

EXHIBIT A

AGREEMENT

This Agreement is entered into by and between the City of Carrollton, Texas, a home rule city and municipal corporation of Dallas County, Texas, duly acting by and through its City Manager, hereinafter referred to as CITY, and RDL Property, LP, acting by and through Rae Liu, Manager, RDL Property Genpar, LLC, hereinafter referred to as OWNER.

WITNESSETH:

WHEREAS, the CITY finds that the administration of a program of grants to OWNER for a limited time in amounts equal to a portion of CITY taxes paid on real and person property, hereafter referred to as PROGRAM, would promote local economic development and stimulate business and commercial activity within the municipality and would directly establish a public purpose; and,

WHEREAS, the CITY has determined that the said PROGRAM contains sufficient controls to ensure that the above-mentioned public purposes are carried out in all transactions involving the use of public funds and resources in the establishment and administration of the PROGRAM; and,

WHEREAS, V.T.C.A., Local Government Code Chapter 380 provides statutory authority for establishing and administering the said PROGRAM, including making loans and grants of money.

NOW THEREFORE, the parties do mutually agree as follows:

1. From the execution of this AGREEMENT to the end of the AGREEMENT period, City of Carrollton real and personal property taxes shall be payable as follows:

- a. The real property to be the subject of this AGREEMENT shall be confined to the property at 4488 Plano Parkway, Carrollton, Texas 75010 (as described in the attached property description marked EXHIBIT B), hereinafter referred to as PREMISES.
- b. BASE YEAR VALUE shall mean the assessed value of the real and personal property on PREMISES on January 1 of the year 2015.
- c. Value of ineligible property shall be fully taxable; additional value of new eligible IMPROVEMENTS shall be fully taxed but used in the calculation of the grant in this PROGRAM; and all real and personal (and inventory) property shall be fully taxed at the end of this AGREEMENT.
- d. Values shall be the same as the value of such property as determined annually by the Denton Central Appraisal District, subject to the appeal procedures set forth in the V.T.C.A. Tax Code. Any decrease in value after appeal is subject to recalculation of the appropriate amount of the grant from the City under this AGREEMENT. If the City has already issued the grant to the OWNER based on the larger value, payment to the CITY by OWNER of such difference shall be remitted within 60 days to CITY after final determination of appeal.

2. Subject to the terms and conditions of this AGREEMENT, and subject to the rights of holders of any outstanding bonds of the CITY, CITY shall make grants pursuant to the PROGRAM to the OWNER in amounts equal to 50% of the City of Carrollton real and personal property taxes assessed and paid upon value of real and personal property for the years 2016, 2017, 2018, 2019 2020, 2021, and 2022 less the BASE YEAR VALUE since this

incentive is for real and personal property values established after the Base Year 2015. Any increase in real and personal property value after Base Year 2015 will be rebated as described in this section. The CITY shall make such grants in accordance with this AGREEMENT to the OWNER within 60 days of full payment of all taxes by OWNER to the CITY on the PREMISES.

3. OWNER shall thereafter, from the date of execution of this AGREEMENT until the expiration of the grant agreement, make such IMPROVEMENTS, including but not limited to \$7.4 Million in real property improvements on the PREMISES, and continuously operate, occupy and maintain the PREMISES for the following described purpose, hereinafter referred to as the PURPOSES: headquarters/office/warehouse/manufacturing operations.

4. In the event that (1) OWNER allows its real and/or personal property taxes owed the CITY for the PREMISES to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of any such real and/or personal property taxes; or (2) OWNER breaches any of the terms or conditions of the AGREEMENT, then the OWNER shall be in default of this AGREEMENT. In the event that the OWNER defaults in its performance of (1) or (2) above, then the CITY shall give the OWNER written notice in accordance with paragraph 8 below of such default. If OWNER has not cured such default or obtained a valid waiver thereof from the appropriate authority with a thirty (30) day period owing to causes beyond the control of the OWNER, this AGREEMENT may be terminated by the CITY. Notice of termination shall be in writing as provided in paragraph 8 below. In the event of termination pursuant to the provisions of the paragraph, the CITY will not make a grant to the OWNER, pursuant to this AGREEMENT, for the calendar year during which the default occurred or any years thereafter, but there shall be no recapture of grants that were issued to OWNER in prior years.

5. The terms and conditions of this AGREEMENT are binding upon the successors and assigns of all parties hereto. This AGREEMENT cannot be assigned by OWNER unless written permission is first granted by the City Manager on behalf of CITY. CITY's consent to assignment of the AGREEMENT to a tenant or lessee of OWNER, for a grant in the amount of 50% of the City of Carrollton real and personal property taxes assessed and paid by tenant or lessee upon value of real and personal property for the years 2016, 2017, 2018, 2019, 2020, 2021, and 2022 (unless terminated earlier) less the BASE YEAR VALUE shall not be unreasonably withheld, so long as OWNER's lessee or tenant agrees in writing to be bound by all terms and conditions of this AGREEMENT.

6. It is understood and agreed between the parties that the OWNER, in performing its obligations thereunder, is acting independently, and the CITY assumes no responsibilities or liabilities in connection therewith to third parties, and OWNER agrees to indemnify and hold CITY harmless therefrom; it is further understood and agreed among parties that the CITY, in performing its obligations hereunder, is acting independently, and the CITY assumes no responsibilities in connection therewith to third parties.

7. The OWNER further agrees that the CITY, its agents and employees, shall have reasonable rights of access to the PREMISES to inspect the property in order to ensure that the facility is in accordance with all applicable agreements with the CITY, including this AGREEMENT, and all applicable state and local laws and regulations, as well as the continuing right, subject to OWNER's reasonable security requirements, to inspect the PREMISES to ensure

that the PREMISES are thereafter maintained, operated, and occupied in accordance with all applicable agreements with the CITY.

8. Notices required to be given to any party to this AGREEMENT shall be in writing and shall be duly served when it shall have been deposited, enclosed in a wrapper with proper postage prepaid thereon, addressed to the party at its address as set forth below, and shall be deemed to have been received three days after the date deposited in the United States Mail:

For CITY by notice to:

City of Carrollton
Attn: City Manager
P. O. Box 110535
Carrollton TX 75011-0535

With copy to:

City Attorney
P. O. Box 110535
Carrollton TX 75011-0535

For Owner by notice to:

Rae Liu
Manager
RDL Property Genpar, LLC
4488 Plano Parkway
Carrollton, TX 75010

Any party may change the address to which notices are to be sent by giving the other parties written notice in the manner provided in this paragraph.

9. On the first day of February, 2016, and annually thereafter on the first day of February, OWNER shall certify to the CITY its compliance with each applicable term of this AGREEMENT on that date and, if applicable, for the previous year.

10. This AGREEMENT was authorized by action of the City Council, authorizing the City Manager to execute the AGREEMENT on behalf of the CITY. This action by the Council was at a meeting open to the public, and that public notice of the time, place and purpose of said meeting was given, all as required by Texas Open Meetings Act, V.T.C.A. Government Code, Chapter 551.

11. This shall constitute a valid and binding AGREEMENT between the CITY and RDL Property, LP. upon execution, and the terms and conditions are binding upon the successors and assigns of all parties hereto.

12. OWNER warrants to the best of its knowledge that the PREMISES do not include any property that is owned by a member of the City Council or any board, Commission or other governmental body approving or having responsibility for the approval of this AGREEMENT.

13. If any provision of this AGREEMENT or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, and such invalidity or unenforceability does not destroy the basis of the bargain between the parties, then the remainder of this AGREEMENT and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

14. Venue of any action to enforce any of the provisions hereof shall lie exclusively in Denton County, Texas. The laws of the State of Texas shall apply in all respects to interpretation of the AGREEMENT.

15. This AGREEMENT has been executed by the parties in multiple originals, each having full force and effect.

EXECUTED the _____ day of _____, 2015.

ATTEST:

CITY OF CARROLLTON, TEXAS

Krystle Nelinson, City Secretary

Leonard Martin, City Manager

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Meredith Ladd
City Attorney

Thomas Latchem
Director of Economic Development

Rae Liu
Manager
RDL Property, LP
4488 Plano Parkway
Carrollton, TX 75010

State of Texas

County of _____

This instrument was acknowledged before me on the _____ day of _____, 2015 by
Rae Liu, RDL Property, LP

Notary Public

Printed or Typed Name of
Notary Public

My commission expires:
