

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

This Economic Development Agreement (“Agreement”) is made by and between the City of Farmers Branch, Texas (“City”) and GrabAGun, LLC (“Company”) (each a “Party” and collectively the “Parties”), acting by and through their respective authorized representatives.

WHEREAS, the Company has or intends to acquire and occupy one or more buildings located at 4880 Alpha Road, Farmers Branch, Texas, and being more particularly described in Exhibit “A” (hereinafter referred to as the “Premises”), for a period of at least ten (10) year, for the location of its retail firearms sales business; and

WHEREAS, the Company has advised the City that a contributing factor that would induce the Company to locate its business to the Premises would be an agreement by the City to provide an economic development grant to the Company; and

WHEREAS, the promotion of the expansion of existing businesses within the City and the recruitment of new business enterprises to the City will promote economic development, stimulate commercial activity, generate additional sales tax, and will enhance the property tax base and economic vitality of the City; and

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

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

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

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

Article I
Definitions

For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

“Annual Real Property Grants” shall mean ten (10) annual economic development grants to be provided by the City, each in an amount equal to fifty percent (50%) of the ad valorem taxes assessed by the City against the Premises and collected by the City for the applicable Grant Year, to be paid as set forth herein. Annual Real Property Grants do not include any additional taxes imposed pursuant to Tax Code Section 23.55 (rollback taxes).

“Bankruptcy or Insolvency” shall mean the dissolution or termination of a Party’s existence as a going business, insolvency, appointment of receiver for any part of such Party’s property, and such appointment is not terminated within one hundred twenty (120) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against such Party and such proceeding is not dismissed within one hundred twenty (120) days after the filing thereof.

“City” shall mean the City of Farmers Branch, Texas.

“Commencement Date” shall mean with respect to the Annual Real Property Grants and Sales Tax Grants, the date the certificate of occupancy is issued by the City for the Company’s occupancy of the Premises.

“Company” shall mean GrabAGun, LLC.

“Company Affiliate List” means a written list of Company Affiliates that pay or collect or may pay or collect Sales and Use Taxes giving rise to Sales Tax Receipts which include the taxpayer identification number, taxpayer name, and outlet location(s) in the City for each Company Affiliate as reported to the State of Texas.

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

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

“Effective Date” shall mean the last date of execution hereof.

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

“Force Majeure” shall mean an event wholly or partially preventing a Party from the performance of any obligation or duty placed on such Party by reason of or through work strikes, stoppage of labor, riot, fire, flood, acts of war, insurrection, court judgment, or a government restriction, quarantine or mandatory closure order enacted in response to a pandemic or other public health crises, or other specific cause reasonably beyond the Party’s control and not attributable to its malfeasance, neglect or nonfeasance (each an event of “Force Majeure”). In the event of Force Majeure, the time for performance of such obligation (other than a payment obligation) may be extended for a period equal to the time lost by reason such event, provided, that the Party complies with the provisions herein. Specifically, the Party asserting Force Majeure (i) shall give prompt notice to the other Party of the prevention of performance as soon as the asserting Party is reasonably aware of such prevention, and (ii) has the burden of demonstrating (1) how and why their performance was so prevented, (2) the period of time during which they were so prevented from performing (which under the facts may be equal to, or shorter or longer than, the duration of the Force Majeure event itself), and (3) that the Party used commercially reasonable efforts to mitigate and/or eliminate such prevention and resumed performance under this Agreement as soon as reasonably practicable.

“Grant Period” shall mean a calendar quarter (with the calendar quarters ending March 31, June 30, September 30, and December 31), except that the first Grant Period shall begin on the Commencement Date and continue through and including the last day of the first full calendar quarter following the Commencement Date.

“Grant Year” shall mean a given Tax Year except that the first Grant Year shall mean January 1 of the first full calendar year following the Commencement Date. For illustration purposes only, assume that the Commencement Date is October 1, 2025, the first Grant Year would be Tax Year 2026.

“Grants” shall collectively mean the Sales Tax Grants and the Annual Real Property Grants.

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

“Land” shall mean the real property described in **Exhibit “A”**.

“Payment Request” shall mean: (i) with respect to an Annual Real Property Grant, a written request from Company to the City for payment the applicable Annual Real Property Grant, which request shall be accompanied by copies of tax statement and/or receipt(s) and/or other evidence reasonably satisfactory to the City to establish that the ad valorem taxes assessed by the City against the Premises has been paid for such Grant Year and (ii) with respect to the Sales Tax Grants, a written request from the Company to the City for payment of a Sales Tax Grant accompanied by the Sales Tax Certificate for the applicable Grant Period.

“Premises” shall mean the Land, including all buildings located on the same.

“Project” shall mean the Company’s timely acquisition of real property located at 4880 Alpha Road, Farmers Branch, Texas, and the completion of construction of commercial retail building for occupancy by Company for the Required Use until the Expiration Date of this Agreement.

“Related Agreements” shall mean any agreement by and between the City and the Company or any of its affiliated or related entities.

“Required Use” shall mean the continuous use and occupancy of the Premises for the operation of a retail business engaged in the on-premise and online sale of firearms, ammunition and related accessories, and other related uses in connection with the operation of such business.

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

“Sales Tax Certificate” shall mean a report provided by the State of Texas to the City in accordance with Texas Tax Code, Section 321.3022 (or other applicable provision of the Texas Tax Code), which lists the amount of Sales and Use Tax (including any refunds, credits or adjustments) paid to the State of Texas for the sale of Taxable Items by the Company and Company Affiliates Consummated at the Premises, or if such report is not available, a certificate or other statement, containing such information in a form provided by the Company and Company Affiliates reasonably acceptable to the City setting forth the total sale of Taxable Items Consummated at the Premises and the Company’s and Company Affiliate’s collection of Sales and Use Tax (including any refunds, credits or adjustments) paid to the State of Texas, for the sale of Taxable Items by the Company and Company Affiliates Consummated at the Premises during the applicable Grant Period, and such other information as the City may reasonably request.

“Sales Tax Grants” shall mean forty (40) quarterly economic development grants, each in an amount equal to fifty percent (50%) of the Sales Tax Receipts collected by the City for the applicable Grant Period, less the administrative fee charged to the City by the State of Texas for collection of the Sales and Use Taxes pursuant to Tax Code Section 321.503 or other provision.

“Sales Tax Receipts” shall mean City’s receipts of Sales and Use Tax from the State of Texas from the Company and Company Affiliates’ collection of Sales and Use Tax (it being expressly understood that the City’s one percent (1%) sales and use tax receipts are being used only as a measurement for its use of general funds to make a grant for economic development purposes) as a result of sales of Taxable Items by Company and Company Affiliates for the applicable Grant Period Consummated at the Premises. For clarity, Sales Tax Receipts means amounts of Sales and Use Taxes actually received by the City from the State of Texas and therefore does not include Sales and Use Taxes retained by the State of Texas, rather than paid

to the City, as the State of Texas' administrative fee for collection of the Sales and Use Taxes pursuant to Texas Tax Code, Section 321.503.

"State of Texas" shall mean the Office of the Texas Comptroller, or its successor. "Tax Year" shall have the meaning assigned to such term in Section 1.04 of the Texas Tax Code (i.e., the calendar year).

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

"Taxable Value" shall mean the appraised value as certified by the appraisal district, or its successor, for a given year.

Article II Term

The term of this Agreement shall begin on the last date of execution hereof (the "Effective Date") and continue until the Expiration Date, unless sooner terminated as provided herein.

Article III Economic Development Grants

3.1 Sales Tax Grants.

(a) Subject to the continued satisfaction of all the terms and conditions of this Agreement, the City agrees to provide the Company with forty (40) Sales Tax Grants (as defined in Article II). Subject to Article IV, the Sales Tax Grants shall be paid within ninety (90) days after receipt of a Payment Request following the end of the applicable Grant Period. Each Payment Request shall be submitted to the City not later than sixty (60) days immediately following the end of the applicable Grant Period. Except as provided below, if the Company fails to timely submit the Payment Request for any applicable Grant Period the Company shall forfeit the Sales Tax Grant for such Grant Period. For illustration purposes, assume the Commencement Date is December 1, 2025, in which case the first Grant Period would begin September 1, 2025, through and including December 31, 2025, and the Payment Request for the first Grant Period should be submitted to the City by the Company within sixty (60) days after December 31, 2025. The first Sales Tax Grant would be paid within ninety (90) days after the end of the first Grant Period (April 1, 2026) provided the Company has timely provided the Payment Request. Further, assume that the Sales Tax Receipts for such Grant Period is \$50,000.00, the amount of the first Sales Tax Grant would be equal to fifty percent (50%) of the Sales Tax Receipts for the period beginning September 1, 2025, through and including December 31, 2025, or \$25,000.00.

Notwithstanding, anything to the contrary in this Agreement, if a Payment Request is not timely received by the City following the end of any single Grant Period during a given calendar year but is received by the City within sixty (60) days after the end of such calendar year, the City shall within ninety (90) days

after the end of such calendar year pay such Sales Tax Grant (such catch up Sales Tax Grant payment is limited to a single Grant Period each calendar year during the term of this Agreement).

(b) Adjustment Notification. The Company shall promptly notify the City in writing of any adjustments found, determined, or made by the Company, or Company Affiliates, the State of Texas, or by an audit that results, or will result, in either a refund or reallocation of Sales Tax Receipts or the payment of Sales and Use Tax or involving amounts reported by the Company or Company Affiliates, as subject to this Agreement. Such notification shall also include the amount of any such adjustment in Sales and Use Tax or Sales Tax Receipts. The Company shall notify the City in writing within thirty (30) days after receipt of notice of the intent of the State of Texas, to audit Company. Such notification shall also include the period of such audit or investigation. The provisions of this Section shall survive termination.

(c) Adjustments. In the event Company or Company Affiliates, file an amended sales and use tax return, or report with the State of Texas, or if additional Sales and Use Tax is due and owing by Company or Company Affiliates, to the State of Texas, as determined or approved by the State of Texas, affecting Sales Tax Receipts for a previous Grant Period, then the Sales Tax Grant payment for the Grant Period immediately following such State of Texas approved amendment shall be adjusted accordingly (i.e., up or down, depending on the facts) provided the City has received Sales Tax Receipts attributed to such adjustment. As a condition precedent to payment of such adjustment, Company, shall provide the City with a copy of any such amended sales and use tax report or return, and the approval thereof by the State of Texas. Copies of any amended sales and use tax return or report or notification from the State of Texas that additional Sales and Use Tax is due and owing by the Company and/or Company Affiliates, to the State of Texas, as determined by the State of Texas, affecting Sales Tax Receipts for a previous Grant Period shall be provided to the City with the Payment Request for the next Grant Period.

(d) Refunds and Underpayments of Sales Tax Grants. In the event the State of Texas determines that for any previous Grant Period, for which the Company has received a Sales Tax Grant that either: (i) the City erroneously received Sales Tax Receipts; or (ii) that the amount of Sales and Use Tax collected by the Company and/or Company Affiliates, exceeded (or was less than) the correct amount of Sales and Use Tax for a such Grant Period, the Company shall, within sixty (60) days after receipt of notification thereof and a copy of such State of Texas determination from the City: (A) adjust the amount claimed due for the Sales Tax Grant payment for the applicable Grant Period, and (B) if such adjustment indicates that that the Company received a Sales Tax Grant for such Grant Period that exceeded the amount to which the Company was entitled pursuant to such State of Texas determination, reimburse the City for such excess amount received by the Company (and if the Company does not so reimburse the City for such excess amount, the City may, at its option, deduct such amount from the Sales Tax Grant payment for the next Grant Period). If any such adjustment indicates that the Company received a Sales Tax Grant for such Grant Period that was less than the amount to which the Company was entitled pursuant to such State of Texas determination, then the City shall pay such additional amount (i.e., the incremental amount required to cause the Company to receive the proper Sales Tax Grant for the applicable Grant Period) to the Company on or before the date on which it pays the first Sales Tax Grant after the date that the Company provides such adjustment. As a condition precedent to payment of such refund to the Company, the City shall provide Company with a copy of such determination by the State of Texas. The provisions of this Section shall survive termination of this Agreement.

(e) Grant Payment Termination; Suspension. The payment of Sales Tax Grants shall terminate on the effective date of determination by the State of Texas or other appropriate agency or court of competent jurisdiction that the Premises is not a place of business resulting in Sales and Use Taxes being due the City from the sale of Taxable Items by the Company and/ or Company Affiliates, at the Premises. In the event the State of Texas seeks to invalidate the Premises as a place of business where Sales and Use Tax was properly remitted to the State of Texas (the “Comptroller Challenge”) the payment of Sales Tax Grants by the City hereunder shall be suspended until such Comptroller Challenge is resolved in whole favorably to the City. In such event, the Company shall not be required to return or refund Sales Tax Grants previously received from the City provided the Company is actively defending against and/or contesting the Comptroller Challenge and Company promptly informs the City in writing of such Company actions and with copies of all documents and information related thereto. In the event the Comptroller Challenge is not resolved favorably to the City and/or in the event the State of Texas determines that the Premises are not a place of business where the Sales and Use Tax was properly remitted to the State of Texas, and Sales and Use Tax Receipts previously paid or remitted to the City relating to the Premises are reversed and required to be repaid to the State of Texas, then the obligation to pay the Sales Tax Grants shall terminate and the Company shall refund all Sales Tax Grants received by the Company from the City that relate to the Comptroller Challenge, which refund shall be paid to the City within forty-five (45) days of the date that the Comptroller Challenge required the City to repay Sales and Use Tax Receipts.

(f) Sales Tax Reports. The City and Company designate this Agreement as a “revenue sharing agreement”, thereby entitling City to request annual sales and use tax information from the Comptroller, pursuant to section 321.3022 of the Texas Tax Code, as amended. The City shall request in writing that the Comptroller issue sales tax reports pursuant to Section 321.3022 for total sales of Taxable Items Consummated at the Premises and the payment of Sales and Use Tax (the “Sales Tax Reports”) for each calendar quarter during the term hereof. To the extent that the release of any such reports or information regarding the Sales and Use Tax collected by the Company and the Company Affiliates for the sale of Taxable items Consummated at the Premises shall require the consent of Company or any Company Affiliates, Company shall provide such consent to the City. Company shall provide the sales tax identification numbers for the Company Affiliates so that payments can be verified by the City. The City agrees to request sales tax ID numbers only if the City fails to get Sales Tax Reports that isolate the Sales Tax Receipts generated from the Premises.

3.2 Annual Real Property Grants.

(a) Subject to the continued satisfaction of all the terms and conditions of this Agreement, the City agrees to provide the Company with ten (10) Annual Real Property Grants to be paid on March 1 of each calendar year (or the immediately following business day if March 1 is not a business day), beginning with March 1 of the first full calendar year following the first Grant Year, provided the City has received the City ad valorem taxes assessed against the Premises in full for the respective Grant Year (i.e., the tax year immediately preceding the year in which an Annual Real Property Grant is to be made) (with it understood that the immediately preceding tax year is used to determine the amount of the Annual Real Property Grant). For illustration purposes only, assume that the Commencement Date is October 1, 2025 (which makes the first Grant Year 2026) and that the City ad valorem taxes assessed (and collected)

against the Premises for tax year 2026 are \$100,000.00, then the amount of the first Annual Real Property Grant (based on the first Grant Year of 2026), would be \$50,000.00 (\$100,000.00 x 50%), to be paid on March 1, 2026. Notwithstanding the above, City's obligation to pay an Annual Real Property Grant shall not be earlier than ten (10) business days after the Company delivers to City a true and correct copy of the receipt from the Dallas County Tax-Assessor Collector showing the payment in full of the City ad valorem taxes assessed against the Premises for the respective Grant Year. The City shall have no obligation to pay any Annual Real Property Grant with respect to any Grant Year unless the ad valorem taxes assessed against the Premises for such Grant Year are paid in full on or before the date that is one (1) year after the Expiration Date, or the date of termination, if sooner terminated. Notwithstanding the foregoing, the Company shall not be entitled to payment of any Annual Real Property Grant for any Grant Year that occurred following the Expiration Date or following the date of termination of this Agreement, if sooner terminated. Notwithstanding anything to the contrary in this Agreement, the City shall have no further obligation to pay any Annual Real Property Grants if this Agreement is terminated by the City pursuant to Section 5.1(a)–(e) of this Agreement.

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

(c) Refunds and Underpayments of Grants. In the event the City reasonably determines that the amount of an Annual Real Property Grant(s) paid by the City to the Company was incorrect, the Company shall, within sixty (60) days after receipt of written notification thereof from the City specifying the amount by which such Annual Real Property Grant exceeded the correct amount to which the Company was entitled (together with such records, reports and other information necessary to support such determination), pay such amount to the City. If the City reasonably determines that the amount by which such Annual Real Property Grant was less than the correct amount to which the Company was entitled (together with such records, reports, and other information necessary to support such determination), the City shall, within sixty (60) days, pay the adjustment to the Company. If the Company disputes the City's determination (or believes that it is entitled to receive an adjustment pursuant to this Section 3 (b) that the City has not paid), the Parties shall seek to amicably resolve the matter, subject to the Parties right to pursue any available rights or remedies in connection therewith.

3.3 Grant Limitations. Under no circumstances shall City obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. Further, City shall not be obligated to pay any commercial bank, lender, or similar institution for any loan or credit agreement made by the Company. None of the City's obligations under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution.

3.4 Current Revenue. The Grants made hereunder shall be paid solely from lawfully available funds pursuant to Texas Constitution Article II, Section 52-a, and Texas Local Government Code Chapter 380. Consequently, notwithstanding any other provision of this Agreement, the City shall have no obligation or liability to pay any Grants except as allowed by law. The City shall not be required to pay any Grants if prohibited under federal or state legislation or a decision of a court of competent jurisdiction.

3.5 Indemnification THE COMPANY AGREES TO DEFEND, INDEMNIFY AND HOLD THE CITY, ITS OFFICERS, AGENTS AND EMPLOYEES (COLLECTIVELY FOR PURPOSE OF THIS SECTION, THE "CITY") HARMLESS FROM AND AGAINST ANY AND ALL REASONABLE LIABILITIES, DAMAGES, CLAIMS, LAWSUITS, JUDGMENTS, ATTORNEY FEES, COSTS, EXPENSES, AND DEMANDS BY THE STATE OF TEXAS THAT THE CITY HAS BEEN PAID ERRONEOUSLY, OVER-PAID OR INCORRECTLY ALLOCATED SALES AND USE TAX ATTRIBUTED TO THE SALE OF TAXABLE ITEMS BY THE COMPANY AND/OR COMPANY AFFILIATES CONSUMMATED AT THE PREMISES OR IN THE CITY FOR ANY PERIOD DURING THE TERM OF THIS AGREEMENT OR DURING ANY GRANT PERIOD (COLLECTIVELY, A "CLAIM"). IT BEING THE INTENTION OF THE PARTIES THAT THE COMPANY SHALL BE RESPONSIBLE FOR THE REPAYMENT OF ANY ANNUAL SALES TAX GRANTS PAID TO THE COMPANY HEREIN BY THE CITY THAT INCLUDES SALES AND USE TAX RECEIPTS THAT THE STATE OF TEXAS HAS DETERMINED WERE PAID ERRONEOUSLY, COLLECTED, DISTRIBUTED, OR ALLOCATED TO THE CITY. THE INDEMNIFICATION PROVIDED ABOVE SHALL NOT APPLY TO ANY LIABILITY RESULTING SOLELY FROM THE ACTIONS OR OMISSIONS OF THE CITY; THE COMPANY SHALL BE OBLIGATED TO PAY REASONABLE ATTORNEY FEES AND OTHER THIRD-PARTY COSTS INCURRED BY THE CITY TO DEFEND OR CONTEST A CLAIM (COLLECTIVELY, THE "OTHER COSTS"). THE PROVISIONS OF THIS SECTION SHALL SURVIVE TERMINATION OF THIS AGREEMENT. THE PROVISIONS OF THIS SECTION ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND DO NOT CREATE ANY OBLIGATIONS FROM OR GRANT ANY CONTRACTUAL OR OTHER RIGHTS TO ANY OTHER PERSON OR ENTITY, OTHER THAN OBLIGATIONS, IF ANY, THAT ARISE FROM THE COMPANY TO THE CITY TO PERFORM OBLIGATIONS CREATED BY THIS SECTION.

Article IV Conditions to the Grants

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

4.1 Good Standing. The Company shall not have an uncured breach or default of this Agreement or a Related Agreement (provided that if any Grants are not paid at any time that an uncured breach or default of this Agreement or a Related Agreement exists, such Grants shall be paid to Company upon timely cure of such breach or default if the Agreement is not terminated for such uncured breach).

4.2 Company Affiliate List. The Company shall provide to the City the Company Affiliate List within thirty (30) days after the Commencement Date, at the end of each Grant Period, and an updated Company Affiliate List, as often as necessary to reflect the addition of any Company Affiliates, not on the Company Affiliate List in the City's possession, that will or may pay or collect Sales and Use Taxes giving rise to Sales Tax Receipts. The Company's failure to identify a Company Affiliate in a Company Affiliate List provided to the City prior to the date on which such Company Affiliate first begins collecting Sales and Use Taxes giving rise to Sales Tax Receipts shall not be a breach by Company of this Agreement; provided, notwithstanding anything to the contrary herein, the City shall not be obligated to pay to the Company any Sales Tax Grant amount computed with respect to Sales Tax Receipts collected and reported by a Company Affiliate for any reporting period that ends prior to the date on which the Company first identifies such Company Affiliate to the City on the Company Affiliate List or an updated Company Affiliate List.

4.3 Required Use. During the term of this Agreement following the Commencement Date and continuing thereafter until the Expiration Date, the Premises shall not be used for any purpose other than the Required Use, and the operation and occupancy of the Premises in conformance with the Required Use shall not cease for more than thirty (30) days except in connection with and to the extent of an event of Force Majeure.

4.4 Continuous Occupancy. During the term of this Agreement following the Commencement Date and continuing thereafter until the Expiration Date, the Company shall continuously occupy the Premises.

4.5 Payment Request. The Company shall, as a condition precedent to the payment of the Sales Tax Grants and the Annual Real Property Grants, as the case may be, provide the City with the applicable Payment Request.

4.6 Sales Tax Certificate. As a condition to the payment of each Sales Tax Grant hereunder, the City shall have received a Sales Tax Certificate for the applicable Grant Period for which payment of a Sales Tax Grant is requested. The City shall have no duty to calculate the Sales Tax Receipts or determine the entitlement of the Company to any Sales Tax Grant or pay any Sales Tax Grant during the term of this Agreement until such time as the Company has provided a Sales Tax Certificate and a Payment Request for the applicable Grant Period. The City may, but is not required to, provide Company with a form for the Sales Tax Certificate required herein. At the request of the City, the Company shall provide such additional documentation as may be reasonably requested by the City to evidence, support, and establish the Sales Tax Receipts (including Sales and Use Tax paid directly to the State of Texas pursuant to a direct payment permit) received by the City from the State of Texas. The Payment Request and the accompanying Sales Tax Certificate shall at a minimum contain, include, or be accompanied by the following:

- (a) Schedules, which show the amount of total sale of Taxable Items by the Company and the Company Affiliates Consummated at the Premises for the applicable Grant Period, and the amount of Sales and Use Tax collected and paid to the State of Texas as a result

of the sale of Taxable Items by the Company, and Company Affiliates, Consummated at the Premises for the applicable Grant Period;

- (b) A copy of all Sales and Use Tax returns and reports, Sales and Use Tax prepayment returns, direct payment permits and reports, including amended sales and use tax returns or reports, filed by the Company, and Company Affiliates for the applicable Grant Period showing the Sales and Use Tax collected (including Sales and Use Tax paid directly to the State of Texas pursuant to a direct payment certificate) by the Company and Company Affiliates for the sale of Taxable Items Consummated at the Premises;
- (c) A copy of all direct payment and self-assessment returns, if any, including amended returns, filed by the Company, and Company Affiliates for the applicable Grant Period showing the Sales and Use Tax paid for the sale of Taxable Items Consummated at the Premises;
- (d) Information concerning any refund or credit received by the Company and/or Company Affiliates of the Sales and Use Taxes paid or collected by the Company or Company Affiliates which has previously been reported by the Company and/or Company Affiliates as Sales and Use Tax paid or collected; and
- (e) Documentation required to be included in, or with the applicable Payment Request by other provisions of this Agreement.

Upon request by the City, the Company shall provide within fifteen (15) business days a release or releases to the City as necessary to allow the State of Texas to disclose the Sales and Use Tax information pertaining to the sale of Taxable Items by Company, and Company Affiliates at the Premises during the term of this Agreement in a form as may be required by the State of Texas. It shall be the responsibility of the Company to obtain and provide to the City, the release or releases from Company Affiliates to the City as necessary to allow the State of Texas to disclose the Sales and Use Tax information pertaining to the sale of Taxable Items by Company and Company Affiliates at the Premises during the term of this Agreement.

Article V

Termination; Repayment

5.1 Termination. This Agreement terminates on the Expiration Date, and may, prior to the Expiration Date, be terminated upon any one or more of the following:

- (a) by mutual written agreement of the Parties;
- (b) upon written notice by either Party, if the other Party defaults or breaches any of the terms or conditions of this Agreement or a Related Agreement and such default or breach is not cured within sixty (60) days after written notice thereof;

- (c) upon written notice by City, if any Impositions owed to the City or the State of Texas by Company shall have become delinquent and such delinquency is not cured within ten (10) business days after written notice thereof (provided, however, Company retains the right to timely and properly protest and contest any such taxes or Impositions);
- (d) upon written notice by City, if Company suffers an event of Bankruptcy or Insolvency;
or
- (e) upon written notice by either Party if any subsequent Federal or State legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal, or unenforceable.

5.2 Offsets. The City may at its option, offset any amounts due and payable under this Agreement against any debt (including taxes) lawfully due to the City from the Company, regardless of whether the amount due arises pursuant to the terms of this Agreement, a Related Agreement or otherwise and regardless of whether or not the debt due the City has been reduced to judgment by a court; provided that the City shall provide reasonable prior notice of any such offset.

Article VI Miscellaneous

6.1 Binding Agreement. The terms and conditions of this Agreement are binding upon the successors and permitted assigns of the Parties hereto.

6.2 Revenue Sharing Agreement. The City hereby designates this Agreement as a revenue sharing agreement, thereby entitling the City to request sales tax information from the State of Texas, pursuant to Texas Tax Code, Section 321.3022.

6.3 Limitation on Liability. It is understood and agreed between the Parties that the Company and City, in satisfying the conditions of this Agreement, have acted independently, and the City assumes no responsibilities or liabilities to third parties in connection with these actions.

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

6.5 Authorization. Each Party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement. The undersigned officers and/or agents of the Parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the Parties hereto.

6.6 Notice. Any notice required or permitted to be delivered hereunder shall be in writing and shall be given by either Party via an express mail service, courier, or certified mail, return receipt requested, or by confirmed facsimile, to the respective Party at the address specified below (or to such

other Party or address as either Party may designate in writing). All notices given pursuant to this section shall be deemed effective on the date such notice is actually received or otherwise hand-delivered:

If intended for City, to:

Attn: Ben Williamson
City Manager
13000 William Dodson Parkway
Farmers Branch, Texas 75234

With a copy to:

Attn: Nicole Hamilton Corr
Wyatt Hamilton Findlay PLLC
5810 Long Prairie Road
Flower Mound, Texas 75028

If intended for Company, to:

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

6.8 Governing Law. The Agreement shall be governed by the laws of the State of Texas, without giving effect to any conflicts of law rule or principle that might result in the application of the laws of another jurisdiction; and exclusive venue for any action concerning this Agreement shall be in the State District Court of Dallas County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

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

6.10 Legal Construction. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the Parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

6.11 Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

6.12 Successors and Assigns. This Agreement may not be assigned without the prior written consent of the City; however notwithstanding the foregoing, this Agreement may be assigned without the consent of the City to a Successor, provided: (i) such Successor has assumed in writing the obligations

and liabilities of the Company hereunder in a form reasonably approved by the City; and (ii) Company has provided City ten (10) days prior written notice thereof. If the Company discloses to the City that it intends to assign this Agreement to a Successor and/or discloses the identity of a potential Successor, the City shall treat such information (including, but not limited to the fact that the Company is considering the applicable transaction and the identity of the potential Successor) as disclosed in confidence and shall not disclose such information to any third parties except: (i) with the prior written consent of the Company and/or (ii) as and to the extent required by law. For purposes of this Section “Successor” shall mean: (i) an entity that is the result of a conversion of the Company from one form of business entity to a different form of business entity (such as from a corporation to a limited liability company) recognized by, and qualified to do business in, the State of Texas, (ii) any successor corporation or other entity resulting from a merger, consolidation, or acquisition with respect to Company, or (iii) a person or entity that purchases all or substantially all of either (A) the equity of the Company or (B) the assets of the Company.

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

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

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

6.16 Employment of Undocumented Workers. During the term of this Agreement, the Company agrees not to knowingly employ any undocumented workers, and if convicted of a violation under 8 U.S.C. Section 1324a (f), the Company shall repay the Grants provided herein and any other funds received by the Company from the City as of the date of such violation within 120 business days after the date the Company is notified by the City of such violation, plus interest at the rate of 6% compounded annually from the date of violation until paid. The Company is not liable for a violation of this section by a subsidiary, affiliate, or franchisee of the Company or by a person with whom the Company contracts.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK -
SIGNATURE PAGE FOLLOWS]

EXECUTED on this _____ day of _____, 2025.

CITY OF FARMERS BRANCH, TEXAS

By: _____
Ben Williamson, City Manager

APPROVED AS TO FORM:

By: _____
Nicole Hamilton Corr, City Attorney

EXECUTED on this _____ day of _____, 2025.

GRABAGUN, LLC

By: _____

Name: _____

Title: _____

EXHIBIT “A”

Being Lot 1, Block 2, Final Plat Alpha Addition, a replat of Lot CR2, Block 2 of Metropolitan Industrial Park, Section 1, an Addition to the City of Farmers Branch, Dallas County, Texas, according to the Plat thereof recorded in Volume 97182, Page 4444, Plat Records, Dallas County, Texas.