

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

This Economic Development Incentive Agreement (“Agreement”) is made by and between the City of Farmers Branch (“City”), and Urban Logistics Realty LLC, a Texas limited liability company (“Company”) (each a “Party” and collectively the “Parties”), acting by and through their respective authorized officers.

WITNESSETH:

WHEREAS, the Company is the owner of 13636 Neutron Road, Farmers Branch, Texas (the “Improvements”) (hereinafter defined); and

WHEREAS, the Company has advised the City that a contributing factor that would induce the Company to make certain improvements to the exterior façade of the Improvements would be an agreement by the City to provide an economic development grant to the Company to defray a portion of the costs to construct the Façade Improvements (hereinafter defined); 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 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 has determined that making the Façade Grant to the Company in accordance with this Agreement will further the objectives of the City, will benefit the City and the City’s inhabitants, and 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

Wherever used in this Agreement, the following terms shall have the meanings ascribed to them:

“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 ninety (90) 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 ninety (90) days after the filing thereof.

"Commencement of Construction shall mean that: (i) the plans have been prepared and all approvals thereof required by applicable governmental authorities have been obtained for the construction of the Façade Improvements; (ii) all necessary permits for the construction of the Façade Improvements pursuant to the plans, therefore, have been issued by all the applicable governmental authorities; and iii) construction of the Façade Improvements has commenced.

"Completion of Construction" shall mean that: (i) substantial completion of the Façade Improvements has occurred; and (ii) the City has conducted a final inspection of the Façade Improvements.

"Effective Date" shall mean the date of this Agreement bearing the signatures of authorized representatives of all of the Parties, whether on the same document or identical counterparts.

"Expiration Date" shall mean the fifth (5th) anniversary date of the date of Completion of Construction of the last of the Façade Improvements.

"Façade Grant" shall mean an economic development grant to be paid as reimbursement for costs paid for the eligible work described in **Exhibit "A"** in relation to constructing and installing the Façade Improvements in an amount not to exceed the lesser of (i) fifty percent (50%) of the costs of the Façade Improvements and (ii) Fifty Thousand and No/100 Dollars (\$50,000.00).

"Façade Improvements" shall mean the renovation of the exterior façade of the Improvements as described in **Exhibit "A"**.

"Force Majeure" shall mean an occurrence of any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, riot, terrorism, civil commotion, insurrection, government or de facto governmental action, restrictions or interferences (unless caused by the intentional acts or omissions of the Party), fires, explosions, floods or other inclement weather, strikes, slowdowns or work stoppages, incidence of disease or other illness that reaches outbreak, epidemic, or pandemic proportions or similar causes affecting the area in which the Improvements are located that results in a reduction of labor force or work stoppage in order to comply with local, state, or national disaster orders, construction delays, shortages or unavailability of supplies, materials or labor, necessary condemnation proceedings, or any other circumstances which are reasonably beyond the control of the Party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstances are similar to any of those enumerated or not, in which case the Party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or performance shall be extended for a period of time equal to the period such Party was delayed, provided the Party whose performance is delayed provides written notice to the other Party not later than fifteen (15) business days after the last day of the month of the occurrence of the events) or conditions) causing the delay or the date the Party whose performance has been delayed becomes aware or should have reasonably known of the event, describing such events) and/or condition(s) and the date on which such events) and/or conditions) occurred.

“Impositions” shall mean all taxes, assessments, use and occupancy taxes, charges, excises, license and permit fees, and other charges by 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 Company with respect to the Improvements or any property or any business owned by the Company within the City.

“Improvements” shall mean the building located at 13636 Neutron Road, Farmers Branch, Texas.

“Payment Request” shall mean a written request from the Company to the City for payment of the Façade Grant accompanied by: (i) copies of paid invoices, receipts and other evidence of the costs incurred and paid by the Company for the Façade Improvements; (ii) digital photographs of the Improvements prior to and following Completion of Construction of the Façade Improvements; and (iii) such other information, as may reasonably be requested by the City.

"Property" shall mean the real property located in Farmers Branch, Dallas County, Texas described in **Exhibit "A"**.

“Related Agreement” shall mean any agreement (other than this Agreement) by and between the City and the Company, or any of its affiliated or related entities.

“Required Use” shall mean the Company’s continued ownership and occupancy of the Improvements and its continuous operation of an industrial real estate development office and headquarters open to the public and serving the citizens of the City.

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

Façade Improvements

3.1 **Façade Improvements.** The Company shall, subject to delays resulting from events of Force Majeure, cause Commencement of Construction of the Façade Improvements to occur within ninety (90) days after the Effective Date, and subject to delays resulting from events of Force Majeure, cause Completion of Construction thereof to occur within twelve (12) months thereafter.

3.2 **Design and Construction Standards.** The Company shall design and construct the Façade Improvements in accordance with plans approved by the City and in accordance with other applicable ordinances, regulations, and local law. The Company shall submit plans for the design and construction of the Façade Improvements to the City, and use best efforts to obtain approval within thirty (30) days after the Effective Date.

3.3 Commercial Façade Revitalization Program. The Company shall, in connection with the design and construction of the Façade Improvements, comply with the guidelines of the Farmers Branch Commercial Façade Revitalization Program.

Article IV Economic Development Grant

4.1 Subject to the obligation of the Company to repay the Façade Grant pursuant to Section 5.2 hereof, and the Company's continued satisfaction of all the terms and conditions of this Agreement, the City agrees to provide the Company with the Façade Grant to be paid in a single lump sum payment not later than thirty (30) days after the City's receipt of the Payment Request following Completion of Construction of the last of the Façade Improvements and the City's verification of the costs paid and incurred by the Company for the Façade Improvements. Failure of the Company to submit a Payment Request for the Façade Grant, accompanied by the required records, documentation, and digital photographs, within sixty (60) days after Completion of Construction of the Façade Improvements shall result in forfeiture of the payment of the Façade Grant.

4.2 The Façade Grant made hereunder shall be provided solely from lawfully available funds. The City shall have no obligation or liability to pay any portion of the Façade Grant unless the City appropriates funds to make such payment during the budget year in which the payment of the Façade Grant is due. 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 obligations of the City under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution without the prior written consent of the City.

Article V Conditions to Façade Grant

The obligation of QDC to pay the Façade Grant shall be conditioned upon the compliance and satisfaction by the Company of the terms and conditions of this Agreement and each of the following conditions.

5.1 Payment Request. The Company shall, as a condition precedent to the payment of the Façade Grant, provide the City with the applicable Payment Request.

5.2 Good Standing. Company shall not have an uncured breach or default of this Agreement, or a Related Agreement.

5.3 Required Use. During the term of this Agreement following the Effective Date and continuing thereafter until the Expiration Date, the Improvements shall not be used for any purpose other than the Required Use, and the operation and occupancy of the 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.

5.4 Facade Improvement Plans. The Company shall submit plans for the Façade Improvements to the City for its approval.

Article VI

Termination; Repayment

6.1 Termination. This Agreement shall terminate upon any one of the following:

- (a) by mutual written agreement of the Parties;
- (b) on the Expiration Date;
- (c) 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;
- (d) by the City, if the Company suffers an event of Bankruptcy or Insolvency;
- (e) by the City, if any Impositions owed to the City or the State of Texas by Company shall have become delinquent (provided, however, the Company retains the right to timely and properly protest and contest any such taxes or Impositions); or
- (f) 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.

6.2. Repayment. In the event the Agreement is terminated by the City pursuant to Section 6.1(b), (c), (d), or (e), the Company shall immediately repay to the City an amount equal to the Façade Grant previously paid by the City to the Company immediately preceding the date of such termination., plus interest at the rate of interest 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 selected by QDC) as its prime or base commercial lending rate, from the date on which the Façade Grant is paid by the City until such Façade Grant is refunded by the Company. The repayment obligation of the Company set forth in this section 6.2 hereof shall survive termination.

6.3 Right of Offset. 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 to the City has been reduced to judgment by a court.

Article VII Miscellaneous

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

7.2 Limitation on Liability. It is understood and agreed between the Parties that the Company and the 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. The Company agrees to indemnify and hold harmless the City from all such claims, suits, and causes of actions, liabilities, and expenses, including reasonable attorney's fees, of any nature whatsoever by a third party arising out of the Company's performance of the conditions under this Agreement.

7.3 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 between the Parties.

7.4 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the Party at the address set forth below or on the day actually received if sent by courier or otherwise hand delivered:

If intended for City:

Attn: Benjamin W. Williamson
City Manager
City of Farmers Branch
13000 William Dodson Parkway
Farmers Branch, Texas 75234

With a copy to:

Attn: Whitt Wyatt
City Attorney
Wyatt Hamilton Findlay PLLC
5810 Long Prairie Road Ste. 700-220
Flower Mound, Texas 75028

If intended for Company, to:

Attn: Jason A. Nunley
Urban Logistics Realty, LLC
13636 Neutron Road
Farmers Branch, Texas 75244
E: jnunley@ulrllc.com

7.5 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.

7.6 Severability. In the event any section, subsection, paragraph, sentence, phrase or word herein is held invalid, illegal or unconstitutional, the balance of this Agreement shall stand,

shall be enforceable and shall be read as if the Parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word.

7.7 Governing Law. This Agreement shall be governed by the laws of the State of Texas without regard to any conflict of law rules. Exclusive venue for any action under this Agreement shall be the State District Court of Dallas County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

7.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

7.9 Entire Agreement. This Agreement embodies the complete agreement of the Parties hereto, superseding all oral or written previous and contemporary agreements between the Parties and relating to the matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the Parties to be attached to and made a part of this Agreement.

7.10 Recitals. The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein as part of this Agreement.

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

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

7.13 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.

7.14 Assignment. This Agreement shall be binding on and inure to the benefit of the Parties to it and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns. This Agreement may not be assigned by the Company without the prior written consent of the City Manager, which consent shall not be unreasonably withheld, conditioned, or delayed.

7.15 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 Façade Grant, and any other funds received by the Company from the City as of the date of such violation within one hundred twenty (120) days after the date the Company is notified by the City of such violation,

plus interest at the rate of four percent (4%) compounded annually from the date of violation until paid.

(Signature Page to Follow)

SIGNED AND AGREED this _____ day of _____, 2025.

CITY OF FARMERS BRANCH, TEXAS

By: _____
Benjamin W. Williamson, City Manager

ATTEST:

By: _____
Stacy Henderson, City Secretary

APPROVED AS TO FORM:

By: _____
Whitt Wyatt, City Attorney

SIGNED AND AGREED this _____ day of _____, 2025

URBAN LOGISTICS REALTY, LLC

By: _____
Jason A. Nunley, President

EXHIBIT “A”
DESCRIPTION OF FACADE IMPROVEMENTS
13636 NEUTRON ROAD, FARMERS BRANCH, TEXAS

The proposed façade improvements include a new structural entry feature, Shou Sugi Ban wood slat feature wall, new entry canopies, replaced roofing system, Velux skylights, paving repair and resurfacing, enhanced window systems, integrated landscaping, signature art installation, and relocation of franchised utilities underground, as referenced in the attached application packet submitted by the Company, quotations, and other related materials.