"); and

WHEREAS, a substantial portion of Town East has become an under-performing retail center; and

WHEREAS, a major renovation and redevelopment of Town East consisting of substantial improvements and upgrades to the existing buildings and parking area and additional pad sites is necessary in order to make Town East more attractive to existing and new retail tenants resulting in increased property values and sales taxes; and

WHEREAS, a major renovation and redevelopment of Town East is expected to: (i) promote local economic development and stimulate business and commercial activity in the City; (ii) result in substantial visual improvements to a high profile street in the City; (iii) increase the productive life and the taxable value of the building and improvements constituting Town East thereby adding value to the City's tax rolls and increasing the ad valorem taxes to be collected by the City; and (iv) maintain existing retail tenants and attract new retail tenants to Town East thereby adding value to the City's tax rolls and increase personal property at Town East thereby adding value to the City's tax rolls and increasing the ad valorem personal property taxes to be collected by the City; (b) increase the sales taxes collected by the City; and (c) create new employment opportunities in the City; and

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WHEREAS, the City Council has been presented with a proposed agreement providing economic incentives to the Company for the proposed major renovation and redevelopment of Town East, a copy of said agreement being attached hereto as <u>Exhibit 1</u> and incorporated herein by reference (the "Agreement"); and

WHEREAS, after holding a public hearing and upon full review and consideration of the Agreement and all matters related thereto, the City Council finds that the Agreement will assist in implementing a program promoting local economic development, stimulating business and commercial activity in the City, and benefiting the City and its citizens.

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

<u>SECTION 1.</u> That the City Council finds that the terms of the proposed Agreement, a copy of which is attached hereto as <u>Exhibit 1</u> and incorporated herein by reference, will benefit the City and will serve 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.

<u>SECTION 2.</u> 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 as more fully set forth in the Agreement.

<u>SECTION 3.</u> 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.

<u>SECTION 4.</u> 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 per 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 \$100,000; (iii) approve or deny any matter in the Agreement that requires the consent of the City pursuant to the terms of the Agreement which shall require City Council approval; (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 than cannot be delegated by the City Council or that is within the City Council's legislative functions.

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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 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 18th day of March 2024.

-	DocuSigned by:			
	Daniel Aleman	Jr.		
_	- D999585317D142B			

Daniel Alemán, Jr. Mayor

ATTEST:

APPROVED AS TO LEGAL FORM:

-DocuSigned by: Varid Paschall -666E18891208434

David L. Paschall City Attorney

DocuSigned by: Sonja Land C2518095973F46A

Sonja Land City Secretary

EXHIBIT 1

ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

(CHAPTER 380 AGREEMENT)

BETWEEN

THE CITY OF MESQUITE, TEXAS

AND

TOWN EAST SHOPPING CENTER, LLC

CHAPTER 380 ECONOMIC DEVELOPMENT & PERFORMANCE AGREEMENT

This Chapter 380 Economic Development & Performance Agreement ("Agreement") is made and entered into by and between the City of Mesquite, a Texas home rule municipality ("City"), and Town East Shopping Center, LLC, a Texas limited liability company ("Company"), for the purposes and considerations stated below:

WITNESSETH:

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

WHEREAS, the City and the Company may each hereinafter be referred to as a "Party," and may collectively be referred to as the "Parties" to this Agreement; and

WHEREAS, the City Council of the City of Mesquite, Texas (the "City Council") has investigated and determined that it is in the best interest of the City and its citizens to encourage economic development programs, including programs for making loans and grants of public money to promote local economic development and stimulate business and commercial activity in the City pursuant to Chapter 380, Texas Local Government Code, as amended ("Chapter 380"); and

WHEREAS, Texas Local Government Code Section 380.001 and Article III, Section 52-a, of the Texas Constitution authorizes the City to establish an economic development program and the City hereby establishes such a program whereby, in exchange for Company's performance of obligations as further described in this Agreement, the City agrees to grant public monies to Company in the form of incentives to advance the public purposes of stimulating business and commercial activity in the City, developing and diversifying the City's economy, reducing City and State unemployment or underemployment by creating employment opportunities, adding taxable improvements to real property in the City, and expanding commerce to and through the City; and

WHEREAS, Company currently owns an approximate 11.886 acre parcel or parcels of land and improvements constituting Town East Shopping Center, a retail center, located at 3301 N. Town East Blvd., and additional parcels located at 2801 Motley Drive, 2937 Motley Drive and 2945 Motley Drive in Mesquite, Texas 75150, and being more particularly described in Exhibit "A" attached hereto and made a part hereof for all purposes ("Town East"); and

WHEREAS, a substantial portion of Town East has become an under-performing retail center; and

WHEREAS, a major renovation and redevelopment of Town East consisting of substantial improvements and upgrades to the existing Buildings and parking area and additional pad sites is necessary in order to make Town East attractive to existing and new retail tenants resulting in increased property values and sales taxes; and

WHEREAS, the Company is considering making a major renovation and redevelopment of the existing Buildings at Town East and intends to expand the commercial square footage of Town East by creating new pad sites for additional development on the Land as more particularly described herein; and

WHEREAS, the Company has advised the City that a contributing factor inducing the Company to make the renovations and redevelopment is the agreement by the City to provide economic development incentives to the Company under the terms and conditions more fully set forth in this Agreement including: a capital improvement incentive, a qualified property tax incentive, and a qualified sales tax incentive; and

WHEREAS, a major renovation and redevelopment of Town East will substantially increase the taxable value of Town East thereby adding value to the City's tax rolls and increasing the ad valorem real property taxes and sales taxes to be collected by the City, along with increasing employment opportunities in the City; and

WHEREAS, the City Council has investigated and determined that the Company's project qualifies for economic development incentives and grants under the Chapter 380 Program established by the City in this Agreement (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 the renovation and redevelopment of Town East will benefit the City and its citizens and advance a public purpose of the City because, *inter alia*, the renovation and redevelopment of Town East will: (i) promote local economic development and stimulate business and commercial activity in the City; (ii) result in substantial visual improvements to a high profile intersection in the City; (iii) increase the productive life and the taxable value of the building and improvements constituting Town East thereby adding value to the City's tax rolls and increasing the ad valorem taxes to be collected by the City; and (iv) maintain existing retail tenants and attract new retail tenants to Town East thereby adding value to the City's tax rolls and increasing the ad valorem property at Town East thereby adding value to the City's tax rolls and increasing the ad valorem personal property taxes to be collected by the City; (b) increase the sales taxes collected by the City; and (c) create new employment opportunities in the City; and

WHEREAS, the City Council finds and determines that this Agreement will effectuate the purposes set forth in the Program and that the granting of the economic development incentives more fully set forth herein on the terms and subject to the conditions more fully set forth herein will benefit the City and will accomplish the public purpose of promoting local economic development and stimulating business and commercial activity in the City.

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, the Parties agree as follows:

ARTICLE I Incorporation of Recitals

The foregoing recitals are hereby incorporated into the body of this Agreement and shall be considered a part of the mutual covenants, consideration and promises that bind the Parties.

ARTICLE II Definitions

As used herein, the following terms shall have the following meanings:

"Additional Municipal Sales Taxes" means all sales taxes now and hereafter authorized, adopted, imposed or collected by or on behalf of the City pursuant to § 321.101(b) of the Texas Tax Code, as amended or replaced, and shall specifically include all Type B Sales Taxes, Property Tax Relief Taxes and all sales taxes now and hereafter prohibited by law from being used for payment or granting of economic development incentives.

"<u>Ad Valorem Property Tax Collections</u>" means the ad valorem property taxes on real property and improvements for the Buildings and Land at Town East the City actually receives in any Ad Valorem Property Tax Year occurring during the Tax Incentive Period as provided in this Agreement.

"<u>Ad Valorem Property Tax Incentive</u>" means twenty-five percent (25%) of Ad Valorem Property Tax Collections paid by Company during the Tax Incentive Period as provided in this Agreement.

"<u>Ad Valorem Property Tax Year</u>" means all real property and improvements, as defined by Texas Tax Code, Sections 11.01-11.02 and Art. 8 § 1 of the Texas Constitution, that is appraised and assessed by the Dallas Central Appraisal District during the Tax Incentive Period as provided in this Agreement.

"Agreement" shall mean this agreement together with all exhibits attached hereto.

"<u>Buildings</u>" shall mean the buildings and improvements constituting a part of Town East and being located on the Land and owned by Company as further described on **Exhibit A**, existing as of the Effective Date and during the Term.

"<u>Capital Improvements</u>" shall mean renovations, replacements, upgrades and other alterations, changes, modifications, additions and/or physical improvements to Town East commenced after the Effective Date including but not limited to the following: i) make ready at least three (3) additional pad sites at Town East to expand its commercial square footage; ii) remodel, redevelop, and enhance the existing Buildings on Town East to include structural and exterior façade improvements, parking lot improvements, and signage improvements, that make Town East more attractive to existing and new retail tenants, intended to result in increased property values and sales taxes, as more particularly described in **Exhibits "B"** and "**B-1**", attached hereto and made a part hereof for all purposes. Notwithstanding the foregoing, no Capital Improvements and upgrades constructed by tenants shall

constitute Capital Improvements. The term Capital Improvement will not include routine maintenance, costing less \$5,000.00, and performed as part of a single project.

"<u>Capital Improvement Incentive Payment</u>" shall mean the economic development incentive to be paid by the City to the Company in increments of Fifty Thousand and No/100 Dollars (\$50,000.00) not to exceed Two Hundred Fifty Thousand and No/100ths Dollars (\$250,000.00) as specified in ARTICLE VII of this Agreement, pursuant to the terms and subject to the conditions and limitations set forth in this Agreement.

"<u>Capital Investment</u>" shall mean, expenditures on Capital Improvements (excluding land acquisition costs) by the Company. The term Capital Investment will not include routine maintenance performed as part of a single project the cost of which does not exceed \$5,000.00.

"<u>Capital Investment Certificate</u>" shall mean a report and certificate submitted by the Company to the City showing the amount of the Capital Investment (if any) made by Company for the applicable Incentive Payment request.

"<u>Certificate of Compliance</u>" 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 Conditions Precedent at the time of presentation of the Certificate of Compliance, have been satisfied and are continuing; (ii) that Company has complied with and is in compliance with Company's Covenants and Performance Obligations as provided in ARTICLE VI; and (ii) that to the knowledge of the Company no default then exists by the Company under the terms of this Agreement and that no event exists which, but for notice, the lapse of time, or both, would constitute a default by the Company under the terms of this Agreement. As used in this paragraph the terms "knowledge" or "knowingly" means the actual, then-current knowledge of any officer or employee of the Company.

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

"City Council" shall mean the governing body of the City.

"City Manager" shall mean the City Manager of the City.

"<u>City Sales Tax</u>" and "<u>City Sales Taxes</u>" shall mean the municipal sales taxes collected by or on behalf of the City for general fund authorized pursuant to § 321.101(a) of the Texas Tax Code, as amended and/or replaced, and currently at the rate of one percent (1.0%) pursuant to § 321.103(a) of the Texas Tax Code and specifically not including (a) the State of Texas Sales Taxes, (b) Property Tax Relief Taxes, and (c) any Additional Municipal Sales Taxes.

"<u>Company</u>" shall mean Town East Shopping Center, LLC, a Texas limited liability company, its successors and assigns only as permitted by this Agreement.

"<u>Company Representative</u>" shall mean the Chief Executive Officer, Chief Financial Officer, President or any other authorized officer of the Company.

"Conditions Precedent" shall have the meanings set forth in Article VI of this Agreement.

"Disclosure Statute" shall mean § 321.3022 of the Texas Tax Code, as amended and/or replaced.

"<u>Economic Development Funds</u>" means any and all qualifying payment of public monies Company receives from the City in the form of any incentives in conjunction with the remodeling, redevelopment, enhancement and enlargement of Town East including Capital Improvement Payments, Sales Tax Incentive(s) payments and Ad Valorem Property Tax Incentive payments.

"<u>Effective Date</u>" shall mean the date the Company and the City execute this Agreement if both 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 two dates this Agreement is executed by the Company and the City.

"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.

"<u>Existing Leases</u>" shall mean the lease agreements between the Company (or its predecessors in interest) and their Existing Tenants, as they may have been or may hereafter be amended, restated or supplemented.

"<u>Existing Tenants</u>" shall mean the tenants of the Company at Town East listed on **Exhibit "C**" attached hereto and made a part hereof for all purposes.

"<u>Incentive Payment</u>" shall mean the actual payment of any Capital Improvement Incentive Payment, Ad Valorem Property Tax Incentive, or Sales Tax Incentive from the City to the Company as set forth in this Agreement.

"<u>Incentive Tax Year</u>" 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]. An Incentive Tax Year shall commence on January 1st and end on December 31st of each calendar year thereafter during the Tax Incentive Period.

"Land" shall mean the real property described in **Exhibit** "A" and depicted in **Exhibit** "A-1" attached hereto and made a part hereof for all purposes.

"<u>Maximum Incentive Amount</u>" shall mean the maximum amount of Economic Development Funds payable under the terms of this Agreement, which is the collective sum of One Million and No/100 Dollars (\$1,000,000.00).

"<u>Maximum Lawful Rate</u>" 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).

"<u>Net City Sales Taxes</u>" means the City Sales Taxes collected by or on behalf of the City arising from sales of Taxable Items by the Company at or from the Mesquite Facility less the collection fee retained by the State Comptroller (currently 2%) and less any credits for returned items (it being expressly understood that the City's Sales Taxes is being used only as a measurement for its participation through the use of general funds).

"Party" and "Parties" shall have the meanings set forth in the Recitals to this Agreement.

"<u>Person</u>" or "<u>Persons</u>" 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.

"<u>Primary Use</u>" shall mean goods sold or services provided by a tenant or occupant of leased space in Town East that generate more than 40% of the total sales of such tenant or occupant on an annual basis.

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"Program" shall have the meaning set forth in the recitals to this Agreement.

"<u>Property Tax Relief Taxes</u>" means the municipal sales taxes authorized, adopted, imposed and/or collected by or on behalf of the City pursuant to § 321.101(b) of the Texas Tax Code, as amended and/or replaced, currently at the rate of one-half of one percent (0.5%) to be used to reduce the property tax rate of the City.

"<u>Request for Payment</u>" means written correspondence addressed to the City at the notice address provided herein identifying the type of Incentive Payment requested and the Tax Incentive Year.

"<u>Sales Tax Collections</u>" means the amount of amount of Net City Sales Taxes the City actually recovers from the Texas Comptroller of Public Accounts, generated by the Company and its tenants at Town East during any Incentive Tax Year as provided in this Agreement.

"<u>Sales Tax Incentive</u>" means the City's qualifying incentive payment to Company for Sales Tax Collections occurring during the Tax Incentive Period as provided in this Agreement.

"<u>State of Texas Sales Taxes</u>" means the State of Texas sales taxes, currently at the rate of six and one-quarter percent (6.25%), authorized, adopted, imposed and/or collected pursuant to § 151.051 of the Texas Tax Code, as amended or replaced, and all other sales taxes now and hereafter authorized, adopted, imposed and/or collected by or on behalf of the State of Texas.

"<u>Taxable Item</u>" shall have the same meaning assigned by Section 151.010 and 151.0101 of the Texas Tax Code, as may be amended.

"Tax Incentives" shall mean the Sales Tax Incentive(s) and Ad Valorem Property Tax Incentive.

"<u>Tax Incentive Period</u>" means the ten-year (10) period beginning on January 1, 2026 and continuing through and including December 31, 2035.

"Tenants" shall mean the tenants of Company at Town East.

"Term" shall have the meaning set forth in Article IV of this Agreement.

"<u>Texas Comptroller</u>" or "CPA" means the comptroller of public accounts of the State of Texas whose duties include the collection and disbursement of sales and use taxes in accordance with Ch. 403 of the Texas Government Code.

"Town East" shall have the meaning set forth in the Recitals to this Agreement.

"<u>Type B Sales Taxes</u>" means the municipal sales taxes authorized, adopted, imposed or collected by or on behalf of the City pursuant to § 321.101(b) of the Texas Tax Code, as amended or replaced, currently at the rate of one-half of one percent (0.5%), for use by the Mesquite Quality of Life Corporation, a Type B economic development corporation, operating pursuant to Chapter 505 of the Texas Local Government Code, as amended or replaced, and shall also include any other sales taxes now or hereafter authorized, adopted, imposed or collected by or on behalf of the City for use by any other Type B economic development corporation hereafter created by the City.

"<u>Undocumented Workers</u>" shall mean individuals who, at the time of employment with the Company, are not: (i) lawfully admitted for permanent residence to the United States or are not authorized under law to be employed in that manner in the United States; and (ii) such other Persons as are included within the definition of undocumented workers pursuant to 8 U.S.C. § 1324a (f) and/or or any other applicable state and/or federal law or regulation.

ARTICLE III

Authority for Agreement, and Maximum Incentive Amount and Available Funds

3.1 <u>Authority</u>. 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 substantial economic benefit will accrue to the City as a result of the renovation and redevelopment of Town East because, among other things, the renovation and redevelopment of Town East because, among other things, the renovation and redevelopment of Town East because, among other things, the renovation and redevelopment of Town East because, among other things, the renovation and redevelopment of Town East because, among other things, the renovation and redevelopment of Town East will: (i) promote local economic development and stimulate business and commercial activity in the City; (ii) result in substantial visual improvements to a high profile street in the City; (iii) increase the productive life and the taxable value of Town East thereby adding value to the City's tax rolls and increasing the ad valorem taxes to be collected by the City; (iv) maintain Existing Tenants and attract new Tenants to Town East thereby adding value to the City's tax rolls and increasing the ad valorem taxes to be collected by the City; (b) increase the sales taxes collected by the City; and (c) create new employment opportunities in the City and accordingly, the value of the benefits of this Agreement to the City outweigh the amount of incentives to be paid by the City under this Agreement.

3.2 Maximum Incentive Amount. Company and City agree that the City's total amount of Incentive Payments during the Term of this Agreement shall never exceed the Maximum Incentive Amount which is One Million and No/100 Dollars (\$1,000,000.00).

3.3 <u>Funds Available for Incentive Payment.</u> The Incentive Payment 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. Any Incentive Payment 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(s)(s) is to be made.

ARTICLE IV Term

The Term of this Agreement shall commence on the Effective Date and shall continue until the earlier of: (i) the expiration of the Tax Incentive Period; or (ii) the date this Agreement is terminated by the City or the Company pursuant to a right to terminate as expressly provided herein; or (iii) City has paid Company the Maximum Incentive Amount ("**Term**"). Notwithstanding the foregoing, in the event this Agreement is not fully executed within sixty (60) days after approval by the City Council, 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.

ARTICLE V Company's Covenants Regarding Undocumented Workers

5.1 <u>Covenant Not to Employ Undocumented Workers.</u> The Company hereby certifies that the Company and each branch, division, and department of the Company does not knowingly employ any Undocumented Workers and the Company hereby covenants and agrees that the Company and each branch, division and department of the Company will not knowingly employ any Undocumented Workers during the Term of this Agreement.

5.2 <u>Covenant to Notify City of Conviction for Undocumented Workers.</u> 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 knowing violation under 8 U.S.C. § 1324a (f) within thirty (30) days from the date of such conviction.

5.3 <u>Repayment of Incentive Payments in Event of Conviction for Employing Undocumented</u> <u>Workers.</u> If, after receiving any Incentive Payment 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 amount of all Incentive Payment payments 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 each such Incentive Payment from the date each such Incentive Payment 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.

5.4 <u>Limitation on Incentive Payment Payments</u>. The City shall have no obligation to make any Incentive Payment payments 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).

5.5 <u>Remedies</u>. 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.

5.6 <u>Survival</u>. The terms, provisions, covenants, agreements and obligations of the Company and the rights and remedies of the City set forth in this Article of this Agreement shall expressly survive the expiration or termination of this Agreement until payment of the final Incentive Payment or termination of this Agreement.

<u>ARTICLE VI.</u> <u>Company's Covenants and Performance Obligations</u>

6.1 The City and Company each agree that as a condition precedent of this Agreement and the receipt of any Economic Development Funds pledged by the City, Company covenants, warrants and agrees that it must comply with the following performance requirements and conditions which represent material obligations of this Agreement (each, a "Condition Precedent" and collectively, the "Conditions Precedent"):

Minimum Capital Investment. Company covenants, warrants and agrees that it shall 6.2. make at least a Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000.00) Capital Investment in Town East by the second anniversary of the Effective Date ("Minimum Capital Investment") to fund the Capital Improvements. The Minimum Capital Investment must be spent to: i) make ready at least three (3) additional pad sites at Town East to expand its commercial square footage; and ii) remodel, redevelop, and enhance the existing Buildings on Town East to include structural and exterior façade improvements, parking lot improvements, and signage improvements, such redevelopment to be consistent with the plans, site drawings or concept plan described in Exhibit "B" and "B-1" hereto and incorporated herein for all purposes. When calculating such expenditures, the Parties agree that no expenditure shall be included as part of the Capital Investment unless the expenditure is capital in nature (excluding land acquisition costs). Capital Improvements shall be considered completed when evidenced by the issuance by the City of a final inspection, final green tag, certificate of completion, or other equivalent, confirming completion of the Capital Improvements and the requirements of the building permit issued by the City in connection with the construction of the Capital Improvements prior to the second anniversary of the Effective Date. The Capital Investment may be more than \$750,000.00. Failure of the Company to make the Minimum Capital Investment within two years of the Effective Date will result in automatic termination of this agreement and forfeiture by Company of any further Incentive Payment under this Agreement. This is in addition to any other remedies available to the City under this Agreement or law.

6.2.1 **Capital Improvement Incentives**. To be eligible for any Capital Improvement Incentive as outlined in ARTICLE VII, Company shall submit a written Request for Payment, a Capital Investment Certificate, and a Certificate of Compliance to the City to verify the Capital Investment made by Company in Town East toward Capital Improvements.

6.2.2 **Maximum Capital Improvement Incentive Amount**. Company shall not submit a Request for Payment of a Capital Improvement Incentive, that if paid by the City, would exceed the Maximum Capital Improvement Incentive Amount.

6.3 **Conditions Precedent to Tax Incentives.** The Company hereby expressly acknowledges and agrees that the City's obligation to pay any Tax Incentives payments under Articles VIII and IX shall expressly be conditioned upon the satisfaction of the following conditions precedent:

6.3.1 <u>Completion of Capital Improvements and Additional Pad Sites.</u> To be considered eligible for any Tax Incentives payments, Company shall file a Capital Investment Certificate with the City demonstrating that it made the Minimum Capital Investment, obtained the necessary certificate of occupancy for the existing center, and completed the required Capital Improvements, including but not limited to the three (3) additional pad sites to Town East, by the second anniversary of the Effective Date as outlined in this Agreement. If Company cannot demonstrate the Minimum Capital Investment has been made or the Capital Improvements completed by the second anniversary of the Effective Date, no Tax Incentives payments will be considered or paid by the City.

6.3.2 Annual Request for Payment of Sales Tax Incentives. To be eligible for any annual Sales Tax Incentive payment during the Incentive Tax Period pursuant to Article VIII, and in addition to satisfying Sections 6.2 and 6.3.1 above: (i) the Company shall have submitted to the City a written Request for Payment and Certificate of Compliance; ii) a list of current Tenants and their primary use; and (iii) the City shall have obtained from the Texas Comptroller a confidential information report confirming at a minimum the total amount of sales and use taxes paid by the Tenants at Town East to the Texas Comptroller relating only to taxable sales from such Tenants' locations in Town East during the previous Incentive Tax Year (which report the City agrees to use diligent, good faith efforts to timely obtain); and (iv) the City shall have verified that it has received payment in full of all City Sales Taxes payable by the Tenants relating to taxable sales from the Tenants' locations in Town East for the Incentive Tax Year for which the Request for Payment is submitted, and the City agrees to use diligent, good faith efforts to promptly verify such information. Notwithstanding the foregoing, pursuant to the Disclosure Statute, the State Comptroller is to disclose the sales taxes paid during the current or prior year without disclosing individual sales tax account information. However, if there are fewer than three (3) sales tax accounts at Town East, the State Comptroller will not disclose information regarding the actual sales taxes paid by Tenants without permission of those persons doing business at Town East. As such, the Company covenants and agrees to use good faith, commercially reasonable efforts to include as a condition in its future leases or lease renewals or amendments at Town East, language which requires the Company and future lessees to provide a release to the City that will allow the Texas Comptroller, if so required by the Disclosure Statute, to disclose to the City aggregated sales tax information relating

to any business generating sales tax within Town East for any Incentive Tax Year during the Tax Incentive Period. The Parties agree that no Sales Tax Incentive payment shall be due or payable for any Incentive Tax Year during the Tax Incentive Period if there are less than three (3) Tenants doing business in Town East or the Company fails to provide written permission from the Company and each Tenant allowing the State Comptroller to provide the City with information relating to the amount of City Sales Taxes paid by such Tenants to the City during such Incentive Tax Year.

6.3.3 **Annual Request for Ad Valorem Property Tax Incentives.** To be eligible for any Ad Valorem Property Tax Incentive during the Tax Incentive Period, Company shall have satisfied the terms of Sections 6.2 and 6.3.1 above and shall annually file a Request for Payment pursuant to Article IX together with: (i) a Certificate of Compliance; and (ii) all receipts demonstrating Company's payment of all taxes related to the Land and Buildings on Town East.

6.4. **Documentation**. Company shall deliver to the City within thirty (30) days after written request, copies of such invoices, payment records and other documentation as the City may reasonably request to confirm compliance by the Company with its covenants in this Article.

6.5. **Ongoing Operation.** Company shall operate Town East exclusively for only the uses permitted under the current zoning applicable to Town East during the Term of this Agreement including, without limitation, retail, restaurant, professional office, and personal services, except as provided herein. Notwithstanding the foregoing, the Company covenants and agrees that during the Term of this Agreement, the Company will not enter into any oral and/or written leases or otherwise knowingly permit the use of all or any portion of Town East for any one or more of the following uses as a Primary Use (provided, that, the foregoing shall not apply to Existing Tenants at Town East, including but not limited to Town East Bingo, as of the Effective Date of this Agreement or to any assignee of or sublessee under any of the Existing Leases): (a) stores selling electronic cigarettes or other oral devices as a Primary Use that allow users to inhale a vapor of liquid nicotine or other substances including, without limitation, e-cigarettes, e-cigars, e-pipes, e-hookahs, and/or vape pipes; and (b) tobacco stores as a Primary Use (and specifically excluding the ancillary sale thereof in any pharmacy, grocery or convenience store located in Town East). The Company further covenants and agrees that during the Term of this Agreement, the Company will not enter into any oral and/or written leases or otherwise knowingly permit the use of all or any portion of Town East for any one or more of the following uses as a Primary Use (provided, that, the foregoing shall not apply to Existing Tenants at Town East as of the Effective Date of this Agreement or to any assignee of or sublessee under any of the Existing Leases, where such uses are not prohibited under the Existing Leases):

- Steam or Turkish baths, massage parlors that exist for reasons beyond therapeutic massage (i.e., lascivious purposes), and tattoo and/or piercing parlors;
- (ii) Bars and restaurants operated for members of civic and social organizations, alumni associations, granges, automobile clubs (except travel), parent-teacher associations, booster clubs, scouting organizations,

ethnic associations, social clubs, fraternal lodges and veterans' membership organizations;

- (iii) Churches, religious shrines, monasteries (except schools), synagogues, religious mosques and religious temples;
- (iv) Gifts, novelty or souvenir stores that as a Primary Use sell items of a sexually lewd or offensive nature, or of paraphernalia intended to be used with illegal drugs; and
- (v) Pawn shops (and specifically excluding consignment, second-hand and vintage stores).

Notwithstanding the foregoing, a violation of the foregoing uses shall only exist if the certificate of occupancy issued for the applicable premises specifically permits one or more of the prohibited uses listed above by name, and not for example by a description such as "retail store".

6.6 **Inspections**. Company shall provide the City, it's agents and employees with access to Town East at such times as the City may reasonably request to conduct such inspections as the City reasonably deems necessary in order to confirm compliance by the Company with the terms and provisions of this Agreement, subject to the rights of tenants.

6.7 <u>**Company Representative**</u>. Company shall provide a representative of the Company to accompany the City during all inspections of Town East conducted by the City

6.8 **Payment of Taxes.** Company shall timely pay all ad valorem taxes assessed against the Land and Buildings during the Term of this Agreement prior to the date such taxes become delinquent.

6.9 <u>Compliance with Applicable Laws</u>. To maintain Town East in good repair and condition at all times, which at a minimum shall mean meeting or exceeding all Federal, State and Local laws and regulations, including but not limited to the City's Code of Ordinances and terms of this Agreement, applicable to Town East and the activities thereon;

6.10 **Other Agreements**. Company shall keep and perform all terms, provisions, agreements, covenants, conditions and obligations to be kept or performed by the Company under the terms of this Agreement and all other agreements now or hereafter existing between the Company and the City; and

6.11 **Local Purchases.** To the greatest extent possible, Company and its contractors and subcontractors shall make every reasonable effort to purchase materials associated with the Capital Improvements that may qualify as a Taxable Item from a supplier or vendor having a sales tax location situated within the City's corporate limits.

6.12. <u>Identification of Tax Situs</u>. Company agrees to identify Town East as the tax situs for all construction materials for the Project.

6.13 **Ownership** Company shall not sell, convey, or transfer ownership of Town East during the Term of this Agreement without the written consent of the City.

6.14. <u>**Conditions Precedent</u>**. Company shall remain solely responsible for the performance of each of the obligations as defined herein in ARTICLE VI which shall be a condition precedent to Company receiving any Economic Development Funds contemplated by this Agreement.</u>

ARTICLE VII City's Obligations for Payment of Capital Improvement Incentive Payment

7.1 <u>Economic Development Incentives.</u> Provided all Conditions Precedent have been satisfied and are then continuing, and subject to Company's compliance with its performance obligations in this Agreement and subject to the limitations set forth in this Agreement including, without limitation, Section 7.3 below, the City shall pay the Incentive Payment described below.

7.2 <u>Capital Improvement Incentive Payment</u>. The City will pay Company Fifty Thousand and No/100 Dollars (\$50,000.00) for every One Hundred Thousand and No/100 Dollars (\$100,000.00) in Capital Investment that Company invests into Town East before the second anniversary of the Effective Date, provided that under no circumstances shall the total amount of Capital Improvement Incentive Payments exceed a total maximum amount of Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00).

7.3 <u>Payment Date for Incentive Payment.</u> Provided all Conditions Precedent have been satisfied and are then continuing, and subject to Company's compliance with its performance obligations in this Agreement and provided the Maximum Incentive Amount and has not been satisfied, the Capital Improvement Incentive Payment due and payable pursuant to Section 7.2 of this Agreement shall be paid to the Company in accordance with this Agreement and paid by the City within a reasonable timeframe, if approved.

7.4 <u>Limitation on Capital Improvement Incentive Payment Payments.</u> Notwithstanding anything contained herein to the contrary: (i) the maximum amount of Capital Improvement Incentive Payment payments payable under the terms of this Agreement is Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00); (ii) no Capital Improvement Incentive Payment payments shall be due or payable for any Capital Improvements made prior to the Effective Date; and (iii) no Capital Improvement Incentive Payment Incentive Payment Incentive Payment shall be due or payable for any Capital Improvements made after the second anniversary of the Effective Date. If there is any conflict between this Section 7.4 and any other term or provision of this Agreement, this Section 7.4 shall control. Further, the City's obligation to provide the Capital Improvement Incentive to Company shall terminate on the earlier of the following events: i) two (2) years from the Effective Date; (ii) the date this Agreement is terminated by the City or the Company pursuant to a right to terminate as expressly provided herein; or (iii) or the day after the date that the City has disbursed Incentive Payment(s) that equal or exceed the Maximum Incentive Amount.

7.5 <u>Survival.</u> All terms, provisions, covenants, agreements, obligations, rights and remedies of each Party pursuant to this Article shall expressly survive the expiration or termination of this Agreement.

ARTICLE VIII. City's Financial Obligations For <u>Sales Tax Incentives</u>

8.1. <u>Economic Development Incentives.</u> Provided all Conditions Precedent have been satisfied and are then continuing, then for each year identified below during the Tax Incentive Period that Company has complied with its performance obligations under the Agreement, the City agrees to provide Company with an annual Sales Tax Incentive that reimburses Company the Net City's Sales Taxes generated by the tenants at Town East for the Incentive Tax Years identified in Section 8.3 below, provided Company has complied with all obligations to the City under this Agreement.

8.2 <u>Sales Tax Incentive Payment.</u> Provided all Conditions Precedent have been satisfied and are then continuing and subject to Company's compliance with its performance obligations under this Agreement, the City shall, following the end of each Incentive Tax Year provided in Section 8.3 below and within thirty (30) days after receiving Request for Payment from Company, make a request to the State Comptroller pursuant to Subsection (b) of the Disclosure Statute, will use diligent, good faith efforts to cause the State Comptroller to promptly provide the City Sales Tax information, and within seventy-five (75) days after receiving such information will calculate and, provided all Conditions Precedent are satisfied, pay to the Company the Sales Tax Incentive payment for such Incentive Tax Year.

8.3 <u>Incentive Tax Years for Sales Tax Incentive Payments.</u> The Incentive Tax Years for which Company may earn the Sales Tax Incentive are 2026 through and including 2035.

8.4 Verification of City Sales Tax. The City and the Company agree that reports received by the City from the Texas Comptroller, if requested, reflecting City Sales Taxes paid by the Tenants relating to taxable sales made from the Tenants' locations in Town East as accurate and definitive for purposes of this Agreement, and the City shall have no right to review or audit records of the Company or its successors, assigns or lessees. The Company acknowledges that sales tax information, records and reports are confidential under the laws of the State of Texas and accordingly, the Company agrees that it shall have no right to review or audit any sales tax information, records or reports in the possession of the City including, without limitation, any confidential information reports obtained by the City pursuant to this Agreement and the Disclosure Statute. In the event the Disclosure Statute is hereafter amended or a new law is enacted requiring additional consents and/or information to obtain any information necessary for the City to calculate the amount of any Sales Tax Incentive payment payable pursuant to Section 8.2 of this Agreement, no sums payable pursuant Section 8.2 of this Agreement shall be due or payable unless and until the Company provides the City with such additional consents and/or information; provided, (A) that the City will pay such amounts as it may be able to determine from the information so provided, with the balance to be paid in accordance with this Agreement when such additional consents and/or information is provided, and (B) any change in law shall not impact the City's obligation to make payment of any Sales Tax Incentive payments previously earned and owed by the City to the extent not prohibited by applicable law.

Notwithstanding anything contained herein to the contrary, the Parties acknowledge that the City's obligation to pay any Sales Tax Incentive payment due under the terms of Section 8.2 of this Agreement shall be deferred if the Texas Comptroller fails, after written request by the City, to provide the City with the information necessary to: (i) verify the amount of sales taxes paid by the Tenants relating to taxable sales made from such Tenants' locations in Town East; and (ii) calculate the amount of such Sales Tax Incentive payment; provided, that (A) the City will continue to use diligent, good faith efforts to cause the Texas Comptroller to provide the City the necessary information, (B) the City will provide updates to the Company upon request of the status of obtaining the necessary information, (C) the City will pay any portion of the applicable Sales Tax Incentive payment to the Company of the applicable Incentive Payment (or the balance thereof if a portion has been paid under the previously clause (C)) shall be extended until such time as the necessary information is received by the City, at which point the payment will be made in accordance with the other terms of this Agreement, and this obligation shall survive the expiration of this Agreement.

8.5. The City shall make a budget item every year during the term of this Agreement that addresses its potential financial obligations, if any, under this Agreement.

8.6. In no event shall the City's total Sales Tax Incentive Payment(s) in combination with the Capital Improvement Incentive Payment(s) and the Ad Valorem Property Tax Incentive exceed the Maximum Incentive Amount. Further, the City's obligation to provide the Sales Tax Incentive to Company shall terminate on the earlier of the following events: i) the expiration of the Tax Incentive Period; (ii) the date this Agreement is terminated by the City or the Company pursuant to a right to terminate as expressly provided herein; or (iii) or the day after the date that the City has disbursed Incentive Payment(s) that equal or exceed the Maximum Incentive Amount.

8.7 <u>Survival.</u> All terms, provisions, covenants, agreements, obligations, rights and remedies of each Party pursuant to this Article shall expressly survive the expiration or termination of this Agreement.

ARTICLE IX. City's Financial Obligations For Ad Valorem Property Tax Incentives

9.1 <u>Economic Development Incentives</u>. The underlying intent of this Article IX is to incentivize Company with Ad Valorem Property Tax Incentives so that Company will further increase the City's Ad Valorem Property Tax Collections generated by new economic development at Town East.

9.2 <u>Annual Request for Payment</u>. Company acknowledges that ad valorem property taxes are due by January 31st each year for the previous tax year. To receive the Ad Valorem Property Tax Incentive, Company is required to submit a Request for Payment of the Ad Valorem Property Tax Incentive by April 30th of each year for the previous Incentive Tax Year during the Tax Incentive Period. By way of example only, to be eligible for the Ad Valorem Property Tax Incentive

payment for Incentive Tax Year 2026, Company must pay all ad valorem property taxes for Town East by January 31st, 2027 and file a Request for Payment by April 30th of 2027.

9.3 <u>Ad Valorem Property Tax Incentive</u>. Provided all Conditions Precedent have been satisfied and are then continuing, then for each year identified below during the Tax Incentive Period that Company has complied with its performance obligations under the Agreement, the City agrees to provide Company with an annual Ad Valorem Property Tax Incentive payment.

9.4. <u>Incentive Tax Years for Ad Valorem Tax Incentive Payments.</u> The Incentive Tax Years for which Company may earn the Ad Valorem Tax Incentive are 2026 through and including 2035.

9.5 The City may make a budget item every year during the term of this Agreement that addresses its potential financial obligations, if any, under this Agreement and the City, in its sole discretion, shall determine the funding source to pay for its obligations.

9.6 In no event shall the City's total Ad Valorem Property Tax Incentive payment(s) in combination with the Capital Improvement Incentive Payment(s) and the Sales Tax Incentive payments exceed the Maximum Incentive Amount. Further, the City's obligation to make the Ad Valorem Property Tax Incentive payment(s) shall terminate on the earlier of the following events: i) the expiration of the Tax Incentive Period; (ii) the date this Agreement is terminated by the City or the Company pursuant to a right to terminate as expressly provided herein; or (iii) or the day after the date that the City has disbursed Incentive Payment(s) that equal or exceed the Maximum Incentive Amount.

9.7 <u>Survival.</u> All terms, provisions, covenants, agreements, obligations, rights and remedies of each Party pursuant to this Article shall expressly survive the expiration or termination of this Agreement.

ARTICLE X Defaults Remedies

10.1 <u>Company Default</u>. The Company shall be in default of this Agreement: (i) upon the occurrence of an Event of Bankruptcy or Insolvency of the Company; (ii) upon the failure of the Company to timely keep or perform any term, provision, agreement, covenant, condition or obligation to be kept or performed by Company under the terms of this Agreement and such failure continues for sixty (60) days after written notice by the City to the Company, provided that no default may be found to have occurred if performance has commenced to the reasonable satisfaction of the City within sixty (60) days of the receipt of such notice, and is being diligently pursued using commercially reasonable efforts to complete performance; or (iii) upon failure of the Company to maintain Town East in good repair and condition at all times (effects of casualty and normal wear and tear excepted), which at a minimum shall mean meeting or exceeding all Federal, State and Local laws and regulations, including but not limited to the City's Code of Ordinances and terms of this Agreement, applicable to Town East and the activities thereon and such failure continues for sixty (60) days after written notice by the City to the Company, provided that no default may be found to have occurred if performance has commenced to the reasonable

satisfaction of the City within sixty (60) days of the receipt of such notice, and is being diligently pursued using commercially reasonable efforts to complete performance

10.2 <u>City Default</u>. The City shall be in default of this Agreement upon the failure of the City to timely keep or perform any term, provision, agreement, covenant, condition or obligation to be kept or performed by the City under the terms of this Agreement and such failure continues for sixty (60) days after written notice by the Company to the City, provided that no default may be found to have occurred if performance has commenced to the reasonable satisfaction of the Company within sixty (60) days of the receipt of such notice, and is being diligently pursued using commercially reasonable efforts to complete performance. Notwithstanding the foregoing, in the event the City fails to timely pay any Incentive Payment, the Company shall provide written notice of such failure to the City and the City shall have sixty (60) days to make such Incentive Payment before a City default exists.

10.3 <u>City Remedies</u>. 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 future Incentive Payment to the Company and the City shall have the right as its sole remedies to: (i) recapture all or a portion of the Incentive Payment(s) paid by the City to the Company as more fully set forth in Section 10.4 below; and (ii) 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. Notwithstanding anything to the contrary contained herein, in no event will the City be entitled to the recovery of attorneys' fees (except in the event of the exercise of the City of the remedies set forth in Chapter 2264 of the Texas Government Code] or consequential, punitive, exemplary or speculative damages.

10.4 Recapture of Incentive Payment(s). In the event Company fails to complete the Capital Improvements or make the Minimum Capital Investment in Town East, the City shall have no obligation to make any further Incentive Payment to the Company, and the Company shall immediately pay to the City the sum equal to one hundred percent (100%) of all Capital Improvement Incentive Payments 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 to be calculated from the date such Capital Improvement Incentive Payment was paid by the City to the Company until the date the said sum is 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. Upon the occurrence of any other Company default that has continued uncured beyond any applicable grace or cure period, the Company shall immediately pay to the City the sum equal to one hundred (100%) of any Incentive Payment paid by the City to the Company for the year prior to the date of the uncured default plus interest at the rate equal to the lesser of: (i) the Maximum Lawful Rate; or (ii) five percent (5%) per annum, such interest to be calculated from the date such Incentive Payment was paid by the City to the Company until the date the said sum is 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.

10.5 <u>Company Remedies</u>. Upon the occurrence of a City default that has continued uncured beyond any applicable grace or cure period, the 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 (b) recover from the City the amount of any Incentive Payment then earned and owed by the City as damages in accordance with the following provisions. The City and the 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:

- the total amount of damages, if any, awarded against the City shall be limited to actual damages in an amount of the Incentive Payment earned by the Company and due and payable by the City under this Agreement, not to exceed the amount of the Maximum Incentive Amount, less the amount of all Incentive Payment payments previously paid by the City to the Company;
- any Incentive Payment 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
- 3. the recovery of damages against the City shall not include attorneys' fees or consequential, punitive, exemplary, or speculative damages including, but not limited to, lost profits.

10.6 <u>Survival.</u> All terms, provisions, covenants, agreements, obligations, rights and remedies of each Party pursuant to this Article shall expressly survive the expiration or termination of this Agreement.

ARTICLE XI Miscellaneous Provisions

<u>,</u> .

11.1 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto, their respective successors and permitted assigns provided, however, notwithstanding anything contained herein to the contrary, this Agreement and the rights and obligations of the Company hereunder may not be assigned or transferred by the Company to any Person other than a transferee of all or any portion of Town East without the prior written consent of the City, which consent will not be unreasonably withheld, conditioned or delayed. Furthermore, neither the Company nor any approved assignee or their legal representatives or successors in interest shall, by operation of law or otherwise, assign, mortgage, pledge, encumber or otherwise transfer this Agreement or any part hereof, or the interest of the Company or any approved assignee under this Agreement, without obtaining the City's prior written consent, which consent will not be unreasonably withheld, conditioned or delayed; provided, that the foregoing requirement for consent shall not apply to transfers or assignments of this Agreement (i) by the Company to any affiliate, subsidiary or parent of the Company or (ii) to any transfers of direct or indirect ownership interests in the Company. The City agrees to execute any such reasonable consents or estoppels requested by any purchaser of Town East and/or the Company's or its assignee's lender in connection with any collateral assignment of this Agreement. Any consent by the City to any

assignment of this Agreement shall be held to apply only to the specific transaction thereby authorized and shall not constitute a waiver of the necessity for such consent to any subsequent assignment. Upon any transfer of this Agreement in connection with the sale of Town East to an assignee that assumes all duties, liabilities and the obligations of the Company under this Agreement, the transferor shall thereafter be released and discharged from all duties, liabilities and obligations hereunder. Otherwise, the consent by the City to any assignment of this Agreement shall not relieve the Company or any approved assignee from any duties, liabilities or obligations of the Company or any approved assignee under the terms of this Agreement unless the written consent of the City expressly states otherwise. Every assignee shall be subject to and be 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 except as provided above, which consent shall not be unreasonably withheld, conditioned or delayed. 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) with respect to any assignment for which the City's consent is required as provided above, the City has consented to such assignment in writing, which consent shall not be unreasonably withheld, conditioned or delayed. Any assignment in violation of the terms and provisions of this Agreement shall be void and of no force or effect and shall constitute a material breach of this Agreement by the Company. The Company may also retain the benefits of this Agreement and not assign it to any successor owner of Town East. Nothing contained in this Section or any other terms of this Agreement shall restrict or limit the Company's right to sell, transfer or encumber all or any portion of Town East from time to time.

11.2 <u>Notices</u>. Any notice and/or certificate or statement required or permitted to be given under the terms of this Agreement shall be in writing and shall be considered properly given if mailed by United States mail, certified mail, return receipt requested, in a postage paid envelope addressed to the Party at the address set forth below, or by delivering same in person to the intended addressee by hand delivery or by a nationally recognized courier service such as Federal Express or United Postal Service. Notices mailed by certified mail as set forth above shall be effective upon deposit in the United States mail. Notice 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 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:

COMPANY:	Town East Shopping Center, LLC 4001 N. Josey, Ste. 100 Carrollton, Texas 75007
With a copy to:	Centerpoint Commercial Properties, LLC Attn: Property Manager 5330 Alpha Road, Suite 200 Dallas, Texas 75240-1309

CITY:	City of Mesquite 1515 N. Galloway Avenue Mesquite, TX 75149 Attention: City Manager
With a copy to:	City of Mesquite 1515 N. Galloway Ave. Mesquite, Texas 75149 Attention: City Attorney

11.3 <u>Right to Offset</u>. 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, regardless of whether the amount due arises pursuant to the terms of this Agreement or otherwise, and regardless of whether or not the debt has been reduced to judgment by a court.

11.4 <u>Remedies Cumulative</u>. Except as expressly limited herein, each right and remedy of the Parties provided for in this Agreement or now or hereafter existing pursuant to the laws of the State of Texas shall be cumulative and concurrent and shall be in addition to every other right or remedy provided for in this Agreement or now or hereafter existing pursuant to the laws of the State of Texas.

11.5 <u>Captions</u>. 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.

11.6 <u>Modification</u>. This Agreement may only be revised, modified or amended by a written document signed by the City and the Company. Oral revisions, modifications or amendments are not permitted.

11.7 <u>Interpretation</u>. 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 nor against any Party.

11.8 <u>Waivers</u>. 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.

11.9 <u>Governing Law; Venue</u>. 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.

11.10 <u>Severability</u>. 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.

11.11 <u>No Partnership or Joint Venture</u>. 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.

11.12 <u>No Third-Party Beneficiaries</u>. The Parties to this Agreement do not intend to create any third-party beneficiaries of the contract rights contained herein. 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.

11.13 <u>No Acceleration</u>. All amounts due pursuant to this Agreement and any remedies under this Agreement are not subject to acceleration.

11.14 <u>Number and Gender</u>. 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.

11.15 <u>Counterparts</u>. This Agreement may be executed in any number of original, facsimile or electronically scanned counterparts, each of which shall be considered an original and all of which shall be considered one and the same instrument.

11.16 <u>Entire Agreement</u>. 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.

11.17 <u>Authority</u>. 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. Each Party represents and warrants to each other Party that this Agreement has been duly authorized by such Party and that each Party has the full power and authority to enter into and fulfill its obligations under this Agreement. Each Person signing this Agreement represents that such Person has the authority to sign this Agreement on behalf of the Party indicated.

11.18 <u>City Council Authorization</u>. This Agreement was authorized by resolution of the City Council approved at a City Council meeting.

11.19 Usury Savings Clause. The Company and 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 Section 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 Section 10.19 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.

11.20 <u>Non-Collusion</u>. The Company represents and warrants that neither 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.

11.21 Ethics Disclosure. Company represents that it has completed a Texas Ethics Commission ("TEC") form 1295 (Form 1295) generated by the TEC's electronic filing application in accordance with the provisions of Texas Government Code 2252.908 and the rules promulgated by the TEC. The Parties agree that, with the exception of the information identifying the City and the contract identification number, the City is not responsible for the information contained in the Form 1295. The information contained in the Form 1295 has been provided solely by the Company and the City has not verified such information. City agrees to acknowledge receipt of the Form 1295 from 1295 on the Texas Ethics Commission website within 30 days of receipt of the Form 1295 from Company.

11.22 <u>Reservation of Legislative Authority</u>. Notwithstanding any provision in this Agreement, this Agreement does not control, waive, limit or supplant the City Council's legislative authority or discretion.

11.23 <u>Development Standards</u>. The Parties acknowledge that in the last legislative session, the Texas Legislature passed HB 2439, to be codified in V.T.C.A., Texas Government Code, Chapter 3000, Governmental Action Affecting Residential and Commercial Construction, regarding the

regulation by municipalities of building products, materials, and aesthetic methods for residential and commercial buildings. The Company acknowledges and agrees that, notwithstanding V.T.C.A., Texas Government Code, Chapter 3000, to construct the Capital Improvements in accordance with the standards provided herein and/or as may be agreed upon in writing. The Parties acknowledge that such agreement is material to the City's agreement to grant the economic development incentives provided herein and is a bargained for consideration between the Parties. The Parties further acknowledge and agree that the terms, provisions, covenants, and agreements contained in this Agreement regarding construction of the Capital Improvements are covenants that touch and concern the Land and that it is the intent of the Parties that such terms, provisions, covenants, and agreements shall run with the Land and shall be binding upon the Parties hereto, their successors and assigns, and all subsequent owners of the Land.

11.24 <u>Time is of the Essence</u>. The Parties agree that time is of the essence of this Agreement.

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

11.26 INDEMNITY. COMPANY AGREES THAT THE CITY AND ANY OFFICER, OFFICIAL, EMPLOYEE, OR AGENT SHALL NOT BE LIABLE FOR ANY INJURY TO PERSONS OR PROPERTY OCCASIONED BY REASON OF THE ACTS OR OMISSIONS OF COMPANY, ITS AGENTS, EMPLOYEES, CONTRACTORS OR SUBCONTRACTORS IN THE CONSTRUCTION ON OR IMPROVEMENTS OF TOWN EAST. COMPANY FURTHER AGREES TO PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS THE CITY AND ITS OFFICERS, OFFICIALS, BOARDS AND COMMISSIONS, AND MEMBERS THEREOF, AGENTS AND EMPLOYEES, CONTRACTORS AND SUBCONTRACTORS FOR ALL CLAIMS, DEMANDS, CAUSES OF ACTIONS, LIABILITY, OR LOSS BECAUSE OF, OR ARISING OUT OF. IN WHOLE OR IN PART, PERTAINING TO INJURY TO PERSON OR DAMAGE TO PROPERTY DUE TO THE DESIGN OR CONSTRUCTION ON OR IMPROVEMENTS OF TOWN EAST BY OR FOR COMPANY, BUT NOT FOR SUCH CLAIMS, DEMAND, CAUSES OF ACTION, LIABILITY, OR LOSS ARISING OUT OF THE NEGLIGENCE OF THE CITY AND ITS OFFICIALS, BOARDS, COMMISSIONS, THE MEMBERS THEREOF, AGENTS, AND EMPLOYEES. THE FOREGOING INDEMNITY SHALL EXCLUDE PUNITIVE, CONSEQUENTIAL AND SPECIAL DAMAGES.

11.27 <u>Dispute Resolution</u>. Any controversy or claim ("Claim") arising from or relating to this Agreement, or a breach thereof shall be subject to non-binding mediation, as a condition precedent to the institution of legal or equitable proceedings by any Party unless the institution of such legal or equitable proceeding is necessary to avoid the running of an applicable statute of limitation. The Parties shall endeavor to resolve their claims by non-binding mediation for a period not to exceed sixty (60) days from the date of the Claim. City and Company shall share the costs of mediation equally. The mediation shall be held in Dallas County, Texas, unless another location is mutually agreed upon.

11.28 <u>No Permit</u>. This Agreement does not constitute a permit pursuant to Chapter 245 of the Texas Local Government Code and or any City code or regulation and does not vest any rights to

the Company pursuant thereto. The City does not, by entering into this Agreement, concede or agree that there are any developer rights or obligations arising under Chapter 245 of the Texas Local Government Code and the City reserves all rights and defenses against any such assertion.

11.29 <u>No Israeli Boycott</u>. Pursuant to Section 2271.002, Texas Government Code, the Company hereby (i) represents that it does not boycott Israel, and (ii) subject to or as otherwise required by applicable federal law, including without limitation 50 U.S.C. Section 4607, agrees it will not boycott Israel during the term of the Agreement. As used in the immediately preceding sentence, "boycott Israel" shall have the meaning given such term in Section 2271.001, Texas Government Code. This representation shall survive termination of this Agreement until the applicable statute of limitations has run.

11.30 <u>Foreign Terrorist Organizations</u>. The Company hereby represents that (i) it does not engage in business with Iran, Sudan or any foreign terrorist organization and (ii) it is not listed by the Texas Comptroller under Section 2252.153, Texas Government Code, as a company known to have contracts with or provide supplies or services to a foreign terrorist organization. As used in the immediately preceding sentence, "foreign terrorist organization" shall have the meaning given such term in Section 2252.151, Texas Government Code. This representation shall survive termination of this Agreement until the applicable statute of limitations has run.

11.31 Energy Company Boycott. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislative Session), Texas Government Code, as amended, the Company hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code. The Company understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Company and exists to make a profit. This verification shall survive termination of this Agreement until the applicable statute of limitations has run.

11.32 <u>Verification Regarding Discrimination Against Firearm Entity or Trade Association</u>. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislative Session, "SB 19"), Texas Government Code, as amended, the Company hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any:

(1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and

(2) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government

Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" shall have the meaning assigned to such term in Section 2274.001(3) (as added by SB 19), Texas Government Code. The Company understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Company and exists to make a profit. This verifications shall survive termination of this Agreement until the applicable statute of limitations has run.

11.33 <u>Exhibits</u>. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same, including:

Exhibit A:	Description of Property				
Exhibit A-1:	Map of Buildings on Town East and Current Site Plan				
Exhibit B:	Capital Improvements to be Made				
Exhibit B-1 Renderings of Capital Improvements					
Exhibit C:	Existing Tenants List of Town East				

11.34 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, INCLUDING BUT NOT LIMITED TO LOST PROFITS. THIS SUBSECTION SHALL EXPRESSLY SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

11.35 <u>Report Agreement to Comptroller's Office</u>. City agrees to report this Agreement to the Texas 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).

11.36 <u>Sovereign Immunity</u>. No Party hereto waives any statutory or common law right to sovereign or governmental immunity by virtue of its execution hereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE ON FOLLOWING PAGE] **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.

ATTEST:

By: Sonja Land City Secretary Date:

APPROVED AS TO LEGAL FORM: David L. Paschall, City Attorney

By: City Attorney

CITY OF MESQUITE: a Texas home rule municipality

By: Name: Cliff Keheley Title: City Manager 4-23-20 Date:

RATT

COMPANY:

Town East Shopping Center, LLC, a Texas limited liability company

By

Name: Amin Mawani Title: Managing Member

MARCH 27, 200 Date:

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on <u>MARCLA 27</u>th, 2024 by Amin Mawani, Managing Member of Town East Shopping Center, LLC, a Texas limited liability company, on behalf of the said limited liability company.

NADEEM VIRANI Notary Public, State of Texas Comm. Expires 12-07-2024 Notary ID 130922867

Notary Public, State of Texas

EXHIBIT "A" TO CHAPTER 380 ECONOMIC DEVELOPMENT & PERFORMANCE AGREEMENT

Legal Description of Land

- (i) An approximate 12.5 acre parcel or parcels of land and improvements together constituting Town East Shopping Center, a retail center, located at 3301 N. Town East Blvd., and additional parcels located at 2801 Motley Drive, 2937 Motley Drive and 2945 Motley Drive in Mesquite, Texas 75150 and being more particularly described as follows:
 - Dallas Central Appraisal District Property ID: 382025000V0220000
 3301 N. Town East Blvd, Mesquite Texas 75150, Dallas County Legal Description: Town East Estates Replat Blk V, Lot 22, being an approximately 9.599 acre parcel
 - Dallas Central Appraisal District Property ID: 38202500230070000
 2937 Motley Drive, Mesquite Texas 75150, Dallas County
 Legal Description: Town East Estates, Tract 7; being an approximately 1.3109 acre parcel
 - Dallas Central Appraisal District Property ID: 38202510210170000
 2945 Motley Drive, Mesquite Texas 75150, Dallas County, Texas Legal Description: Town East Estates, Block U, Lot 17; being an approximately 0.4591 acre parcel
 - iv. Dallas Central Appraisal District Property ID: 382025000V0200000
 2801 Motley Drive, Mesquite, Texas 75150, Dallas County
 Legal Description: Town East Estates Replat, Blk V, Lot 20, being an approximately 0.517 acre parcel

EXHIBIT "A-1" MAP IDENTIFYING EXISTING BUILDINGS AT TOWN EAST OWNED BY COMPANY



Town East - Chapter 380 Economic Development and Performance Agreement- Page 28 of 32

CURRENT SITE PLAN OF TOWN EAST

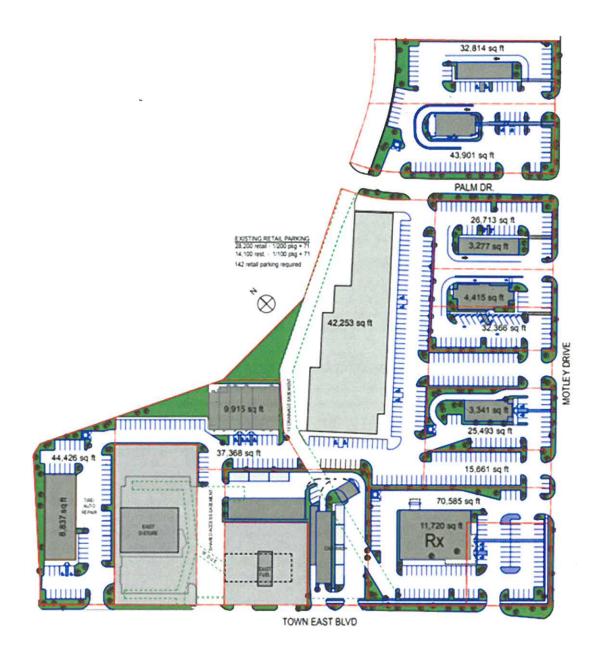


EXHIBIT "B" TO CHAPTER 380 ECONOMIC DEVELOPMENT & PERFORMANCE AGREEMENT

Visual Depiction of Existing Buildings and Capital Improvements to be Made

Town East, in its current condition, is depicted below in Figure 1- "Existing Building", and Company shall remodel, redevelop, and enhance the Existing Building on Town East to include structural and exterior façade improvements, parking lot improvements, and signage improvements, such redevelopment to be consistent with the plans, site drawings or concept plans in accordance with the attached renderings as shown in Exhibit B-1. The Capital Improvements shall include any other improvements approved in advance by the City Manager and agreed to in writing.

Figure 1- Existing Building



EXHIBIT "B-1" TO <u>CHAPTER 380 ECONOMIC DEVELOPMENT & PERFORMANCE AGREEMENT</u>

Capital Improvements Renderings Design Concept Requirements

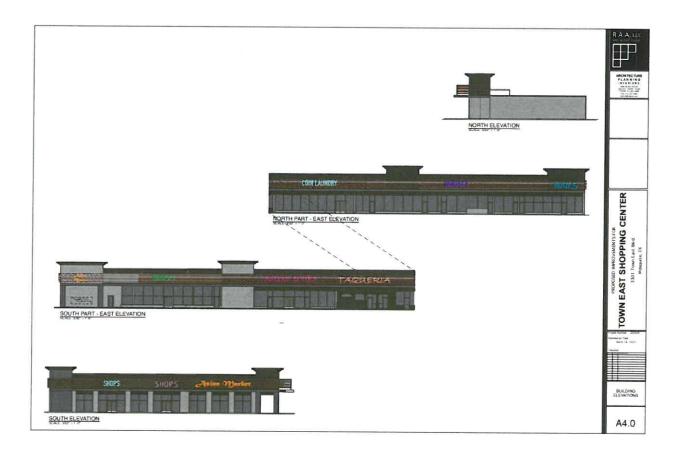


EXHIBIT "C" TO <u>CHAPTER 380 ECONOMIC DEVELOPMENT & PERFORMANCE AGREEMENT</u>

Unit	Tenant	Sqft
KIOSK	Watermill Express	225
PAD	Vacant	Unknown
100	Vacant	6,398
108	Town East Bingo	9,400
118	Vacant	6,000
120	Rivas Tortilleria	4,200
122	Vacant	1,800
124	King Wash And Dry	7,500
130	Vacant	1,200
132	Power On DRAFT	1,280
134	Elisa's Beauty Salon	1,050
136	Hadriss Insurance Services	1,050
138	Manny's Barber	1,050
140	Nisha'z Beauty Salon	1,400
2809A	Texas Ice Vending, LLC	600
2809B	Metro PCS	1,200
2809D	Vacant	600
2933	Danny's Mesquite Car Care	1,674
2937	Mr. Joe's Food Mart	2,000
3315	Reggae Wings & Tings, Inc	2,898
3333	Danny's Mesquite Car Wash	3,300

List of Company's Existing Tenants of Town East