

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

ECONOMIC DEVELOPMENT AGREEMENT

This Economic Development Agreement (the "Agreement") is made by and between the City of Farmers Branch, Texas ("City") and Farmers Branch Community Theatre, Inc., d/b/a The Firehouse Theatre, a 501(c)(3) non-profit organization, located at 2535 Valley View Lane, Farmers Branch, Texas 75234 ("Firehouse" or "Company", and collectively with the City, the "Parties", and each, individually, a "Party"), acting by and through their respective authorized representatives.

WHEREAS, the City of Farmers Branch ("City") has established various economic development programs pursuant to Chapter 380 of the Texas Local Government Code for the purpose of promoting the location, expansion, and retention of business enterprises and community organizations that enhance the City's economic vitality; and

WHEREAS, "Firehouse" operates a 501(c)(3) nonprofit performing arts organization located within the Mustang Station Arts & Culture District at 2535 Valley View Lane, providing cultural programming that enriches the quality of life for residents and attracts visitors to the City; and

WHEREAS, Firehouse provides programming that generates economic activity and tourism by attracting more than 15,000 patrons annually, supporting local restaurants and businesses, employing local theatre artists and educators, and hosting MainStage and Firehouse JR shows, youth education programs, and community events; and

WHEREAS, the City recognizes the cultural and economic benefits generated by Firehouse, including measurable increases in restaurant and retail sales during performance weekends and its contribution to the vibrancy of the Mustang Station Arts & Culture District; and

WHEREAS, the City Council finds that providing a performance-based grant to Firehouse pursuant to this Agreement will promote local economic development, stimulate business and tourism, and enhance the arts and cultural identity of Farmers Branch;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and other good and 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:

"Agreement" shall have the meaning set forth in the preamble.

“Business Day” means any day other than a Saturday, Sunday, or federal, state, or local holiday which is recognized by the City and in which the City’s offices are closed to the general public for business.

“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 have the meaning set forth in the preamble.

“Company” shall have the meaning set forth in the preamble.

“Effective Date” shall mean the last date of execution of this Agreement by the Parties.

“Expiration Date” shall mean the fifth (5th) anniversary of the Effective Date.

“Firehouse” shall have the meaning set forth in the preamble.

“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. 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 written 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. The failure to provide the notice required herein shall be deemed a forfeiture of any claim of Force Majeure.

“Grant” shall mean an economic development reimbursement grant to offset the actual costs incurred and paid by the Company, to be paid as set forth herein.

“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.

“Payment Request” shall mean a written request from the Company to the City for payment of the Grant accompanied by copies of invoices, bills, receipts and such other information, as may reasonably be requested by the City, reflecting that the Company has maintained continuous occupancy and business operations at the approved location for a full three (3) months preceding the applicable Payment Request.

“Person” means any individual, corporation, partnership (general or limited), joint venture, limited liability company, firm, trust, unincorporated association, joint stock company, government, municipality, political subdivision or agency, or any other entity.

“Premises” shall mean the entire premises located at 2535 Valley View Lane, Farmers Branch, Texas 75234.

“Quarter” or “Quarterly” means each consecutive three-month period within the term of this Agreement, beginning on the Effective Date, and thereafter each successive period ending on the last day of March, June, September, and December (or such other schedule as may be agreed in writing by the Parties). Any obligation described herein as occurring “Quarterly” shall mean once during each such Quarter.

“Related Agreement” shall have the meaning set forth in Section 4.2.

“Required Use” shall mean the Company’s continuous use of the Premises as a performing arts center for a period of five (5) consecutive years following the Effective Date. As used in this definition, continuous use shall include keeping the business at the Premises open to the public and serving the community during normal hours of operation.

Article II Term

The term of this Agreement shall begin on the Effective Date and continue until the Expiration Date, unless sooner terminated as provided herein. This Agreement may be extended by mutual agreement of the Parties.

Article III Economic Development Grant

3.1 Chapter 380 Performance-Based Grant. Subject to the obligation of the Company to repay the Grant pursuant to Section 5.2 herein, and the continued satisfaction of all the terms and conditions of this Agreement by the Company during the term of this Agreement, the City agrees to provide the Company with a Grant in an amount not to exceed TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$250,000.00). The Grant shall be disbursed in twenty (20) quarterly installments of TWELVE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$12,500.00) each. Each installment shall be payable within thirty (30) days after the City’s receipt of an approved Payment Request and after Company has maintained continuous occupancy and business operations at the approved

location for the three-month period immediately preceding such request. Company is eligible to submit Payment requests following the conclusion of each Quarter that concludes subsequent to the Effective Date.

3.2 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, the City shall not be obligated to pay any commercial bank, lender, or similar institution for any loan or credit agreement made by the Company. None of the City's obligations under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution.

3.3 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.

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 Related Agreement Compliance. The Company shall be in good standing and in compliance with all terms, provisions and conditions of any facility use, license or lease agreement between Company and City ("Related Agreement").

4.3 Required Use. 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) cumulative 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 Effective Date and continuing thereafter until the Expiration Date, the Company shall continuously occupy the Premises, except in connection with and to the extent of an event of Force Majeure.

4.5 Payment Request. Unless otherwise expressly stated in this Agreement, all grant disbursements provided under this Agreement shall be paid to the Company in the form of a reimbursement grant. Payment shall be made only after the Company has submitted a written Payment Request, accompanied by all documentation and information reasonably necessary to demonstrate

satisfaction of the applicable performance or eligibility conditions. The City shall review the Payment Request for completeness and compliance, and shall remit payment within thirty (30) days following the City's written approval of the Payment Request.

4.6 Performance Deliverables and Key Performance Indicators. In addition to all other conditions stated herein, the City's obligation to provide the Grants shall be conditioned upon the Company's full and timely completion of the following deliverables and performance measures through the term of this Agreement:

(a) Patron Traffic Reporting. The Company shall measure and report Quarterly patron attendance through ticket sales for each season during the term based on the following goals which may be reasonably adjusted by mutual written agreement of the Parties:

| Time Frame | # MainStage & JR Shows | # Performances | 50% Ticket Sales Goal |
|-------------------|-----------------------------------|-----------------------|------------------------------|
| Oct – Dec | 2 | 30 | 2,400 |
| Jan – Mar | 2 | 20 | 1,600 |
| Apr – Jun | 2 | 30 | 2,400 |
| Jul – Sep | 3 | 35 | 2,800 |
| Totals | 9 | 115 | 9,200 |

(b) Audience Demographics. The Company shall measure and report audience attendance by zip code on a Quarterly basis based on the following goals, which may be reasonably adjusted by mutual written agreement of the Parties:

| Time Frame | % Attending |
|------------------------|--------------------|
| Farmers Branch | 13% |
| Dallas | 12% |
| Carrollton | 10% |
| Other Metroplex | 24% |
| Other Texas | 7% |
| Totals | 66% |

(c) Sponsorship Marketing Recognition. The Company shall provide sponsorship marketing recognition for City-supported productions each year during the Term, including at a minimum: (i) a two-thirds-page advertisement in a top position on a program insert recognizing the City as show sponsor, and (ii) an economic-development and tourism video displayed on the theatre's lobby television during sponsored performances.

(d) Discover Farmers Branch Tourism Collaboration. To promote City hotels and tourism during the Term of this Agreement, the Company shall:

- (i) Include a link to the Discover Farmers Branch webpage and a statement encouraging patron use of local hotels and restaurants in order-confirmation emails following each ticket purchase;
- (ii) Periodically include Discover Farmers Branch advertisements in email blasts sent to theatre patrons;
- (iii) Display Discover Farmers Branch contents on the theatre's "Plan Your Visit" webpage; and
- (iv) Provide thirty (30) complimentary tickets (valued at approximately \$1,200) each year to Discover Farmers Branch for hotel and visitor promotions.

(e) Quarterly Reporting and Validation. The Company shall submit written Quarterly reports summarizing its performance under subsections (a) – (d) for each Quarter of the Term. Each report shall be due at the end of the applicable calendar Quarter and subject to City review and validation prior to any corresponding Grant payment.

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 thirty (30) 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 Repayment. (a) In the event this Agreement is wholly terminated by the City based on Company's fraud, furnishing false material information in a Payment Request, or for a misuse of funds, all further Grant payments shall cease and the Company shall immediately repay to the City a monetary

amount equal to the total Grant previously received from the City, plus interest at the rate periodically announced by the Wall Street Journal as the prime or base commercial lending rate, or if the Wall Street Journal shall ever cease to exist or cease to announce a prime or base lending rate, then at the annual rate of interest from time to time announced by Citibank, N.A. (or by any other New York money center bank reasonably selected by the City) as its prime or base commercial lending rate, which shall accrue from the date the Grant was initially paid to the Company.

(b) If this Agreement is terminated pursuant to Section 5.1(b) through (d) above, the City's obligation to provide further grants shall cease immediately upon termination, and Company shall immediately repay to the City a monetary amount equal to the Grant paid in the prior quarter.

(c) If this Agreement is terminated for a reason other than as stated in subsection (a) or (b) of this section, all further Grant payments shall cease.

5.3 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. The City shall provide notice and reasonable documentation regarding the same to the Company as soon as practicable following the performance 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 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. Except for the City's obligations to pay the Grant proceeds as set forth in this Agreement, the City and all past, present and future officials, officers, employees and agents make no warranties and assume no responsibilities or liabilities to Company or any third party in connection with the development, improvement or operation of the Company's operations or programs, and the Company hereby holds harmless and waives any and all claims against the City and its officials, officers, employees, agents and representatives for any claims, losses, injury, or damage (including but not limited to attorney's fees and costs) to persons or property arising from this Agreement. The Company acknowledges and agrees that there shall be no personal recourse to the officials, officers, employees or agents of the City, who shall incur or assume no liability in respect of any claims based upon or relating to this Agreement. Nothing in this Agreement is intended, and nothing herein shall in any way be deemed, to confer or create any rights in any person not a party to this Agreement. Nothing in this Agreement shall be deemed to be a waiver of any defenses or immunities held by the City, whether sovereign, governmental, official, qualified or otherwise, all such defenses and immunities being expressly retained.

6.3 The parties acknowledge and agree that the City's obligations and performance under this Agreement are governmental and not proprietary functions, it being that the City's intent and purpose in this Agreement is community and economic development to secure employment opportunities, and to promote tourism and local economic development and stimulate business and commercial activity on a local and regional basis.

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:

David M. Berman
Nichols, Jackson, Dillard, Hager & Smith, LLP
500 N. Akard Street, Ste 1800
Dallas, Texas 75201

If intended for Company, to:

Attn: David Moore
Executive Director
Farmers Branch Community Theatre,
Inc.
2535 Valley View Lane
Farmers Branch, Texas, 75234-6430

With a Copy to:

Ehren Hartz
Winstead, PC
2728 N. Harwood Street Suite 500
Dallas, TX 75201

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.

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 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, (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.

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

6.13 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.

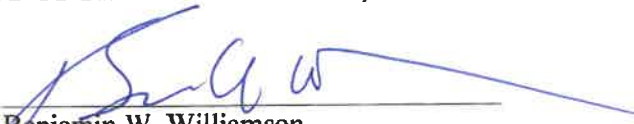
6.14 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

6.15 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.


6.16 No Waiver. A party's failure to insist on strict performance of this Agreement or to exercise any right or remedy upon breach of this Agreement will not constitute a waiver of the performance, right, or remedy. A party's waiver of the other party's breach of any provision in this Agreement will not constitute a continuing waiver or a waiver of any subsequent breach of the same or any other provision. A waiver is binding only if set forth in a writing signed by the waiving party.

EXECUTED on this 20th day of January, 2026.

CITY OF FARMERS BRANCH, TEXAS

By: 
Benjamin W. Williamson
City Manager

APPROVED AS TO FORM:

By: 
David M. Berman, City Attorney

EXECUTED on this 15th day of January, 2026.

THE FIREHOUSE THEATRE, INC.

By: 
Name: David Moore
Title: Executive Director