

ORDINANCE NO. _____

AN ORDINANCE APPROVING AN ECONOMIC DEVELOPMENT AGREEMENT UNDER CHAPTER 380 OF THE LOCAL GOVERNMENT CODE TO PROMOTE ECONOMIC DEVELOPMENT AND TO STIMULATE BUSINESS ACTIVITY AND ECONOMIC GROWTH OF THE CITY OF DENTON BETWEEN THE CITY OF DENTON AND ENINETECH NORTH AMERICA CORPORATION, REGARDING THE EXPANSION OF OPERATIONS AND INCREASE IN THE NUMBER OF JOBS IN THE CITY OF DENTON; AUTHORIZING THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on August 27, 2024, Enginetech North America Corporation (the “Applicant”) submitted an application to the City of Denton (“City”) for economic development incentives under Chapter 380 of the Texas Local Government Code for a headquarters and job-based grant to expand its business and increase the number of high-wage or knowledge-based jobs in the city (the “Grant Application”); and

WHEREAS, the Grant Application was reviewed and an economic development incentive was subsequently recommended by the Economic Development Partnership Board on November 13, 2024, as compliant with the City of Denton’s Chapter 380 Incentive Policy (Resolution No. 20-504, as adopted, on March 17, 2020) and the City Council hereby also finds compliance therewith; and

WHEREAS, City and the Applicant have negotiated a Chapter 380 Economic Development Agreement to reflect the terms of the incentive, a copy of which is attached hereto and made a part hereof by reference (the “Agreement”); and

WHEREAS, the City Council of the City of Denton hereby finds that the proposed purposes and considerations provided for in the Grant Application and the Agreement, and the other terms and conditions of the Agreement, will promote economic development, increase employment, and stimulate business and commercial activity within the City of Denton for the benefit of the public and therefore meet the requirements under Chapter 380 of the Texas Local Government Code; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON, TEXAS HEREBY ORDAINS:

SECTION 1. The recitals contained in the preamble of this Ordinance are found to be true and are incorporated into the body of this Ordinance.

SECTION 2. The City Manager, or their designee, is hereby authorized to execute the Agreement attached hereto on behalf of the City of Denton and to carry out the City’s responsibilities and rights under the Agreement, including without limitation the authorization to make the expenditures set forth in the Agreement.

SECTION 3. This Ordinance shall become effective immediately upon its passage and approval.

The motion to approve this Ordinance was made by _____ and seconded by _____, the Ordinance was passed and approved by the following vote [___ - ___]:

	Aye	Nay	Abstain	Absent
Gerard Hudspeth, Mayor:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Paul Meltzer, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2024.

GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY:  _____
Scott Bray
Deputy City Attorney

THE STATE OF TEXAS §

COUNTY OF DENTON §

ECONOMIC DEVELOPMENT AGREEMENT WITH
ENGINETECH NORTH AMERICA CORPORATION

This Economic Development Agreement (this “Agreement”) is made and entered into as of the Effective Date as defined herein by ENGINETECH NORTH AMERICA CORPORATION (“Grantee”), a Texas corporation located at 2025 N. Masch Branch Rd., Suite 125, Denton, TX, 76207, and the CITY OF DENTON (“City”), a Texas home-rule municipal corporation, located at 215 E. McKinney St., Denton, Texas, 76201, for the purposes and considerations stated below. Grantee and City may be individually referred to as a “Party” and collectively as the “Parties.”

WHEREAS, this Agreement is authorized pursuant to Article III, Section 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code (the “Act”) to promote local economic development and to stimulate business and commercial activity in the City of Denton; and

WHEREAS, Grantee intends to locate their business and increase the number of high-wage or knowledge-based jobs in the City of Denton; and

WHEREAS, on or about August 28, 2024, Grantee submitted an application to the City to request economic development incentives pursuant to the Act (the “Grant Application” as shown in **Exhibit A** attached hereto and incorporated herein for all purposes); and

WHEREAS, the Grant Application was reviewed by the Economic Development Partnership Board (the “EDP Board”) in accordance with the City of Denton Chapter 380 Policy on November 13, 2024, and the EDP Board found the Grant Application meets the qualifications for financial incentives and recommended approval of the proposed incentives unanimously; and

WHEREAS, the City Council of the City of Denton (“City Council”) desires to provide an incentive in the form of a grant to the Grantee to locate their business and jobs in the City of Denton and hereby finds that the contemplated use of funds to be provided will promote economic development, increase employment, and stimulate business and commercial activity within the City of Denton for the benefit of the public and therefore meets the requirements under Chapter 380 of the Texas Local Government Code; and

WHEREAS, the City Council has determined that a grant of funds in accordance with the terms of this Agreement will directly establish a public purpose and that all transactions involving the use of public funds and resources in the establishment and administration of this Agreement contain controls likely to ensure that the public purpose is accomplished; and

NOW, THEREFORE, the City and Grantee for and in consideration of the promises contained herein do hereby contract, covenant, and agree as follows:

I.
DEFINITIONS

“Annual Salary” means wages, paid bonuses, commissions, incentive pay or any other amounts that are included when reporting to the Texas Workforce Commission or Internal Revenue Service for unemployment insurance or tax purposes.

“Business Personal Property” means taxable property associated with the Project other than Real Property and excluding inventory, vehicles, and supplies.

“Certificate of Occupancy” or “CO” means a Certificate issued by the Building Official for the use of a building, structure or land, when it is determined by the Building Official that the building, structure or proposed land use complies with the provisions of all applicable Codes of the City of Denton pursuant to the Denton Development Code Subchapter 23-5.

“City” means the City of Denton, a home-rule municipal corporation located at 215 E. McKinney, Denton, Texas 76201.

“Coverage Period” means a year indicated in Table III-1, with Year 1 meaning the calendar year 2024 and the following years corresponding to the respective subsequent calendar year.

“Eligible Job” means a Job which is paid an Annual Salary of at least Sixty-Five Thousand Dollars (\$65,000) per year and includes a standard employee benefits package.

"Established Resident" means an individual hired by applicant/grantee with a primary dwelling place inside the corporate limits of the City of Denton at the time an employment application was submitted and/or the date the employee was offered the position with Grantee.

“Grantee” has the meaning provided in the preamble of this Agreement.

"Job" means a permanent, full-time employment position that has provided or will result in employment of at least 2,080 hours per position per year. Part-time positions may be aggregated to create a full-time position for consideration in this Agreement.

“Job Grant” means a grant made on the basis of the number of Eligible Jobs added by the Grantee pursuant to Article IV and V of this Agreement.

“Knowledge-based Jobs” means occupations which require specialized and theoretical knowledge, usually acquired through a college education or through work experience or other training which provides comparable knowledge: require some research, analysis, report writing, and presentations; or require special licensing, certification, or registration to perform the job task.

“Headquarters Grant” has the meaning given in Section III.F of this Agreement.

The “Premises” means the property located at 2025 N. Masch Branch Road, Suite 125, Denton, TX, 76207 at which Grantee intends to establish its North American headquarters.

“Residency Bonus” has the meaning given in Section III.B of this Agreement.

II. GRANT CONDITIONS

Grantee shall satisfy the following conditions to receive the grant payments from the City provided in Article IV and V, and to avoid termination of this Agreement pursuant to Article VIII:

A. Grantee covenants and agrees with the City that the City’s obligations under this Agreement are subject to the fulfillment of the Grantee’s obligations under this Agreement, and Grantee hereby agrees to perform and comply with the terms, conditions, and provisions of this Agreement and in all other instruments and agreements, if any, between Grantee and the City with respect to the financial or other incentives provided herein.

B. Grantee exists and is duly authorized and in good standing under the laws of the State of Texas, and shall remain so during the term of this Agreement.

C. In the event of any conflict between the City of Denton Code of Ordinances and federal, state, or other local regulations, and this Agreement, such ordinances and/or regulations shall control.

D. In accordance with Chapter 2264 of the Texas Government Code, Grantee covenants and certifies that Grantee shall not knowingly employ any person who is not lawfully admitted for permanent residence to the United States or who is not authorized under law to be employed in that manner in the United States (“Undocumented Worker”). During the term of this Agreement, Grantee shall notify the City of any complaint brought against Grantee alleging that Grantee has knowingly employed Undocumented Workers. In accordance with section 2264.052 of the Texas Government Code, if Grantee is convicted of a violation of 8 U.S.C. section 1324a(f) for employing an Undocumented Worker, all grant payments shall be terminated, and Grantee shall repay the amount of all grants with interest of ten percent (10%) per annum from the date the grant payment(s) was made. Repayment shall be paid within 120 days after the date Grantee receives notice of such conviction from the City.

E. For the eight (8) years following the Effective Date of this Agreement, Grantee must maintain its North American headquarters and principal place of business within the corporate limits of the City of Denton. For the avoidance of doubt, nothing herein precludes Grantee from maintaining satellite offices in any location, provided the headquarters and principal place of business remain within the corporate limits of the City of Denton.

F. Grantee shall not fail to render for taxation any property located within the City of Denton, nor shall it allow the ad valorem taxes owed to the City on any property owned by the

Grantee and located within the City of Denton to become delinquent beyond the last day they can be paid without assessment of penalty, as such date is generally extended to allow for any appeal.

G. Grantee shall not allow any other municipal fees, levies, assessments, bills, or fines to become delinquent.

H. Grantee shall not discriminate in employment and contracting based on race, sex, sexual orientation, gender identity, age, disability, creed, color, genetics, or national origin, and shall not violate any applicable anti-discrimination laws in connection with Grantee's business.

I. Grantee agrees to use good faith efforts to purchase and select goods, services, and contractors from businesses located in the City of Denton whenever such goods, services, and contractors are comparable in availability, quality, and price. In the selection of contractors, suppliers, or other persons proposed for work on this Agreement, Grantee agrees to use its good faith efforts to select and employ historically underutilized businesses for work on this Agreement, whenever such vendors are comparable in availability, quality and price; however, Grantee is not required to use such vendors. Grantee is not required to but may submit information related to any good faith efforts as it relates to the local procurement of goods and services or the use of historically underutilized businesses with its annual Certificate of Compliance.

III. TERMS OF GRANTS

A. The City agrees to provide the Grantee a Job Grant in the amount shown in TABLE V-1 for each new Eligible Job or Knowledge-based Job added in the applicable Coverage Period as shown in TABLE III-1. The total amount of the Job Grant shall not exceed One Hundred Ninety-Four Thousand Dollars (\$194,000) over the term of this Agreement. The calculation of the Job Grant payment amount for any Coverage Period as shown in TABLE III-1 and the schedule of payments shall be made in accordance with Articles IV and V.

B. Grantee will create at least 133 new Jobs not later than March 31, 2029, and shall maintain at least 133 Jobs for the remaining term of the Agreement.

C. City will provide a Residency Bonus to Grantee in the amount of \$500 for each new Job added that is held by an Established Resident in the applicable Coverage Period as shown in TABLE III-1 if the Grantee provides documentation of such employee's residency in the City of Denton corporate limits during the applicable Coverage Period. A Job is not required to be an Eligible Job to qualify for the Residency Bonus. The total amount of the Residency Bonus shall not exceed Sixteen Thousand Dollars (\$16,000) over the term of this Agreement.

D. To receive a Job Grant or Residency Bonus payment for a Coverage Period, the Grantee must submit the annual Certificate of Compliance in a form approved by the City and which contains all information required by this Agreement, along with all documentation required in Section IV.B of this Agreement, on or before the corresponding Certification Due date provided in TABLE III-1 below:

TABLE III-1	
Coverage Period	Certification Due
Year 1	March 31, 2025
Year 2	March 31, 2026
Year 3	March 31, 2027
Year 4	March 31, 2028
Year 5	March 31, 2029

E. If at any time during the term of this Agreement Grantee fails to maintain the total number of Eligible Jobs from all previous Coverage Periods, the Grantee is ineligible for the Job Grant payment until the Eligible Job numbers exceed the level prior to reduction. Only Eligible Jobs added in excess of the highest number of Eligible Jobs which existed prior to the reduction will be considered in the calculation of a Job Grant.

F. The City will provide a Headquarters Grant to Grantee in an amount not to exceed Fifty Thousand Dollars (\$50,000) upon Grantee’s successful completion of building improvements resulting in receiving a Certificate of Occupancy from the City of Denton for the Premises, and Grantee’s successful press release announcing the new North American headquarters in Denton, Texas located at the Premises, subject to the terms of this Agreement. The Grantee may request payment of the Headquarters Grant, or a portion thereof, during the term of this Agreement after the Certificate of Occupancy has been received by Grantee by submitting a written request that includes a copy of the Certificate of Occupancy and the press release. A request for the portion of the Headquarters Grant may be made up to once every six (6) months during the term of this Agreement.

G. The City will provide an Ad Valorem Tax Grant equal to 50% of the City’s portion of ad valorem tax of the Business Personal Property on the Premises (excluding inventory, vehicles and supplies, and increases to land value) as determined by the Denton Central Appraisal District (DCAD), paid annually for a period of five (5) years, commencing the first year following receipt by Grantee of the new Certificate of Occupancy after the Base Year, in an amount not to exceed Seventy-Nine Thousand, Five Hundred, Forty-Five Dollars (\$79,545.00).

H. The total amount of the Job Grant, Residency Bonus, Headquarters Grant, and Ad Valorem Tax Grant shall not exceed Three Hundred Thirty-Nine Thousand, Five Hundred Forty-Five Dollars (\$339,545).

I. The Job Grant, Residency Bonus, and Headquarters Grant provided for in this Agreement shall be subject to annual appropriation by the City Council in the annual budget and the City’s obligations under this Agreement shall not constitute a general obligation of the City or indebtedness under the constitution or laws of the State of Texas.

IV.
PAYMENTS OF GRANTS

A. The Headquarters Grant payment, or a portion thereof, will be paid to Grantee within sixty (60) days of City's receipt of the written request for payment of the Headquarters Grant from Grantee with appropriate documentation, provided the other requirements for payment of the Headquarters Grant provided herein have been satisfied.

B. The City will pay the Job Grant and Residency Bonus requested pursuant to the requirements of this Agreement within 60 days of receiving the request, Certificate of Compliance, and the following documentation:

- Annual employment roster from Grantee's payroll systems or other document requested by the City that includes titles of positions, employee address, total salary per employee, total benefits amount paid by the employer per employee and total compensation (Salary + Benefits) amount per employee; and
- The date on which each Job was filled and if Grantee has received a Residency Bonus payment for that Job.

C. The City shall pay the Ad Valorem Tax Grant annually for a period not to exceed five (5) years during the term of this Agreement, with the first payment being due and payable on or before 90 days after the City is in receipt of all City ad valorem taxes due as of January 1st of the year following the calendar year in which a Certificate of Occupancy is issued by the City, for the business personal property category breakdown provided by DCAD.

D. Any grant payment by the City contemplated in this Agreement shall be issued to Enginetech North America Corporation unless an approved assignment occurs under Article XVII herein, and in which case payment shall be directed to the entity assigned rights under this Agreement.

V.
CALCULATION OF INSTALLMENT PAYMENTS

A. The Job Grant for a Coverage Period, if any, shall be calculated by multiplying the number of new Eligible Jobs added in the Coverage Period by the "Grant Amount per Eligible Job" in Table V-1.

TABLE V-1	
Annual Salary Ranges	Grant Amount Per Eligible Job
\$65,000 to \$74,999.99	\$500
\$75,000 to \$89,999.99	\$1,000
\$90,000 to \$99,999.99	\$2,500
\$100,000 or greater	\$5,000

B. There is no cap on the Job Grant payments for any Coverage Period, so long as the cumulative Job Grant payments do not exceed One Hundred Ninety-Four Thousand Dollars (\$194,000) over the term of this Agreement.

C. The Residency Bonus shall be calculated by multiplying the total number of new Jobs established in any Coverage Period which Grantee can successfully demonstrate are held by an Established Resident during the applicable “Coverage Period” by Five Hundred Dollars (\$500).

D. There is no cap on the Residency Bonus payment for any Coverage Period so long as the cumulative Residency Bonus payments do not exceed Sixteen Thousand Dollars (\$16,000) over the term of this Agreement.

VI.
OTHER GRANTEE OBLIGATIONS

A. Grantee shall deliver to the City before March 31st of each year their written request for incentive payment, if any, the Certificate of Compliance, and any other documentation required by this Agreement or requested by the City, beginning on the year following issuance of the Certificate of Occupancy and each year thereafter during the term of this Agreement. Said written request and required documentation shall reflect all relevant information from the previous calendar year. Grantee shall warrant to the City in its Certificate of Compliance that it is in full compliance with its obligations under this Agreement for the preceding year, unless an approved assignment occurs under Article XVII herein, and in which case payment shall be directed to the entity assigned rights under this Agreement.

B. Grantee shall submit to the City documentation supporting Grantee’s request and demonstrating proof of Eligible Jobs, Knowledge-based Jobs, and Residency Jobs in accordance with the terms of this Agreement adequate to justify Grantee’s receipt of the Job Grant and Residency Bonus. A failure to provide the supporting documentation by the “Certification Due” date set forth in TABLE III-1, may, in the sole discretion of the City, result in Grantee being ineligible to receive the Job Grant and Residency Bonus for the applicable Coverage Period.

C. A condition of the Ad Valorem Tax Grant is that, by December 31, 2027, Grantee shall have made a capital investment in tangible personal property (excluding inventory, vehicles, and supplies) on the Premises of at least \$4,000,000, as determined by DCAD. The City may, in its sole discretion, grant an extension of up to 180 days for the making of the investment. Grantee

shall maintain the required investment for the term. If the taxable valuation of tangible personal property (excluding inventory, vehicles, and supplies) on the Premises is not at least \$4,000,000 there will be no rebate for that tax year.

VII. AUDITS AND MONITORING

A. During the term of this Agreement, the City reserves the right to conduct audits of the employment records of the Grantee related to this Agreement if, in the sole opinion of the City, such action is determined to be necessary. Grantee agrees upon reasonable advance request to furnish the City with additional records and information reasonably requested to support that the terms and conditions of this Agreement have been satisfied. Failure to provide such assistance shall be grounds for default, and City may withhold any Job Grant, Residency Bonus, and Headquarters Grant payment until such assistance is provided. During the term of this Agreement, the City will keep, or cause to be kept, copies of all documentation or employment records provided by the Grantee, payments made to Grantee, and any other calculations, allocations, and payments required by this Agreement.

B. Grantee shall provide access and authorize inspection of the Property by authorized City representatives for the purpose of ensuring Grantee's compliance with the obligations set forth in this Agreement and to ensure compliance with the conditions precedent to making payments of any Grant. Such inspections shall not unreasonably interfere with Grantee's business activities. Such inspections shall be in addition to, and not in place of, any inspections required by ordinance for construction on the Property and the like.

C. This Article VII shall survive termination of this Agreement for six (6) months.

VIII. DEFAULT AND TERMINATION

A. If a party fails to perform any of its obligations under this Agreement and such failure is not cured within thirty (30) days after written notice, the failure of the non-performing party to cure within such thirty (30) day period (or to commence and continue diligently to cure such default if the nature of the failure cannot reasonably be cured within 30 days in the exercise of all due diligence) shall constitute a default under this Agreement. A default by Grantee shall entitle the City to all remedies available at law or in equity, including but not limited to, termination of this Agreement, injunctive relief, specific performance, and suspending or withholding Job Grant, Residency Bonus, Headquarters Grant, and Ad Valorem Tax Grant payments. A default by the City shall entitle Grantee as its sole remedy to seek specific performance of the terms of this Agreement.

B. The Property shall be operated and maintained for the purposes set forth herein except as otherwise authorized or modified by this Agreement. The City shall have the right to terminate the Agreement if the Grantee does not occupy and operate the premises continuously for the purposes set forth in the Agreement for the entire term of the Agreement.

C. If the City terminates this Agreement due to the Grantee’s breach pursuant to Section VIII.A above within the first five (5) years of the Effective Date, the Grantee shall, upon demand by City, repay to City the full amounts of any Job Grant, Residency Bonus, or Ad Valorem Tax Grant paid to Grantee for the most recent past Coverage Period for which payment was made as shown in **Table VIII-1**. Repayment of grant payments shall become due 60 days following Grantee’s receipt of such demand, and shall accrue interest if overdue at the rate of the lesser of either 10% per annum or the greatest rate which may be charged or collected under applicable law. In the years following the end of the initial five-year recapture period contained herein, Grantee shall refund to City the percentage of the amount of any Job Grant, Residency Bonus, and Ad Valorem Tax Grant payment paid to Grantee in Year 5, as shown in **Table VIII-1** below. The rights of the City to require recapture and demand repayment of grant payments, and the obligation of Grantee to pay such, shall survive termination of the Agreement as shown in Table VIII-1.

TABLE VIII-1

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Refund to City	100%	100%	100%	100%	100%	50%	25%	15%

IX.
INDEMNITY

IT IS UNDERSTOOD AND AGREED THAT GRANTEE IN PERFORMING ITS OBLIGATIONS HEREUNDER IS ACTING INDEPENDENTLY AND THE CITY ASSUMES NO RESPONSIBILITIES OR LIABILITIES IN CONNECTION THEREWITH TO THIRD PARTIES AND GRANTEE AGREES TO DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY FROM AND AGAINST ANY AND ALL DIRECT AND OUT-OF-POCKET DAMAGES INCURRED BY THE CITY RESULTING FROM CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER BROUGHT BY ANY THIRD PARTY ARISING OUT OF GRANTEE’S OBLIGATIONS HEREUNDER.

X.
REPRESENTATIONS AND WARRANTIES BY THE CITY

The City represents and warrants that:

A. The City is a home rule Texas municipal corporation that has the power to enter into and has taken all actions to date required to authorize this Agreement and to carry out its obligations hereunder; and

B. This Agreement constitutes a valid and binding obligation of the City, enforceable according to its terms, except to the extent limited by governmental immunity and bankruptcy, insolvency, and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity.

C. The funds granted by the City are derived from sources lawfully available to the City and are not proceeds of bonds or other obligations of the City payable from ad valorem taxes.

XI.
REPRESENTATIONS AND WARRANTIES BY GRANTEE

Grantee represents and warrants that:

A. Grantee is a Texas corporation duly registered and validly existing under the laws of the State of Texas and is, or will prior to the Effective Date of this Agreement, be qualified to do business in the State of Texas; has the legal capacity and the authority to enter into and perform its obligations under this Agreement; and

B. The execution and delivery of this Agreement and the performance and observance of its terms, conditions and obligations have been duly and validly authorized by all necessary action on its part to enter into this Agreement; and

C. Grantee knows of no litigation, proceeding, initiative, referendum, or investigation or threat of any the same contesting the powers of the City, Grantee or any of its principals or officials with respect to this Agreement that has not been disclosed in writing to the City; and

D. Grantee has the necessary legal ability to perform its obligations under this Agreement and has the necessary financial ability, through borrowing or otherwise, to construct improvements on the portions of the property that Grantee may acquire or improve in accordance with this Agreement. This Agreement constitutes a valid and binding obligation of Grantee, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity.

XII.
RIGHTS OF LENDERS AND INTERESTED PARTIES

The City is aware that financing for Grantee may be provided, in whole or in part, from time to time, by one or more third parties, including, without limitation, lenders, major tenants, equity partners and purchasers or developers (individually, an "Interested Party" and collectively,

“Interested Parties”). In the event Grantee fails to perform any of its obligations under this Agreement, all notices to which Grantee is entitled under XVIII of this Agreement shall be provided to the Interested Parties at the same time they are provided to Grantee (provided the Interested Parties have previously been identified to the City and provided their notice addresses to the City). If any Interested Party is permitted under the terms of its agreement with Grantee to cure the event of default and/or to assume Grantee's position with respect to this Agreement, the City agrees to recognize such rights of the Interested Party and to otherwise permit the Interested Party to cure the event of default and to assume all of the rights and obligations of Grantee under this Agreement. The City shall, at any time upon reasonable request by Grantee, provide to any Interested Party an estoppel certificate or other document evidencing that this Agreement is in full force and effect and that no event of default by Grantee exists hereunder (or, if appropriate, specifying the nature and duration of any existing event of default). Upon request by any Interested Party, the City will enter into a separate assumption or similar agreement with such Interested Party, consistent with the provisions of Article.

XIII. COMPLIANCE

This Agreement shall be conditioned upon and subject to compliance with applicable federal, state, and City laws, ordinances, rules, and regulations.

XIV. NO VESTED RIGHTS

The Grantee shall be subject to all applicable ordinances of the City, whether now existing or in the future arising. This Agreement shall confer no vested rights, as defined and referenced in Chapter 245 of the Texas Local Government Code, as amended, on the Grantee or property where Grantee conducts business. Grantee agrees and acknowledges that this Agreement is not required by the City for the Owner to complete the project described in the Grant Application.

XV. ENTIRE AGREEMENT; CHANGES AND AMENDMENTS

This Agreement constitutes the entire agreement of the Parties with regard to the subject matter hereof. Except as specifically provided otherwise in this Agreement, any alterations or deletions to the terms of this Agreement shall be by written amendment executed by both Parties to this Agreement.

XVI. SUCCESSORS AND ASSIGNS

This Agreement shall be binding on and inure to the benefit of the Parties, their respective successors, and assigns. Grantee may assign all or part of its rights and/or obligations in or to or under this Agreement upon written notice to the City of such assignment. The City may execute an amendment to this Agreement evidencing the assignment and the City's execution of said

amendment to the Agreement shall not be unreasonably withheld or delayed. If an assignee agrees in writing to be bound by the terms and conditions of this Agreement and executes an amendment to this Agreement stating the same, the assignor shall be released as to the obligations assigned but not as to any obligations or liabilities of the assignor to the City that arose prior to the assignment.

XVII.
NOTICE

Any notice and/or statement required or permitted to be delivered shall be deemed delivered five business days after being deposited in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses, or at such other addresses provided by the Parties in writing. Any such notice and/or statement shall also be deemed delivered when delivered by a nationally recognized delivery company (e.g., FedEx or UPS) with evidence of delivery signed by anyone at the delivery address.

If to Grantee:

Enginotech North America Corporation
Attn: Akshay Sardesai
2025 N. Masch Branch Road, Suite 125, Denton, Texas, 76207
Email: ahs@enginotech-northamerica.com

If to the City:

City of Denton
Attn: City Manager
215 E. McKinney
Denton, Texas 76201
Phone: (940) 349-8307

With a copy to:

City of Denton
Attn: City Attorney
215 E. McKinney
Denton, Texas 76201
Phone: (940) 349-8333

XVIII.
APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws and court decisions of the State of Texas. Venue for any action under this Agreement shall be the State's District Court of Denton County, Texas. This Agreement is performable in Denton County, Texas.

XIX.
BENEFIT OF AGREEMENT

This Agreement is executed solely for the benefit of the Parties and their successors and assigns, and nothing in this Agreement is intended to create any rights in favor of or for the benefit of any third party.

XX.
LEGAL CONSTRUCTION/PARTIAL INVALIDITY OF AGREEMENT

In case 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 any other provision thereof 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, upon written, mutual agreement of both parties and approval of the City Council, a provision 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.

XXI.
TERM

This Agreement shall be effective as of the Effective Date. This Agreement will terminate on the earlier to occur of (a) March 31 of the third (3rd) calendar year following the fifth (5th) Coverage Period or (b) the date of termination for default in accordance with Article VIII. After termination of this Agreement, the City shall not be liable to make any further payments to Grantee except, if applicable, payment of the Job Grant, Residency Bonus, or Ad Valorem Grant for “Year 5” as provided in TABLE III-1 for which Grantee is eligible.

EXECUTED and effective as of the _____ day of _____, 2024 (“Effective Date”), by the City signing by and through its City Manager, duly authorized to execute same by action of the City Council, and by Grantee, acting through its duly authorized officials.

CITY OF DENTON, TEXAS

SARA HENSLEY, CITY MANAGER

ATTEST:

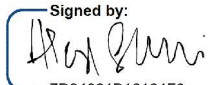
APPROVED AS TO LEGAL FORM:

 Scott Bray
Deputy City Attorney

LAUREN THODEN, CITY SECRETARY

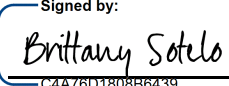
MACK REINWAND, CITY ATTORNEY

ENINETECH NORTH AMERICA CORPORATION

Signed by:
By:  _____
7D34081B16164F0...

Its: _____

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational
obligations and business terms.

Signed by:
 _____
C7A76D7803B6239...
SIGNATURE

Brittany Sotelo

PRINTED NAME

Director

TITLE

Economic Development

DEPARTMENT

Certificate Of Completion

Envelope Id: 60ACA926656E4F70AA00E0EC56DBE15B	Status: Completed
Subject: Complete with DocuSign: Enginetech Agreement Final signed.pdf	
Source Envelope:	
Document Pages: 14	Signatures: 1
Certificate Pages: 4	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Cathy Welborn
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	901B Texas Street
	Denton, TX 76209
	cathy.welborn@cityofdenton.com
	IP Address: 198.49.140.10


Record Tracking

Status: Original	Holder: Cathy Welborn	Location: DocuSign
11/25/2024 2:16:56 PM	cathy.welborn@cityofdenton.com	

Signer Events

Brittany Sotelo
 brittany.sotelo@cityofdenton.com
 Director
 Security Level: Email, Account Authentication (None)

Signature

Signed by:

 C4A76D1808B6439...
 Signature Adoption: Pre-selected Style
 Using IP Address: 198.49.140.10

Timestamp

Sent: 11/25/2024 2:18:30 PM
 Viewed: 11/25/2024 2:21:37 PM
 Signed: 11/25/2024 2:28:00 PM

Electronic Record and Signature Disclosure:
 Accepted: 11/25/2024 2:21:37 PM
 ID: fd597099-2a76-4de7-a9be-8fb82802f384

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	11/25/2024 2:18:31 PM
Certified Delivered	Security Checked	11/25/2024 2:21:37 PM
Signing Complete	Security Checked	11/25/2024 2:28:00 PM
Completed	Security Checked	11/25/2024 2:28:00 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

Certificate Of Completion

Envelope Id: BBD737999BD242A2A943633D276FE7C0	Status: Completed
Subject: Complete with DocuSign: Enginetech Agreement Final.pdf	
Source Envelope:	
Document Pages: 14	Signatures: 1
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelope Stamping: Enabled	Vanessa Esparza
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	901B Texas Street
	Denton, TX 76209
	vanessa.esparza@cityofdenton.com
	IP Address: 198.49.140.104

Record Tracking

Status: Original	Holder: Vanessa Esparza	Location: DocuSign
11/25/2024 10:26:09 AM	vanessa.esparza@cityofdenton.com	

Signer Events

Akshay Sardesai
 ahs@enginetech-northamerica.com
 CEO
 Security Level: Email, Account Authentication (None)

Signature

Signed by:

 7D34081B16164F0...
 Signature Adoption: Drawn on Device
 Using IP Address: 174.224.9.224
 Signed using mobile

Timestamp

Sent: 11/25/2024 10:32:23 AM
 Resent: 11/25/2024 12:20:07 PM
 Resent: 11/25/2024 1:56:59 PM
 Viewed: 11/25/2024 1:57:29 PM
 Signed: 11/25/2024 1:57:56 PM

Electronic Record and Signature Disclosure:
 Accepted: 11/25/2024 1:57:29 PM
 ID: 8da177f9-4479-442f-aff-3b2db98e24f7

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Brittany Sotelo
 Brittany.Sotelo@cityofdenton.com
 Director
 Security Level: Email, Account Authentication (None)
Electronic Record and Signature Disclosure:
 Accepted: 11/25/2024 11:20:33 AM
 ID: 68235764-303a-4366-b6b4-d248ee055ee5

COPIED

Sent: 11/25/2024 10:32:23 AM
 Viewed: 11/25/2024 11:22:30 AM

Brittany Sotelo
 Brittany.Sotelo@cityofdenton.com
 Director
 Security Level: Email, Account Authentication (None)
Electronic Record and Signature Disclosure:
 Accepted: 11/25/2024 11:20:33 AM
 ID: 68235764-303a-4366-b6b4-d248ee055ee5

COPIED

Sent: 11/25/2024 1:57:57 PM

Witness Events

Signature

Timestamp

Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Envelope Sent	Hashed/Encrypted	11/25/2024 10:32:23 AM
Envelope Updated	Security Checked	11/25/2024 10:33:32 AM
Certified Delivered	Security Checked	11/25/2024 1:57:29 PM
Signing Complete	Security Checked	11/25/2024 1:57:56 PM
Completed	Security Checked	11/25/2024 1:57:57 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

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Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	<ul style="list-style-type: none"> •Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

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