

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON 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 NOVARTIS GENE THERAPIES, INC., REGARDING THE EXPANSION OF OPERATIONS AND INCREASE IN THE NUMBER OF JOBS IN THE CITY OF DENTON; AUTHORIZING THE EXPENDITURE OF FUNDS THEREFOR IN AN AMOUNT NOT-TO-EXCEED \$894,688; AUTHORIZING THE CITY MANAGER TO TAKE ACTION TO FACILITATE THE REMEDIATION OF PROPERTY IN FURTHERANCE OF SAID AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on October 21, 2025, Novartis Gene Therapies, Inc. (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 relocation and job-based grant to expand their business and increase the number of high-wage or knowledge-based jobs in the city and to stimulate economic development and growth (“Grant Application”); and

WHEREAS, the Grant Application was reviewed and an economic development incentive was recommended by the Economic Development Partnership Board on November 25, 2025, as compliant with the City of Denton’s Chapter 380 Incentive Policy (Resolution No. 24-822, as adopted, on May 7, 2024) and the City Council hereby also finds compliance therewith; and

WHEREAS, City and 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 contemplated 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 meets 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 and findings contained in the preamble of this Ordinance 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. The City Manager or their designee is hereby authorized to take any affirmative steps deemed necessary by the City Manager and the City Attorney to facilitate the

remediation of, and the removal of radioactive or other hazardous material from, the Premises, as such term is defined in the Agreement.

SECTION 4. 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:	_____	_____	_____	_____
Suzi Rumohr, 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 _____, 2025.

GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, 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
NOVARTIS GENE THERAPIES, INC.

This Economic Development Agreement (this “Agreement”) is made and entered into as of the Effective Date as defined herein by Novartis Gene Therapies, Inc. (“Grantee”), a Delaware corporation authorized to do business in the State of Texas, 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 October 21, 2025, Grantee submitted an application to the City to request economic development incentives pursuant to the Act; 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 25, 2025, 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.

“Construction Materials” has the meaning set forth in Paragraph III.D of this Agreement.

“Coverage Period” means a year indicated in Table III-1, with Year 1 meaning the calendar year 2028 and the following years corresponding to the respective subsequent calendar year.

“Past-Due Tax(es)” means the delinquent Business Personal Property and Real Property taxes and associated interest and fees owed to the City for accounts associated with the Premises as determined by the Denton County Tax Office as of the Effective Date.

“Remediation Grant” has the meaning set forth in paragraph III.E of this Agreement.

“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.

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

“Improvements” means the real property improvements erected or affixed to the Premises by the Grantee, including the approximately 51,000 square foot development of the current facility on the Premises more particularly described in Exhibit B.

"Job" means a permanent, full-time employment position that has provided or will result in employment with scheduled hours of 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” has the meaning set forth in paragraph III.A 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.

“Premises” means the property located at 2101 Shady Oaks Drive, Denton, TX 76205, more particularly described in Exhibit C.

“Sales and Use Tax(es)” means the 1.5% general municipal sales and use taxes imposed by the City pursuant to Chapter 321 of Texas Tax Code.

“Sales Tax Grant” has the meaning set forth in paragraph III.D of this Agreement.

“Texas Direct Payment Permit” means a permit issued by the Comptroller allowing payment of Sales and Use Taxes directly to the Comptroller, instead of the seller collecting the Sales and Use Taxes, as authorized by Texas Administrative Code, Title 34, Chapter 3, Subchapter O, Rule Section 3.288, which is received by filing a qualifying Texas Application for Direct Payment Permit, Form AP-101 of the Comptroller.

“Texas Direct Payment Return” means Form 01-119 of the Comptroller used for reporting and paying Sales and Use Taxes directly to the Comptroller under a Texas Direct Payment Permit, or other form used for this purpose that may be required by the Comptroller in the future.

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”). Simultaneously with the execution of this Agreement, Grantee shall execute Exhibit D to certify that the Grantee does not and will not directly employ Undocumented Workers, as required by state law for economic development incentives, including tax abatements. The provisions in this Agreement regarding Exhibit D are required by Chapter 2264, Tex. Gov’t Code and shall govern over any conflicting provisions of this Agreement. 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. Grantee agrees to obtain a Texas Direct Payment Permit prior to purchasing any Construction Materials grantee wants to include in the grant, as defined below, and to thereafter pay Sales and Use Taxes for purchases relating to the construction of the Improvements using Texas Direct Payment Returns. Grantee shall only enter into “separated contracts, and not lump-sum contracts,” as those terms are defined in Texas Administrative Code, Title 34, Chapter 3, Subchapter O, Rule Section 3.291(a)(3) and (13), for construction of the Improvements.

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.

J. Grantee agrees to use good faith efforts to employ or support residents of the City and students and faculty associated with institutions such as Denton Independent School District (“DISD”), or two-year or four-year higher education institutions operating within the City. This may include job-shadowing opportunities, curriculum development support, career days, internships and fellowships, or other activities intended to enhance career and technical education and workforce development initiatives within the City. Grantee is not required to but may submit information related to any good faith efforts as it relates to the employment or support of City residents and students and faculty of DISD or two-year or four-year higher education institutions operating within the City 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 Three Hundred Thousand dollars (\$300,000) 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. Grantee has the ability to begin the Year 1 Coverage Period and subsequent Coverage Periods and Certification of Compliance deadlines up to two years later than the dates provided in TABLE III-1 if there is a delay in the project, pending approval from the City.

B. To receive a Job Grant payment for a Coverage Period, the Grantee must submit the annual Certificate of Compliance in the form attached hereto as Exhibit A which contains all information required by this Agreement, along with all documentation required in Section IV.A 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, 2027
Year 2	March 31, 2028
Year 3	March 31, 2029
Year 4	March 31, 2030
Year 5	March 31, 2031
Year 6	March 31, 2032

C. 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. Grantee shall repay to City any portions of the

Job Grant previously paid by the City that are attributable to Eligible Jobs that become vacant during the Term of this Agreement and remain vacant for more than one (1) Coverage Period.

D. The City agrees to provide the Grantee a Sales Tax Grant equal to fifty percent (50%) of the Sales and Use Taxes, up to a maximum of One Hundred Ninety-Nine Thousand Six Hundred Eighty-Eight dollars (\$199,688), paid by Grantee and actually received by the City on taxable purchases for items utilized in or incorporated into the construction, development, and furnishing of the Improvements, such items which include, but are not limited to, construction materials, furniture, fixtures, equipment, and operational supplies and equipment (collectively, the “Construction Materials”) as set forth in the Texas Direct Payment Returns submitted by Grantee to the Comptroller and verified by the City’s Economic Development and Finance Departments; provided however, that City shall not be obligated to pay any portion of the Sales Tax Grant related to Construction Materials purchased for the Improvements after the later of (i) 180 days after the date upon which a Certificate of Occupancy is issued for the Improvements, or (ii) the Required Completion Date. Grantee acknowledges and understands that: (i) the Construction Materials are required by state law to be purchased for Grantee’s own use and not resold; and (ii) labor is not taxable, so the contract(s) entered by Grantee, and desired by Grantee to be included in the calculation of the Grant amount, must be “separated contracts” rather than “lump-sum contracts” in order for the Sales and Use Tax to be eligible for payment on Texas Direct Payment Returns and included in the Sales Tax Grant calculations.

E. The City agrees to provide the Grantee a Remediation Grant equal to the lesser of one hundred percent (100%) of the Business Personal Property portion of the Past-Due Taxes that is paid to the City or Three Hundred Ninety-Five Thousand dollars (\$395,000). The Remediation Grant may be requested by Grantee during the term of this Agreement by submitting a written request that includes proof of Grantee’s successful acquisition of the Premises, relevant receipts of payment from the Denton County Tax Office proving payment of the Past-Due Taxes, relevant receipts of payment for third-party remediation services for the Premises to meet the relevant environmental standards of the Texas Department of State Health Services, or documentation from the United States, the State of Texas, or any relevant subdivision, agency, or authority thereof showing (i) the completion of the decommissioning and disposal of radioactive material on the premises or (ii) authorization to continue operations using radioactive material on the Premises.

F. A condition of the Sales Tax Grant and the Job Grant is that by December 31, 2029 (the “Required Completion Date”), Grantee shall have made the Improvements on the Premises which result in a combined assessed valuation of the improvements and tangible personal property (excluding inventory, vehicles, and supplies) on the Premises of at least \$12,000,000, as determined by the Denton County Appraisal District (DCAD). The City may, in its sole discretion, grant an extension of up to 180 days for the making of the Improvements.

G. The total amount of the Job Grant, Sales Tax Grant, and Remediation Grant shall not exceed Eight Hundred Ninety-Four Thousand Six Hundred Eighty-Eight Dollars (\$894,688).

H. Payment of any portion of the Job Grant, Sales Tax Grant, or Remediation Grant is 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 City will pay the Job Grant 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 resident zip code and city, total wages per employee (inclusive of overtime and bonus payments), annual benefits paid by the employer per employee, and total compensation (Salary + Benefits) amount per employee; and
- Documentation showing the date on which each Job was filled and if Grantee has received a bonus payment for that Job.

B. To receive the Sales Tax Grant, Grantee shall submit a written Request for the Sales Tax Grant Payment to City no later than sixty (60) days after the Required Completion Date. Grantee’s written request for payment of the Sales Tax Grant (“Request for Grant Payment”) shall include: (i) a copy of Grantee’s Texas Direct Payment Returns, with evidence of filing and payment of amounts reflected thereon, which reflect an amount to be included in the calculation of the Sales Tax Grant payment and the total Sales Tax Grant payment requested and (ii) a completed Certificate of Compliance (Exhibit A). The City will pay the Sales Tax Grant requested pursuant to the requirements of this Agreement within 60 days of receiving the request.

C. The City will pay the Remediation Grant requested pursuant to the requirements of this Agreement within 60 days of receiving the request and all relevant documentation required by this Agreement.

D. Any grant payment by the City contemplated in this Agreement shall be issued to Novartis Gene Therapies, Inc. unless an approved assignment occurs under Article XVI 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 Three Hundred Thousand dollars (\$300,000) 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 XVI 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 in accordance with the terms of this Agreement adequate to justify Grantee's receipt of the Job Grant. 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 for the applicable Coverage Period.

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, Sales Tax Grant and Remediation 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, Sales Tax Grant, and Remediation 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 during the Term of this Agreement, the Grantee shall, upon demand by City, repay to City the full amounts of any Job Grant, Sales Tax Grant, or Remediation Grant paid to Grantee for the most recent past Coverage Period for which payment was made. In the years following the final Coverage Period, Grantee shall refund to City the percentage of the amount of any Job Grant, Sales Tax Grant, or Remediation Grant payments paid to Grantee in Year 6, as shown in Table VIII-1 below. 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. 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 6 + 1	Year 6 + 2	Year 6 + 3
Refund to City	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 Delaware corporation duly registered and validly existing under the laws of the State of Delaware 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 XVII 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 XVI.

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:

Novartis Gene Therapies, Inc.
Attn: Brett Miller
30 East Willow Street, Millburn, NJ 07041
Email: brett.miller@novartis.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 of the State of Texas. Venue for any action under this Agreement shall be in a court of competent jurisdiction in 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.
FORM 1295

Submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Owner and the Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Parties understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Owner; and neither the City nor its consultants have verified such information.

XXII.
TERM

This Agreement shall be effective as of the Effective Date. This Agreement will terminate on the earlier to occur of (a) March 31st of the third (3rd) calendar year following the sixth (6th) 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 Sales Tax Grant, Remediation Grant, or Job Grant for "Year 6" as provided in TABLE III-1 for which Grantee is eligible.

EXECUTED and effective as of the _____ day of _____, 2025 ("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

By: _____
SARA HENSLEY, CITY MANAGER

ATTEST:

INGRID REX, CITY SECRETARY

APPROVED AS TO LEGAL FORM:

 Scott Bray
Deputy City Attorney

MACK REINWAND, CITY ATTORNEY

NOVARTIS GENE THERAPIES, INC.

By: _____

Its: _____

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



SIGNATURE

Brittany Sotelo

PRINTED NAME

Economic Development Director

TITLE

Economic Development

DEPARTMENT

EXHIBIT A

**CITY OF DENTON
INCENTIVE
ANNUAL CERTIFICATE OF COMPLIANCE**

NOVARTIS GENE THERAPIES, INC.

A. Payment

1. The Chapter 380 Agreement provides annual payments for up to six years based on conditions being met.

2. The City property taxes paid for January 1, 20__ valuation are:

2101 Shady Oaks Drive

Real Property: _____

Business Personal Property: _____

3. List dates and periods of filing of Texas Direct Payment Returns and the amount of City of Denton Sale and Use Taxes paid to the Comptroller with each return (attach additional page if needed):

Reporting Period	Date Return Filed	Amount Paid

B. Required Attachments

I hereby certify that, to the best of my knowledge and belief, the information provided herein is accurate and in compliance with the terms of the Economic Development Agreement with the City of Denton, Texas. I have provided a copy of all documentation needed to substantiate the job creation threshold requirement for which I am requesting a rebate payment.

Printed Name and Title of Certifying Officer

Signature of Certifying Officer

Date

Note: This form is due by March 31 of each year after the commencement date, and as long as this Agreement is in effect.

Attach employee roster as required by Economic Development Agreement.

This Certificate of Compliance should be mailed to:

City of Denton
Attn: Economic Development
401 N. Elm St.
Denton, TX 76201

EXHIBIT B

SITE PLAN



Legend — Planned Site Improvements Overview

1. **Main Production Building** — Modernize and upgrade interior for future drug product manufacturing
2. **Potential Expansion Area A (West)** — Reserved space for possible future development
3. **Potential Expansion Area B (East)** — Reserved space for possible future development
4. **Loading & Shipping Zone** — Improve truck access and material handling efficiency
5. **Quality Testing Area** — Renovate for updated testing and compliance standards
6. **Utility Systems** — Upgrade water, steam, and air infrastructure for reliability
7. **Wastewater Management** — Install improved treatment system for environmental compliance
8. **Secure Entry Area** — Enhance controlled access for safety and security
9. **Warehouse & Office Building** — Refresh exterior and interior for storage and administrative use
10. **Roadway Improvements** — Upgrade access roads for safer traffic flow and connectivity
 - **Exterior Landscaping & Aesthetics** — Add greenery, lighting, and signage for a modern, welcoming appearance

EXHIBIT C

LEGAL DESCRIPTION

Being Lot 2, Block 1, Research Addition, Denton County, Texas, Recorded by County Clerk file number 1998-R0003760, Plat Records, Denton County, Texas.

EXHIBIT D

CERTIFICATION REGARDING THE EMPLOYMENT OF UNDOCUMENTED WORKERS

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) The business receiving any public subsidies provides pursuant to this Agreement, or a branch, division, or department of the business, does not and will not knowingly employ undocumented workers. For purposes of this Certification, “Public Subsidies” means grants, loans, loan guarantees, benefits relating to an enterprise or empowerment zone, fee waivers or rebates, land price subsidies, infrastructure development and improvements designed to principally benefit a single business or defined group of businesses, matching funds, tax refunds, tax rebates, or tax abatements. For purposes of this Certification, “Undocumented worker” means an individual who, at the time of employment, is not:

- (A) lawfully admitted for permanent residence to the United States; or
- (B) authorized under law to be employed in that manner in the United States.

(2) If, after receiving the Public Subsidies provide herein, the business entity or a branch, division, or department of the business, is convicted of a violation under 8 U.S.C. to be Section 1324a(f), the business shall repay the amount of the Public Subsidy with interest to be charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas, but without the addition of a penalty, according to the terms provided by this Agreement under V.T.C.A. Government Code § 2264.053, not later than the 120th day after the date the City notifies the business of the violation.

This certification is a material representation of fact upon which reliance was placed when this Agreement was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by V.T.C.A. Government Code § 2264.

NOVARTIS GENE THERAPIES, INC.

By: _____

(Type name and title)