

**RESOLUTION NO. R24-109**

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, APPROVING AN ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT BETWEEN THE TOWN OF ADDISON AND TOPAZ LABS, LLC PROVIDING FOR A REIMBURSEMENT GRANT FOR IMPROVEMENTS IN AN AMOUNT NOT TO EXCEED \$200,000.00; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING FOR AN EFFECTIVE DATE**

**WHEREAS**, Topaz Labs, LLC (“Company”) currently operates at 14555 Dallas Parkway within the Town of Addison (“Town”), occupying approximately 7,000 square feet of office space, and has committed to expanding its operations within the Town through relocation to occupy new commercial office space located at 5100 Belt Line Road, Building 900, Addison, Texas (the “Premises”); and

**WHEREAS**, Company has committed to relocating its headquarters to the Premises, and undertaking substantial improvements, including leasing approximately 27,000 square feet of office space, investing \$2,000,000 in tenant improvements, and creating collaborative amenities valued at \$200,000 (the “Project”); and

**WHEREAS**, Company has advised the Town that a contributing factor that would induce Company to expand its operations within the Town and undertake the Project would be an agreement by the Town to provide an economic development grant to offset a portion of the project costs; and

**WHEREAS**, the City Council has determined that the Project aligns with the objectives of the Town’s program for promoting economic development and will provide an economic benefit to the Town by stimulating commercial activity, enhancing the property tax base, and fostering economic vitality within the Town; and

**WHEREAS**, that the Town is authorized by Article III, Section 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code, to provide economic development incentives to promote local economic development and stimulate business and commercial activity; and

**WHEREAS**, the City Council finds that making an economic development grant to Company in conformance herewith is in accordance with the Town’s programs for economic development and will: (i) further the objectives of the Town; (ii) benefit the Town and its inhabitants; and (iii) promote local economic development and stimulate business and commercial activity in Addison.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:**

**SECTION 1.** The City Council hereby approves the Economic Development 380 Grant Agreement between the Town of Addison and Topaz Labs, LLC in an amount not to exceed \$200,000.00, a copy of which is attached to this Resolution as **Exhibit A**. The City Manager is hereby authorized to execute said agreement.

**SECTION 2.** This Resolution shall take effect from and after its date of adoption.

**DULY RESOLVED AND ADOPTED** by the City Council of the Town of Addison, Texas, on this the **10<sup>th</sup>** day of **DECEMBER 2024.**



**TOWN OF ADDISON, TEXAS**

Signed by:  
*Bruce Arfsten*  
2CF81DF08654EA...  
Bruce Arfsten, Mayor

**ATTEST:**

DocuSigned by:  
*Valencia Garcia*  
BCF080F8048442...  
Valencia Garcia, City Secretary

**APPROVED AS TO FORM:**

Signed by:  
*Whitt Wyatt*  
BCBCE4D8115D41A...  
Whitt Wyatt, City Attorney

Exhibit A

**ECONOMIC DEVELOPMENT 380 GRANT AGREEMENT**  
Topaz Labs, LLC

This Economic Development Grant Agreement (“Agreement”) is made by and between the **Town of Addison, Texas** (“Town” or “Addison”) and **Topaz Labs, LLC** (“Company”) (each a “party” and collectively the “parties”), acting by and through their respective authorized officers.

**RECITALS:**

**WHEREAS**, Company currently operates at 14555 Dallas Parkway within the Town of Addison, occupying approximately 7,000 square feet of office space, and has committed to expanding its operations through relocation to occupy new commercial office space located at 5100 Belt Line Road, Building 900, Addison, Texas (“Premises”); and

**WHEREAS**, Company has committed to relocating its headquarters to the Premises, and undertaking substantial improvements, including leasing approximately 27,000 square feet of office space, investing \$2,000,000 in tenant improvements, and creating collaborative amenities valued at \$200,000 (the “Project”); and

**WHEREAS**, Company has advised Town that a contributing factor that would induce Company to undertake the Project would be an agreement by Town to provide an economic development grant; and

**WHEREAS**, the Town has determined that the Project aligns with the objectives of the Town’s program for promoting economic development and will provide an economic benefit to the Town by stimulating commercial activity, enhancing the property tax base, and fostering economic vitality within Addison; and

**WHEREAS**, under the authority granted by Article III, Section 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code, the Town is authorized to provide economic development incentives to promote local economic development and stimulate business and commercial activity; and

**WHEREAS**, the Town and the Company agree that the Project will contribute to sustained economic growth and vitality within the local community; and

**WHEREAS**, the Town has determined that making an economic development grant to Company in accordance with this Agreement is in accordance with the Town’s Economic Development Program and will: (i) further the objectives of Town; (ii) benefit the Town and the Town’s inhabitants; and (iii) promote local economic development and stimulate business and commercial activity in Addison.

**NOW THEREFORE**, in consideration of the foregoing, and on the terms, conditions, and consideration hereinafter acknowledged, the parties agree as follows.

**Article I**

## Exhibit A

**Definitions**

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

“Bankruptcy or Insolvency” shall mean the dissolution or termination of the Company’s existence, insolvency, or employment of receiver for any part of the Company’s property, and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors or the commencement of any proceedings under any bankruptcy or insolvency laws by or against the Company and such proceedings are not dismissed within ninety (90) days after the filing thereof.

“Casualty” shall mean the Premises are wholly or partially destroyed by fire, tornado, hurricane, earthquake, flood, or similar casualty that renders the Premises unfit for the intended purpose.

“Town” shall mean the Town of Addison, Texas.

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

“Company” shall mean Topaz Labs, LLC.

“Completion of Construction” shall mean that: (i) substantial completion of the Improvements has occurred, and (ii) the Town has conducted and completed a final inspection of the Improvements.

“Effective Date” shall mean the last date of execution hereof.

“Expiration Date” shall mean the fifth (5<sup>th</sup>) anniversary of date the Company obtains a final Certificate of Occupancy for the Premise following completion of the Improvements.

“Force Majeure” means any causes beyond the party’s respective control or because of applicable law, including, but not limited to, war, nuclear disaster, labor strikes, acts of God, fire, flood, riot, a government restriction, quarantine, or mandatory closure order enacted in response to a pandemic or other public health crises, or any other circumstance for which a party is not legally responsible or which is not reasonably within its power to control (each a “Force Majeure Event”). Except where expressly provided in otherwise in this Agreement, any party asserting Force Majeure shall give prompt notice to the other parties of the prevention of performance as soon as the asserting party is reasonably aware of such prevention and has the burden of demonstrating (i) how and why their performance was so prevented, (ii) the period of time during which they were so prevented from performing (which under the facts may be equal to, or shorter or longer than, the duration of the Force Majeure Event itself), and (iii) that the party used

## Exhibit A

reasonable efforts to mitigate and/or eliminate such prevention and resumed performance under this Agreement as soon as reasonably practicable. Notwithstanding any other provision of this Agreement, in no event shall the lack of sufficient financial resources be a basis for a claim of Force Majeure.

“Improvement Grant” or “Grant” shall mean a reimbursement grant to offset the actual costs incurred and paid by the Company for the Improvements to the Premises, to be paid as set forth herein.

“Impositions” shall mean all taxes, assessments, use and occupancy taxes, charges, excises, license and permit fees, and other charges by a public or governmental authority, general and special, ordinary and extraordinary, foreseen and unforeseen, which are or may be assessed, charged, levied, or imposed by any public or governmental authority on the Company with respect to the Premises or any property or any business owned by the Company within the Town.

“Improvements” shall mean the development of an amenity and collaborative space within the Company’s new office to be constructed on the Premises in compliance with all zoning requirements and all other applicable local, state, and federal laws or regulations.

“Payment Request” shall mean a written request from the Company to the Town for payment of the Grant accompanied by copies of financial reports, invoices, bills, receipts, and such other information, as may reasonably be requested by the Town, reflecting the actual costs incurred and paid by the Company for the construction of the Improvements as of the date of the request. The Town shall have the right to inspect the Company’s records and the Premises prior to the disbursement of any grant payments to verify and confirm that (i) the Improvements have been constructed in conformance with this Agreement, and (ii) to verify the number of Company’s full-time employees.

“Premises” shall mean the entire premises owned or leased by the Company located at 5100 Belt Line Road, Building 900, Addison, Texas, consisting of both the Premises and Improvements.

## **Article II**

### **Term**

The term of this Agreement shall begin on the Effective Date and continue until the Expiration Date, unless sooner terminated as provided in Section 5.1 herein.

## **Article III**

### **Economic Development Grant**

3.1 Improvement Grant. Subject to the obligation of the Company to repay the Grant pursuant to Section 5.2 herein, and the continued satisfaction of all the terms and conditions of this Agreement by the Company during the term of this Agreement, the Town agrees to provide the Company with an Improvement Grant in an amount not to exceed TWO-HUNDRED THOUSAND AND NO/100 DOLLARS (\$200,000.00), which shall be payable within thirty (30)

## Exhibit A

days after receipt of an approved Payment Request following the Completion of Construction of the Improvements.

3.2 Current Revenue. The Grant made hereunder shall be paid solely from lawfully available funds. Under no circumstances shall the obligations of the Town hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. The Grant shall be paid from funds of the Town consistent with Article III, Section 52(a) of the Texas Constitution. Further, the Town shall not be obligated to pay any commercial bank, lender, or similar institution for any loan or credit agreement made by the Company. None of the obligations of the Town under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender or similar financial institution.

#### **Article IV Conditions to Economic Development Grant**

4.1 Conditions of the Grant. The obligation of the Town to pay the Grant shall be conditioned upon the continued compliance and satisfaction by the Company of the terms and conditions of this Agreement and each of the Grant conditions contained in this Article IV. The following conditions shall remain in effect throughout the entire term of this Agreement following the Effective Date and continuing until the Expiration Date:

- (a) Company shall lease approximately 27,000 square feet of office space within the Premises.
- (b) Company shall expend at least \$200,000 for amenity and collaborative space improvements at the Premises.
- (c) Company shall expend at least \$2,000,000 in total tenant improvements within the Premises.
- (d) Company shall obtain a final Certificate of Occupancy (“C.O.”) for the Premises no later than twelve (12) months from the Effective Date of this Agreement. In the event that the Company experiences delays in obtaining the C.O. due to circumstances reasonably beyond its control, the City Manager may, at their sole discretion, grant an extension of the deadline for a period not to exceed an additional six (6) months. Any request for such an extension must be submitted in writing at least thirty (30) days prior to the expiration of the original deadline.
- (e) Company shall maintain a minimum of fifty (50) full-time employees (“FTE”s) at the Premises during the entire term of this Agreement.
- (f) Company shall identify the Town of Addison as its headquarters on all official marketing materials.
- (g) Company shall also assist the Town with promotional efforts such as joint press releases, granting permission to use the Company’s name and logo in Town marketing materials, and participating in video and print testimonials as mutually agreed upon by the parties, as more particularly set forth in the Marketing Participation Checklist attached hereto as **Exhibit A**.

## Exhibit A

- (h) Company shall cause Completion of Improvements in conformance with the terms of this Agreement and in accordance with the timeline, except in connection with and to the extent of an event of Force Majeure.
- (i) Company shall not have an uncured breach or default of this Agreement during the term hereof.
- (j) The Improvements shall not be demolished, removed, or substantially altered during the term of this Agreement, except upon mutual written agreement of the parties.

4.2 Payment Request; Conditions Precedent. Company shall, as a condition precedent to payment of the Grant, provide Town with a completed Payment Request that includes such information as the Town may require to verify that Company has fully satisfied and completed conditions 4.1(a), (b), and (c), above.

4.3 Source of Funding. The Grant shall be paid solely from lawfully available funds. Under no circumstances shall the obligations of the Town concerning the Grant be deemed to create any debt within the meaning of any constitutional or statutory provision. The Grant shall be paid from funds of the Town consistent with Article III, Section 52(a) of the Texas Constitution. Further, the Town shall not be obligated to pay any commercial bank, lender, or similar institution for any loan or credit agreement made by Licensee. None of the obligations of the Town under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender or similar financial institution.

## **Article V Termination; Repayment**

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

- (a) by written agreement of the parties;
- (b) Expiration Date;
- (c) upon written notice by either party in the event the other party breaches any of the terms or conditions of this Agreement and such breach is not cured within thirty (30) days after written notice thereof in accordance with this Agreement;
- (d) upon written notice by the Town, if the Company suffers an event of Bankruptcy or Insolvency;
- (e) upon written notice by the Town, if any Impositions owed to the Town or the State of Texas by the Company shall become delinquent (provided, however, the Company retains the right to timely and properly protest and contest any such Impositions); or
- (f) upon written notice by either party, if any subsequent federal or state legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal, or unenforceable.

5.2 Repayment. In the event this Agreement is terminated by the Town pursuant to Section 5.1(c), (d), (e), and (f), the Company shall immediately repay to the Town an amount equal

## Exhibit A

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

5.3 Right of Offset. The Town may, at its sole option, offset any amounts due and payable under this Agreement against any debt (including taxes) lawfully due to the Town from the Company, regardless of whether the amount due arises pursuant to the terms of this Agreement, a Related Agreement or otherwise and regardless of whether or not the debt due the Town has been reduced to judgment by a court.

## **Article VI Miscellaneous**

6.1 Binding Agreement; Assignment. This Agreement shall be binding upon and inure to the benefit of the heirs, successors, affiliates, administrators, executors, and permitted assigns of the respective parties. This Agreement may not be assigned by the Company without the prior written consent of the Town.

6.2 No Joint Venture. It is acknowledged and agreed by the parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the parties.

6.3 Authorization. Each party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement. Company represents and warrants to the Town that the Company is a duly formed, validly existing legal entity in good standing under the laws of the State of Texas and is authorized to transact business in the State of Texas.

6.4 Notice. All notices required by this Agreement shall be in writing and addressed to the parties at the addresses set forth on the signature page(s) of this Agreement (or to such other address that may be designated by the receiving party from time to time in accordance with this section). All notices shall be delivered by (a) personal delivery, (b) certified or registered mail (in each case, return receipt requested, postage prepaid), (c) nationally recognized overnight courier (with all fees prepaid), or (d) email of a PDF document containing the required notice. Such notice or document shall be deemed to be delivered or given, whether actually received or not, (i) when received if delivered or given in person, (ii) if sent by United States mail, three (3) business days after being deposited in the United States mail as set forth above, (iii) on the next business day after the day the notice or document is provided to a nationally recognized carrier to be delivered as set forth above, or (iv) if sent by email, the next business day. A confirmation of delivery report that reflects the time that the email was delivered to the recipient's last notified email address is prima facie evidence of its receipt by the recipient, unless the sender receives a delivery failure notification, indicating that the email has not been delivered to the recipient.

## Exhibit A

6.5 Entire Agreement. This Agreement is the entire Agreement between the parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written Agreement between the parties that in any manner relates to the subject matter of this Agreement.

6.6 Governing Law. This Agreement is subject to the provisions of the Charter and ordinances of the Town, as amended or modified. This Agreement shall be construed under, governed by, and is subject to the laws (including the constitution) of the State of Texas, without regard to choice of law rules, and all obligations of Company and the Town created by this Agreement are performable in Dallas County, Texas. Venue for any suit, action or proceeding under this Agreement shall lie exclusively in Dallas County, Texas. Each party hereby submits to the exclusive jurisdiction of the courts in Dallas County, Texas for purposes of any such suit, action, or proceeding hereunder. Each party waives any claim that any such suit, action, or legal proceeding has been brought in an inconvenient forum or that the venue of that proceeding is improper.

6.7 Amendment. This Agreement may be amended solely by mutual written agreement of the parties.

6.8 Legal Construction. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

6.9 Recitals. The recitals to this Agreement are incorporated herein.

6.10 Counterparts. This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

6.11 Exhibits. Any exhibits to this Agreement are incorporated herein by reference for the purposes wherever reference is made to the same.

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

6.13 Employment of Undocumented Workers. During the term of this Agreement the Company agrees not to knowingly employ any undocumented workers and if convicted of a violation under 8 U.S.C. Section 1324a (f), the Company shall repay the amount of the Grant and any other funds received by the Company from the Town as of the date of such violation within one hundred twenty (120) days after the date the Company is notified by the Town of such violation, plus interest at the rate of four (4%) compounded annually from the date of violation

## Exhibit A

until paid. The Company is not liable for a violation of this section by a subsidiary, affiliate, or franchisee of the Company or by a person with whom the Company contracts.

6.14 Statutory Verifications. Company's execution of this Agreement shall serve as its verification that:

- (a) Company (i) does not Boycott Israel and agrees that during the term of the Agreement will not Boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended; (ii) does not Boycott Energy Companies and agrees that during the term of this Agreement will not Boycott Energy Companies as that term is defined in Texas Government Code Section 809.001, as amended; and (iii) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association as those terms are defined in Texas Government Code Section 2274.001, as amended, and will not discriminate during the term of this Agreement against a firearm entity or firearm trade association; or
- (b) Company is exempt from the forgoing verification because it (i) is a sole proprietor, (ii) a nonprofit entity, (iii) a governmental entity, or (iv) has fewer than ten (10) full time employees.

6.15 Public Information Act Requirements. Company acknowledges that any and all records of Company, including but not limited to documents which describe, relate to, convey and/or illustrate the obligations, terms and conditions set forth in this Agreement may be subject to the Texas Public Information Act (the "Act"), Texas Government Code Chapter 552, as amended. Company agrees to fully and promptly cooperate with the Town in responding to requests for information received by the Town for the foregoing information pursuant to the Act. In the event Company determines that any of its information responsive to a request under the Act is confidential and/or exempt from disclosure to the public under the provisions of the Act, Company shall, at its cost, be solely responsible for asserting arguments to the Office of the Attorney General pursuant to §552.305(b) of the Act, and for filing any and all subsequent appeals relating to an opinion of the Texas Attorney General that requires disclosure of Company's confidential information. Notwithstanding the foregoing, Company agrees that the Town may, but shall be under no obligation to, submit arguments to the Attorney General relating to reasons Company's confidential information is exempt from disclosure to the public under the Act, regardless of whether Company has asserted its own arguments to the Attorney General.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK -  
SIGNATURE PAGE FOLLOWS]

Exhibit A

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the Effective Date.

For Town:

For Company

TOWN OF ADDISON, TEXAS

TOPAZ LABS, LLC

By: <sup>DocuSigned by:</sup>  
*David Gaines*  
\_\_\_\_\_  
4E64B34AC161412...  
David Gaines  
City Manager

By: <sup>DocuSigned by:</sup>  
*Eric Yang*  
\_\_\_\_\_  
65E405C3499346B...  
Eric Yang  
Title: CEO

Date: 12/13/2024  
\_\_\_\_\_

Date: 12/5/2024  
\_\_\_\_\_

Notice Address:

Town of Addison, Texas  
Attn: City Manager  
P.O. Box 9010  
Addison, Texas 75001  
E: dgaines@addisontx.gov

Notice Address:

Topaz Labs, LLC.  
Attn: Eric Yang  
14555 Dallas Pkwy  
Dallas, TX 75254

ATTEST:

By: <sup>DocuSigned by:</sup>  
*Valencia Garcia*  
\_\_\_\_\_  
BCF0B0F86484442...  
Valencia Garcia  
City Secretary

## Exhibit A

**EXHIBIT A**  
**Marketing Participation Checklist**

As part of the Agreement, Topaz Labs, LLC (“Company”) agrees to assist the Town of Addison (“Town”) with promotional and community engagement efforts. By marking each applicable checkbox, the Company provides its consent to participate in the specified activities as described.

**Joint Press Releases**

Participate in the creation and distribution of joint press releases announcing milestones such as the Company’s relocation, expansion, or community engagement efforts.

Agree

**Logo and Name Usage**

Grant permission for the Town to use the Company’s name and logo in printed and digital marketing materials related to local business development and community programs.

Agree

**Video Testimonials**

Participate in a short video testimonial highlighting the Company’s experience working with the Town. The testimonial may be used on the Town’s website, social media channels, or at Town events.

Agree

**Print Testimonials**

Provide a written testimonial or case study that can be featured in the Town’s printed marketing materials (e.g., brochures, newsletters).

Agree

**Town Website Feature**

Be featured on the Town’s official website as part of a “Business Spotlight” section, emphasizing the Company’s relocation and impact on the local community.

Agree

**Participation in Economic Development Events**

Participate in Town-sponsored economic development or business promotion events, such as ribbon-cutting ceremonies, public forums, or panels.

Agree

**Social Media Collaborations**

Collaborate with the Town on social media campaigns, including shared posts, business highlights, and community engagement content.

Exhibit A

Agree

**Community Engagement Projects**

Partner with the Town on community projects, such as charitable events, volunteer programs, or sponsorships of public services (e.g., park improvements, local charity support).

Agree

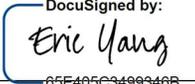
**Use of Company's Name in Town Publications**

Allow the Town to reference the Company in Town-related publications, including annual reports or development updates.

Agree

**Company's Acknowledgment and Authorization**

By marking each applicable checkbox above, Topaz Labs, LLC (Company) authorizes the Town of Addison (Town) to proceed with the selected marketing and promotional activities as outlined in this checklist, subject to the terms of the Agreement.

Company Representative Signature:  \_\_\_\_\_  
65E405C3499340B...

Date: 12/5/2024