

**ECONOMIC DEVELOPMENT AGREEMENT
BETWEEN
THE CITY OF MANSFIELD, TEXAS,
THE MANSFIELD ECONOMIC DEVELOPMENT CORPORATION,
AND
STRAUMANN MANUFACTURING, INC.**

This Economic Development Agreement (“**Agreement**”) is made and entered into by and between the City of Mansfield, Texas (“**City**”), the Mansfield Economic Development Corporation (“**MEDC**”), a nonprofit corporation organized under Title 12, Subtitle C(1) of the Texas Local Government Code (the “**Act**”), and Straumann Manufacturing, Inc., a Delaware corporation (“**Company**”). For convenience, City, MEDC, and Company may sometimes hereafter be referred to individually as a “Party” and collectively as the “Parties.”

WITNESSETH:

WHEREAS, on or about _____, the City adopted Resolution No. _____ electing to become eligible to participate in tax abatement agreements, in accordance with Section 312.002(a) of the Texas Tax Code, and subsequently has timely reaffirmed said tax abatement agreement policies; and

WHEREAS, the City also adopted and reaffirmed tax abatement guidelines and criteria, in accordance with Section 312.002 of the Texas Tax Code (hereinafter referred to as the “**City’s Tax Abatement Guidelines and Criteria**”); and

WHEREAS, the City’s Tax Abatement Guidelines and Criteria constitute appropriate guidelines and criteria governing tax abatement agreements to be entered into by the City, as contemplated by Chapter 312 of the Texas Tax Code, as amended; and

WHEREAS, on or about _____, the City Council of the City of Mansfield, Texas, adopted Ordinance No. ____ establishing a Tax Abatement Reinvestment Zone (“**Zone**”) in the City of Mansfield, Texas, for commercial-warehouse tax abatement, as authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code; and

WHEREAS, Company owns the real property located within the Zone and seeks to receive incentives from the City, including tax abatement; and

WHEREAS, the abatement of real and tangible personal property taxes within the Zone will maintain and enhance the economic and employment base of the City, thereby benefiting the City, in accordance with the Tax Abatement Guidelines and Criteria and the Property Redevelopment and Tax Abatement Act; and

WHEREAS, the City Council of the City of Mansfield, Texas, finds that the contemplated use of the Real Property, and the improvements to the Real Property as set forth in this Agreement, and the other terms hereof are consistent with encouraging continued reinvestment within the Zone in the City of Mansfield, Texas, in accordance with the purposes for its creation, and are in compliance with the City’s Tax Abatement Guidelines and Criteria, and Chapter 312 of the Texas Tax Code; and

WHEREAS, Company acknowledges and agrees that the tax abatements granted by this Agreement are contingent upon its compliance with this Agreement in accordance with the terms and conditions set forth herein; and

WHEREAS, the City also desires to provide incentives to the Company pursuant to Chapter 380 of the Texas Local Government Code in consideration of the Company locating its business to City; and

WHEREAS, the City has concluded and hereby finds that this Agreement promotes economic development in the City of Mansfield, Texas, and, as such, meets the requirements of Article III, Section 52-a of the Texas Constitution, by assisting in the development and diversification of the economy of the State of Texas and City, by eliminating unemployment or underemployment in the State of Texas and City, and will enhance business and commercial activity within the State of Texas and City; and

WHEREAS, the City finds that it is in the public interest to provide the tax abatement, the Chapter 380 grants, and other incentives contemplated by this Agreement; and

WHEREAS, the Board of Directors of the MEDC desires to provide incentives to Company in accordance with this Agreement and finds that such incentives are (i) expenditures for the creation or retention of primary jobs; (ii) required or suitable for the development of manufacturing and industrial facilities and regional corporate headquarters facilities; and (iii) constitute a "project", as that term is defined in Section 501.101 of the Act; and

NOW THEREFORE, for and in consideration of the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1 DEFINITIONS

The following words shall have the following meanings when used in this Agreement:

The terms "Agreement", "Act", "City", "City's Tax Abatement Guidelines and Criteria", "Company", "MEDC", "Parties", "Party", and "Zone" shall have the meanings provided above.

"Affiliate" means any person or entity which directly or indirectly controls, is controlled by or is under common control with Company, during the term of such control. A person or entity will be deemed to be "controlled" by any other person or entity if such other person or entity (a) possesses, directly or indirectly, power to direct or cause the direction of the management of such person or entity whether by contract or otherwise; (b) has direct or indirect ownership of at least fifty percent (50%) of the voting power of all outstanding shares entitled to vote at a general election of directors of the person or entity; or (c) has direct or indirect ownership of at least fifty percent (50%) of the equity interests in the entity.

"Base Year Tax Value" means the assessed value of the Real Property according to the Tarrant Appraisal District for Tax Year 2020.

“Capital Investment” means the actual costs attributable to the construction of the Facility and related infrastructure, including the actual construction costs of all buildings, site preparation, structures, infrastructure, utilities, landscaping and on and offsite improvements, including labor and materials, architectural and engineering costs, surveying costs, legal costs, commissions, taxes, financing costs, title fees, fees of consultants, construction management fees, permit and inspection fees. It does not include any cost reimbursed by the City or MEDC, acquisition costs of land, insurance costs, marketing costs, or any interest paid to finance the purchase of the Capital Investment.

“Certificate of Occupancy” means the document issued by the City to Company certifying the Facility’s compliance with applicable building codes and other laws, and indicating it to be in a condition suitable for occupation.

“City Grant” means the payment to be made by the City to Company pursuant to Section 4.2(a) in consideration of and as an incentive for Company locating to the City, such payment to be an amount equal to the lesser of (i) 100% of the actual Construction Costs, or (ii) Three Hundred Forty-Five Thousand and No Dollars (\$345,000.00). Funding for installation of a traffic signal pursuant to Section 4.2(b) is separate and apart from the City Grant.

“Company Records” has the meaning as described in Section 3.5 of this Agreement.

“Construction Costs” means the cost of site improvements, landscaping, site grading, labor and materials, and such other reasonable industry-standard costs attributable to the construction of the Mitchell Road Improvements, including without limitation all engineering fees and expenses required in connection therewith. The term does not include soft costs such as architectural, financing, legal fees, and other similar pre- and post-construction expenses, including the cost of land, interest on construction financing, or marketing costs.

“Effective Date” shall mean the last date this Agreement is executed by the Parties.

“Event of Bankruptcy or Insolvency” means the dissolution or termination of a Party’s existence as a going business, insolvency, appointment of receiver for any part of such Party’s property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against such Party and such proceeding is not dismissed within ninety (90) days after the filing thereof.

“Expiration Date” shall mean June 30 of the calendar year following the 10th anniversary date of the First Year of Abatement, unless sooner terminated as provided herein.

“Final Inspection” means the last inspection performed by City in order for a Certificate of Occupancy to be issued.

“Facility” means Company’s manufacturing facility to be constructed in three phases on the Real Property, as more particularly shown on the attached Exhibit “B,” and other ancillary

facilities, such as reasonably required parking and landscaping more fully described in the submittals filed by Company with the City, from time to time, in order to obtain a building permit(s).

“First Year of Abatement” shall mean Tax Year 2021.

“Force Majeure” means any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, government or de facto governmental action (unless caused by the intentionally wrongful acts or omissions of the Party), fires, explosions, floods, strikes, slowdowns or work stoppages.

“FTE” means any employee on a thirty-five (35) hour or more per week schedule or the combination of two (2) or more employees on part-time schedules equaling at least thirty-five (35) hours per week.

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

“MEDC Grants” means the grants paid by MEDC to Company in accordance with Article 5 of this Agreement.

“Mitchell Road Improvements” means the pavement improvements to Mitchell Road to the southernmost property line of the Real Property as shown on the attached Exhibit “C.”

“Payment Request” means a written request from Company to City or MEDC for payment of the City Grant or MEDC Grants, as the case may be, which request shall be accompanied by evidence reasonably satisfactory to the City to establish that Company is in compliance with this Agreement. The Payment Request must be submitted in accordance with the notice provisions of this Agreement.

“Real Property” shall collectively mean the approximate 36.363 acres of land as more particularly described on the attached Exhibit “A”.

“Related Agreement” means any agreement (other than this Agreement) by and between the City and Company.

“Tangible Personal Property” shall have the same meaning assigned by Texas Tax Code, Section 1.04, and shall mean Tangible Personal Property owned by Company, including but not limited to furniture, fixtures, leasehold improvements, vehicles and equipment located at the Real Property (or within the Facility) which, at the time of execution of this Agreement is not on the tax rolls of the City. Tangible Personal Property does not include inventory, supplies, Freeport Goods or Goods in Transit.

“Tax Year” shall have the meaning assigned to such term in Section 1.04 of the Texas Tax Code (i.e., the calendar year).

“Taxable Value” means the appraised value as certified by the Tarrant Appraisal District as of January 1 of a given year.

“Term” shall have the meaning assigned to such term in Section 2.2.

ARTICLE 2 PROGRAM AND TERM

2.1 Program. A program authorized under Chapter 380 of the Texas Local Government Code is hereby established to bring the Company to the City. The terms of this Agreement implement the program.

2.2 Term. The Term of this Agreement will commence on the Effective Date and will continue until the Expiration Date, unless sooner terminated as provided herein.

ARTICLE 3 COMPANY OBLIGATIONS

As consideration for the City’s and MEDC’s performance of their obligations in Article 4 of this Agreement, the Company agrees and covenants as follows:

3.1 Construction of Facility and Capital Investment Condition. Company agrees to construct the Facility and make a total Capital Investment of \$171,000,000 as follows:

(a) On or before March 31, 2022, Company must receive a Final Inspection for Phase 1 of the Facility and make a Capital Investment for Phase 1 of the Facility in an amount equal to at least Fifty Million Dollars (\$50,000,000.00).

(b) On or before March 31, 2026, Company must receive a Final Inspection for Phase 2 of the Facility and make a Capital Investment for Phase 2 of the Facility in an amount equal to at least Fifty-Five Million Dollars (\$55,000,000.00).

(c) On or before March 31, 2030, Company must receive a Final Inspection for Phase 3 of the Facility and make a Capital Investment for Phase 3 of the Facility in an amount equal to at least Sixty-Six Million Dollars (\$66,000,000.00).

3.2 Continuous Operation. Subject to Force Majeure, Company agrees to occupy and operate its manufacturing business in the Facility beginning on the date Company receives a Certificate of Occupancy for the Facility and continuing thereafter for the Term of this Agreement.

3.3 FTEs/Employment Condition. Company covenants and agrees that it must employ and maintain a total of 729 FTEs at the Facility as follows:

(a) Company must employ no fewer than 150 FTEs at the Facility by December 31, 2022.

(b) Company must employ no fewer than an additional 100 FTEs at the Facility no later than December March 31, 2023, and thereafter employ and maintain 250 FTEs at the Facility until December 31, 2025.

(c) Company must employ no fewer than an additional 143 FTEs at the Facility by December 31, 2026, and thereafter employ and maintain 393 FTEs until December 31, 2029.

(d) Company must employ no fewer than an additional 336 FTEs at the Facility by December 31, 2030 and thereafter employ and maintain 729 FTEs for the remainder of the Term of this Agreement.

(e) Notwithstanding the foregoing, for each \$500,000 that Company exceeds the Capital Investment requirements in Sections 3.1(b) and 3.1(c), the FTE requirements in Sections 3.3(c) and 3.3(d) shall be reduced and offset by the equivalent of 10 FTEs and Company will not be subject to the pro-rata deduction in Sections 6.1 or 6.2. For clarity and for example only, assume that on December 31, 2026 Company employed an additional 123 FTEs, invested \$56,000,000 for Phase 2 of the Facility and received a Final Inspection. Company would be 20 FTEs short of the total 143 FTE benchmark, and would be \$1,000,000 over the \$55,000,000 Capital Investment benchmark. The \$1,000,000 additional Capital Investment would offset the 20 FTE shortfall, and Company would receive the full \$250,000 payment as described in Section 5.3(e). Regardless if Company receives an offset for one benchmark, it will still be obligated to meet its subsequent FTE benchmarks, subject to an offset described in this section. So, in the foregoing example, Company would still need to reach its additional 336 FTE benchmark on December 31, 2030, and any future offset would be based on the 336 FTE benchmark.

3.4 Good Standing. Company must not have an uncured breach or default of this Agreement or a Related Agreement.

3.5 Audit. Company shall grant access to the City, or such other persons or entities designated by the City for the purposes of inspecting, at Company's office, during Company's normal business hours, paper and electronic records associated with capital investment and job creation and retention related to Company's performance of this Agreement ("Company Records"), provided that the City has provided five (5) business days prior notice, and the City or its representatives shall not unduly disrupt Company's operations.

The foregoing notwithstanding, paper and electronic records related to the performance of this Agreement shall be subject to examination or audit by the City, or such other persons or entities designated by the City in accordance with state and federal laws, regulations or directives applicable to Company's performance of this Agreement. The City agrees, to the extent allowed by law, to maintain the confidentiality of Company Records.

3.6 Undocumented Workers. Company certifies that Company, and its branches, divisions and departments, do not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, Company, or any of its branches, divisions or departments is convicted of a violation under 8 U.S.C. § 1324a(f), Company shall repay the amount of the public subsidy provided under this Agreement plus interest, at the rate of ten percent (10%), not later than the 120th day after the date the City notifies Company of the violation.

3.7 Mitchell Road Improvements. Company may elect at its discretion, and as a component of bringing its business to the City, to make the Mitchell Road Improvements. The Parties acknowledge that Company intends to privately bid the work and contract directly with its contractors. Regardless whether it makes the Mitchell Road Improvements, Company will not have to pay for improvements to Mitchell Road which are necessitated by and attributable to any proposed development adjacent to or near the Real Property.

ARTICLE 4 CITY OBLIGATIONS

Subject to Company's continued satisfaction of its obligations as required by this Agreement, and subject to the provisions of this Agreement, the City agrees to the following:

4.1 Tax Abatement.

- (a) The City grants Company an abatement of one hundred percent (100%) of the Taxable Value of the Real Property and grants Company an abatement of one hundred percent (100%) of the Taxable Value of the Tangible Personal Property, for a period of ten (10) consecutive years, beginning with the First Year of Abatement. Notwithstanding the foregoing, the actual percentage of Taxable Value of the Real Property subject to abatement for each year this Agreement is in effect will apply only to the portion of the Taxable Value of the Real Property that exceeds the Base Year Tax Value. The actual percentage of Taxable Value of the Tangible Personal Property subject to abatement for each year this Agreement is in effect will apply only to Company's Tangible Personal Property that is added to the Real Property subsequent to the execution of this Agreement.
- (b) The Real Property and Facility are not in an improvement project financed by tax increment bonds.
- (c) The Real Property is not owned or leased by any member of the City's City Council or any member of the City's Planning and Zoning Commission.
- (d) Company shall, once a Certificate of Occupancy has been obtained, before May 1 of each calendar year that the Agreement is in effect, certify in writing to the City that it is in compliance with each term of this Agreement.
- (e) The Real Property and the Facility constructed thereon at all times shall be used in

the manner (i) that is consistent with the City's Comprehensive Zoning Ordinance and all other City development and building regulations, as amended, and (ii) that, during the period taxes are abated hereunder, is consistent with the general purposes of encouraging development or redevelopment of the Zone.

(f) It shall be the responsibility of the Company to file an annual exemption application form for the Real Property and Tangible Personal Property with the Tarrant Appraisal District. A copy of the respective exemption application shall be submitted to the City upon request.

(g) Company shall annually render the value of the Tangible Personal Property to the Tarrant Appraisal District and provide a copy of the same to the City upon written request.

(h) Company will provide access to and authorize inspection of the Real Property and Facility by City employees to ensure that the Facility is constructed according to the specifications and conditions of the Agreement.

4.2 Chapter 380 Grants.

(a) In the event the Mitchell Road Improvements are made by Company within 24 months of the Effective Date and accepted by City's Engineer or authorized representative, and provided Company has met its obligations in 3.1(a) of this Agreement, the City will pay the City Grant to Company within thirty (30) days of receiving a Payment Request.

(b) The City, at its sole discretion, may choose to install one traffic signal, if warranted by a traffic study, on Heritage Parkway at Mitchell Road or the connection to US Highway 287 at no cost to Company.

4.3 Access Points. The City agrees to use its best efforts to facilitate approval from the Texas Department of Transportation for an additional access point on Highway 287 service road to support fire department access to the Real Property, as may be required, and an additional employee access point to the Real Property as required for development of Phases 2 and 3 of the Facility. All proposed street improvements and access points along Highway 287 shall be approved by the Company.

4.4 Equipment Inspections. Equipment inspections for all phases of the Facility, including any building permit applications and future renovations after all 3 phases of the Facility are complete, will be conducted and approved pursuant to the letter from the City's Chief Building Official attached hereto as Exhibit "D".

4.5 Expediated Review. The City agrees to review and process the building permits for the Facility on an expedited basis to meet Company's development schedule and Company's operational objectives, in accordance with the City's standard procedures for expedited review.

4.6 City Support. The City agrees to cooperate with Company to take all actions such as adopting resolutions of support, writing letters of support or nomination, and taking such other

actions reasonably requested by Company, in an effort to assist Company in obtaining such grants and tax incentives as the Texas Enterprise Zone Program, Skills Development Fund and Tarrant County Economic Development Property Tax Abatement Program.

4.7 Project Representative. The City agrees to provide a single point of contact throughout the Term of this Agreement to support all phases of the project relative to assistance with permitting, employee relocation, job training programs, incentives implementation, payments and compliance, and all other project requirements deemed critical by Company for development and operation of the project. Richard Nevins, City's Economic Development Director, or other City approved representative subject to Company's reasonable approval, will be the City's project representative.

ARTICLE 5 MEDC OBLIGATIONS

Subject to Company's continued satisfaction of its obligations as required by this Agreement, and subject to the provisions of this Agreement, MEDC agrees to the following:

5.1 Relocation Reimbursement. MEDC agrees to reimburse to the buyer one and one half percent (1 ½ %) of the sales price of any home purchased or built within the City of Mansfield by an employee of Company (on a one time only basis per employee), not to exceed Three Thousand Seven Hundred Fifty Dollars (\$3,750.00) per home purchased, and not to exceed a cumulative total of One Hundred Eighty-Seven Thousand and Five Hundred Dollars (\$187,500.00) for a period not to exceed ten (10) years from the Effective Date of this Agreement. Payment shall be made no later than forty-five (45) days after MEDC's receipt of a Payment Request.

5.2 Permit and Impact Fees. MEDC agrees to timely pay the cost of all building permit and impact fees associated with the initial construction and subsequent phases or expansion of the Facility including on and off-site infrastructure as required by the City on Company's behalf. MEDC is not obligated to pay any building permit fees or impact fees attributable to the repair to any phase of the Facility once already initially constructed, unless the need for such repairs or adjustments are the result of a change in state or local building codes.

5.3 Incentives Payments. Subject to the terms of this Agreement, MEDC agrees to provide additional grants to Company as follows:

(a) Provided Company has met its requirements in Section 3.1(a) and is otherwise in compliance with this Agreement, MEDC will make a payment of One Million Dollars (\$1,000,000.00) no later than thirty (30) days after receipt of a Payment Request.

(b) Provided Company has met its requirements in Section 3.3(a), and is otherwise in compliance with this Agreement, MEDC will make a payment of Five Hundred Thousand Dollars (\$500,000.00) no later than thirty (30) days after receipt of a Payment Request.

(c) Provided Company has met its requirements in Section 3.3(b), and is otherwise in compliance with this Agreement, MEDC will make a payment of Five Hundred

Thousand Dollars (\$500,000.00) no later than thirty (30) days after receipt of a Payment Request.

(d) Provided Company has met its requirements in Section 3.1(b), and is otherwise in compliance with this Agreement, MEDC will make a payment of One Million Dollars (\$1,000,000.00) no later than thirty (30) days after receipt of a Payment Request.

(e) Provided Company has met its requirements in Section 3.3(c), and is otherwise in compliance with this Agreement, MEDC will make a payment of Two Hundred Fifty Thousand Dollars (\$250,000.00) no later than thirty (30) days after receipt of a Payment Request.

(f) Provided Company has met its requirements in Section 3.1(c), and is otherwise in compliance with this Agreement, MEDC will make a payment of One Million Dollars (\$1,000,000.00) no later than thirty (30) days after receipt of a Payment Request.

(g) Provided Company has met its requirements in Section, 3.3(d), and is otherwise in compliance with this Agreement, MEDC will make a payment of Two Hundred Fifty Thousand Dollars (\$250,000.00) no later than thirty (30) days after receipt of a Payment Request.

ARTICLE 6 REDUCTION OF INCENTIVES

6.1 MEDC Grants. MEDC Grants provided by this Agreement are performance based and Company's failure to meet the Capital Investment and FTE benchmarks required in Sections 3.1 and 3.3 will not result in a default of this Agreement, but will result in a pro rata non-performance deduction of payment, the remainder of which can be earned back if the missed benchmark is met within the following twenty-four (24) months; provided, however, if the Company fails to meet the missed benchmark within twenty-four (24) months, the remainder of the payment will not be earned back. If Company earns back the remainder of a payment, MEDC will make the payment within 30 days of receiving a Payment Request. Benchmarks met early will be carried over and counted towards benchmark compliance in subsequent years. The pro-rata percentage deduction will be calculated by taking the percentage of the non-performance of the number of FTEs after adding in early benchmark surpluses and taking the percentage of the non-performance of the Capital Investment amount after adding in any early benchmark surpluses. For clarity and for example only, assume that on December 31, 2026 Company employed an additional 109 FTEs (359 total FTEs), invested \$50,000,000 for Phase 2 of the Facility and received a Final Inspection. Company would be 34 FTEs short of the total 143 FTE benchmark, and would be \$5,000,000 short of the \$55,000,000 Capital Investment benchmark. Company would have reached only 76% of its FTE benchmark and it would have only reached 90% of its Capital Investment benchmark. The \$250,000 payment attributable to FTEs would be reduced by 24% and the \$1,000,000 payment attributable to the Capital Investment will be reduced by 10%, so Company would receive \$190,000 in consideration of the FTEs employed and \$900,000 in consideration of the Capital Investment made, provided it was otherwise in compliance with this Agreement. To receive the remaining 24% of the FTE payment and 10% of the missed Capital Investment payment, Company

must employ an additional 34 FTEs and make an additional \$5,000,000 Capital Investment within the next 24 months, and otherwise be in compliance with this Agreement. Receiving a Final Inspection is a condition precedent to the \$1,000,000 payments attributable to the Capital Investment described by Sections 5.3(a), (d), and (f). So, in the foregoing example, if Company had not received a Final Inspection for Phase 2, it would not yet be entitled to any portion of the \$1,000,000, notwithstanding the \$50,000,000 Capital Investment that had been made.

6.2 Tax Abatement. The tax abatement provided by this Agreement is also performance based. If Company fails to meet the Capital Investment benchmarks in Sections 3.1, failure to do so will not be an event of default subject to termination and repayment of the abated taxes pursuant to Article 6 of this Agreement, but will result in either the reduction or forfeiture of the tax abatement for the Real Property and Tangible Personal Property for the Tax Year in which the benchmark was missed and those subsequent Tax Years in which the benchmark has not been fully satisfied, as described below. The pro-rata deduction will be calculated by and taking the percentage of the non-performance of the Capital Investment amount after adding in any early benchmark surpluses. For clarity and for example only, assume that on December 31, 2026 Company invested \$50,000,000 for Phase 2 of the Facility and received a Final Inspection. Company would be \$5,000,000 short of the \$55,000,000 Capital Investment benchmark. Company would have only reached approximately 90% of its Capital Investment benchmark and the 100% abatement for Tax Year 2025 will be reduced by approximately 10%, so Company would be entitled to approximately 90% abatement on Real Property and Tangible Personal Property for Tax Year 2025, provided it is otherwise in compliance with this Agreement. To receive the full 100% abatement for any subsequent Tax Year, Company must make an additional \$5,000,000 Capital Investment and otherwise be in compliance with this Agreement. Receiving a Final Inspection as required in Section 3.1 is a condition precedent to receiving any tax abatement under this Agreement. So, in the foregoing example, if Company had not received a Final Inspection for Phase 2, it would forfeit its right to any abatement of taxes for that Tax Year and any subsequent Tax Year in the event the Final Inspection had not occurred.

ARTICLE 7 TERMINATION; REPAYMENT; OFFSET

7.1 Termination. This Agreement terminates on the Expiration Date, and may, prior to the Expiration Date, be terminated upon any one or more of the following:

- (a) by mutual written agreement of the Parties;
- (b) upon written notice by City, if Company defaults by failing to continuously operate the Facility as required by Section 3.2, or fails to comply with its obligations under Sections 3.4 or 3.5 and such default is not cured within ninety (90) days after written notice thereof;
- (c) upon written notice by the City, if any Impositions owed to the City by Company shall have become delinquent (provided, however, Company retains the right to timely and properly protest and contest any such taxes or Impositions) and such delinquency is not cured within ninety (90) days of notice or the date which Company has exhausted its rights to protest or contest the taxes or Impositions, whichever is later;

(d) upon written notice by the City, if Company suffers an Event of Bankruptcy or Insolvency; or

(e) upon written notice by Company or the City, 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.

7.2 Repayment.

(a) Company Repayment. In the event this Agreement is terminated by the City pursuant to Section 7.1 (b), (c), or (d), Company shall immediately refund to the City and MEDC: (i) an amount equal to the amount of the employee relocation reimbursements described in Section 5.1 that have been provided by the MEDC prior to the date of such termination, plus interest at the rate of London Interbank Offer Rate (LIBOR) or if the LIBOR shall ever cease to exist or cease to announce a lending rate, then at the annual Applicable Federal Rate as published by the Internal Revenue Service accruing from the Effective Date until paid; and (ii) the amount of all Tangible Personal Property and Real Property taxes abated under this Agreement for the three (3) years prior to the year in which this Agreement is terminated.

(b) Additional Remedies. Upon termination of this Agreement by the City, all taxes abated as a result of this Agreement for the three years prior to the year in which this Agreement is terminated shall become a debt to the City as liquidated damages, and shall become due and payable not later than ninety (90) days after a notice of termination is provided. The Parties acknowledge that actual damages in the event of default would be speculative and difficult to determine. The City shall have all remedies for the collection of the abated tax provided in the Texas Tax Code for the collection of delinquent property tax. The City at its sole discretion has the option to provide a repayment schedule. The computation of the abated tax for the purposes of the Agreement shall be based upon the full Taxable Value of the Real Property and the Tangible Personal Property, without tax abatement for the years in which tax abatement hereunder was received by Company at the rate applicable for each such year to be repaid, as determined by the Tarrant Appraisal District. The liquidated damages shall constitute a tax lien against the Real Property and Company's Tangible Personal Property. Further, the liquidated damages shall incur penalties and interest as provided for delinquent taxes and shall commence to accrue after expiration of the thirty (30) day payment period.

(c) Survival of Repayment Obligations. The repayment obligations of Company set forth in this Section 7.2 shall survive termination of this Agreement except in the event of a termination pursuant to Section 7.1(a).

7.3 Offsets. The City and MEDC may, at their option, offset any amounts due and payable under this Agreement against any debt (including taxes) lawfully due to the City from 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 City has been reduced to judgment by a court.

ARTICLE 8 MISCELLANEOUS

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

8.2 Limitation on Liability. It is understood and agreed between the Parties that Company, in performing its obligations under this Agreement, is deemed to have acted independently, and the City and MEDC assume no responsibilities or liabilities to third parties in connection with these actions.

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

8.4 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.

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

If intended for City or MEDC, to: Economic Development Director
City of Mansfield
301 S. Main Street
Mansfield, Texas 76063

With a copy to: City Manager
City of Mansfield
1200 E. Broad Street
Mansfield, Texas 76063

 Drew Larkin
Taylor, Olson, Adkins, Sralla & Elam, LLP
6000 Western Place, Suite 200
Fort Worth, Texas 76107

If intended for Company, to: Straumann Manufacturing, Inc.
916 113th Street
Arlington, TX 76011
Attn: Sr. Director, Operations

With a copy to:

Straumann Manufacturing, Inc.
60 Minuteman Rd
Andover, MA 01810
Attn: Regional General Counsel

8.6 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, except as provided in any exhibits attached hereto.

8.7 Governing Law. The substantive laws of the State of Texas (and not its conflicts of law principles) govern all matters arising out of, or relating to, this Agreement and all of the transactions it contemplates, including without limitation its validity, interpretation, construction, performance and enforcement. Mandatory and exclusive venue for any action concerning this Agreement shall be in a court of competent jurisdiction in Tarrant County, Texas

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

8.9 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, the remainder of this Agreement shall stand, shall be enforceable and shall be read as if the Parties intended at all times to delete said invalid, illegal, or unenforceable provisions.

8.10 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.

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

8.12 Successors and Assigns. Except for an assignment to an Affiliate, this Agreement may not be assigned without the prior written consent of the City and MEDC.

8.13 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.

8.14 Limitation of Damages. The Parties agree that no Party will be liable to the other under this Agreement for indirect, special, consequential damages (including lost profits), or exemplary damages.

8.15 Legislative or Judicial Changes. In the event of any legislative or judicial interpretation that limits or restricts the City's or MEDC's ability to pay the City Grant, MEDC Grants, the abatement of taxes, or otherwise extracts or imposes any penalty or other restriction upon the

payment of the City Grant, MEDC Grants, or abatement of taxes, such payments and abatements will cease as of the effective date of such limitation or restriction and be of no further force, effect, or consequence in which event the City and MEDC shall be under no further obligation to Company as of the effective date of such limitation or restriction.

8.16 Attorney's Fees. In the event it should become necessary to take legal action to interpret or enforce the terms of this Agreement, the prevailing Party in such action shall be entitled to recover from the non-prevailing Party reasonable attorney's fees and costs of court.

[Signatures on following page]

CITY:

CITY OF MANSFIELD, TEXAS

David Cook, Mayor

Date : _____

MEDC:

**MANSFIELD ECONOMIC DEVELOPMENT
CORPORATION,**
a Texas non-profit corporation

Larry Klos, President

Date: _____

COMPANY:

STRAUMANN MANUFACTURING, INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

Date: _____

COMPANY:

**STRAUMANN MANUFACTURING, INC.,
a Delaware corporation**

By: _____

Name: _____

Title: _____

Date: _____

COMPANY:

**STRAUMANN MANUFACTURING, INC.,
a Delaware corporation**

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT “A”
Real Property

EXHIBIT "A"

LEGAL DESCRIPTION

BEING, BEING, all of that 36.363 acre (1,583,986 square foot) tract of land situated in the John Robertson Survey, Abstract Number 1317, in the City of Mansfield, Tarrant County, Texas; being all of that tract of land described as Tract 2 in General Warranty Deed to Conway Madison, LLC as recorded in Instrument Number D209279400 of the Official Public Records of Tarrant County, Texas; said 36.363 acre tract of land being more particularly described by metes and bounds as follows:

BEGINNING, at the northeast corner of said Tract 2; said point being in the southeast line of Heritage Parkway (a variable width right-of-way) and being in the center of S. Mitchell Road (a variable width right-of-way, 60-foot wide at this point); from said point a "X" cut in concrete found bears South 15° 38' East, a distance of 0.3 feet;

THENCE, South 31° 22' 34" East, with the northeast line of said Tract 2, a distance of 814.94 feet to a point for corner; from said point a 1/2-inch iron rod with "WEIR & ASSOC INC" cap found bears South 13° 03' East, a distance of 0.5 feet; said point being the most northerly northwest corner of that tract of land described as Tract 3 in Special Warranty Deed to Living Church as recorded in Instrument Number D218159009 of the Official Public Records of Tarrant County, Texas;

THENCE, South 29° 56' 29" East, continuing with the northeast line of said Tract 2, a distance of 535.65 feet to a point at the southeast corner of said Tract 2; from said point a 1/2-inch iron rod with "WEIR & ASSOC INC" cap found bears North 61° 20' West, a distance of 0.3 feet; said point being an inner ell corner in the north line of said Tract 3;

THENCE, with the south line of said Tract 2, the following four (4) courses and distances:

South 60° 57' 21" West, a distance of 183.28 feet to a point for corner; said point being the northeast corner of that tract of land described as Tract 2, a called 5.427 acre tract, to said Living Church;

South 59° 38' 58" West, a distance of 802.72 feet to a 1/2-inch iron rod found for corner; said point being an inner ell corner on the north line of said 5.427 acre tract;

North 30° 26' 55" West, a distance of 142.73 feet to a 3/8-inch iron rod found for corner; said point being the most westerly northeast corner of said 5.427 acre tract;

South 59° 39' 48" West, a distance of 377.04 feet to a 5/8-inch iron rod with "SEMPCO INC" cap found at the southwest corner of said Tract 2 and the northwest corner of said 5.427 acre tract; said point being in the northeast line of U.S. Highway No. 287 (a variable width right-of-way);

THENCE, North 21° 33' 30" West, with the southwest line of said Tract 2 and the northeast line of said U.S. Highway No. 287, a distance of 1,094.78 feet to a point at the northwest corner of said Tract 2; said point being in the southeast line of said Heritage Parkway;

THENCE, with the northwest line of said Tract 2 and the southeast line of said Heritage Parkway, the following five (5) courses and distances:

North 28° 52' 18" East, a distance of 160.25 feet to a point for corner; from said point a 1/2-inch iron rod with "WEIR & ASSOC INC" cap found bears South 68° 54' West, a distance of 0.3 feet;

North 78° 57' 48" East, a distance of 476.48 feet to a point for corner; from said point a 1/2-inch iron rod with "WEIR & ASSOC INC" cap found bears South 24° 10' West, a distance of 0.4 feet;

North 18° 09' 46" East, a distance of 318.07 feet to a point for corner; said point being the beginning of a non-tangent curve to the left; from said point a 1/2-inch iron rod found bears South 20° 51' West, a distance of 0.3 feet;

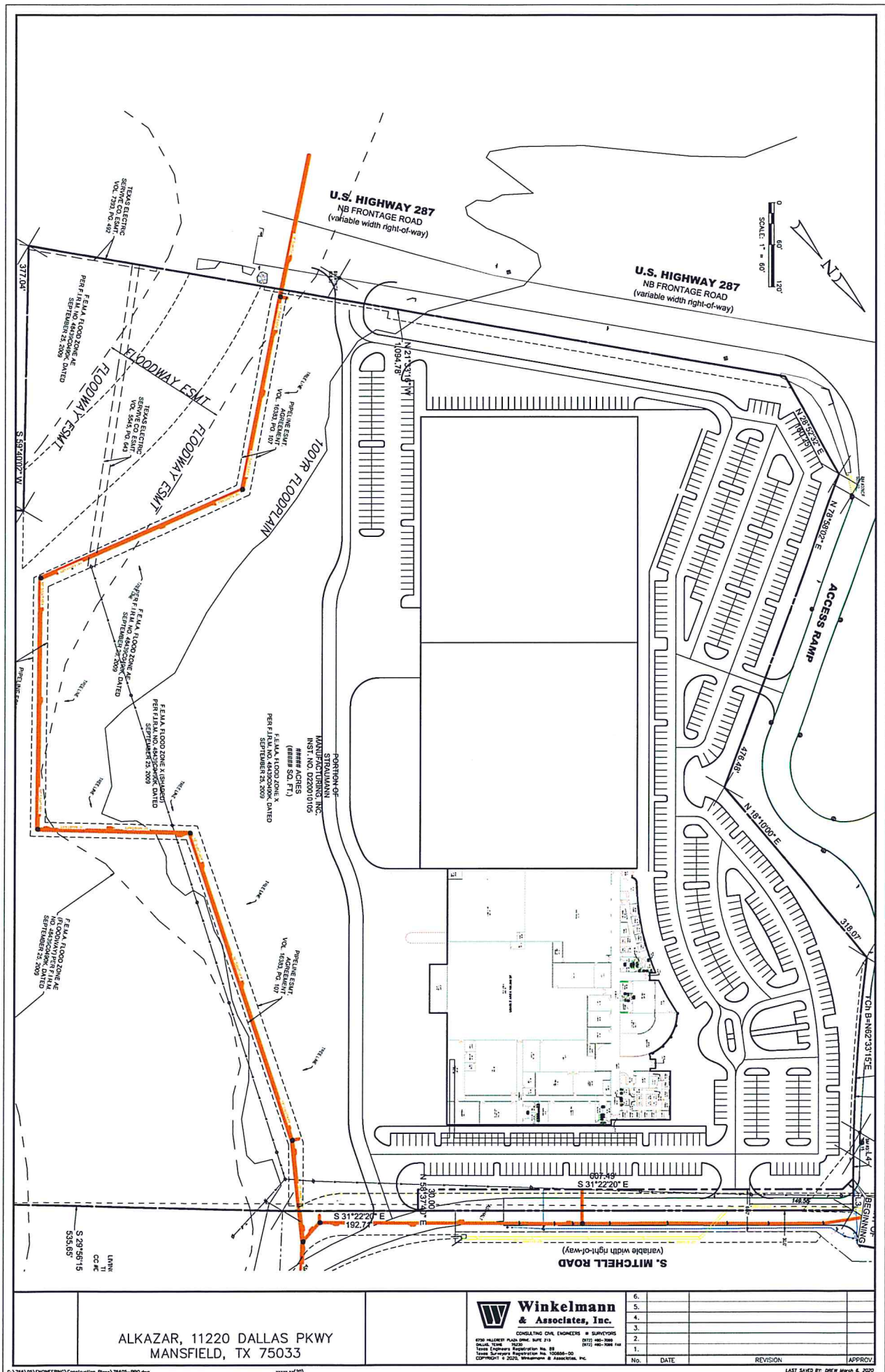
In a northeasterly direction, along said curve to the left, an arc length of 282.58 feet, having a radius of 2,362.86 feet, a central angle of 06° 51' 08", and a chord which bears North 62° 33' 01" East, 282.41 feet to a 1/2-inch iron rod with "WEIR & ASSOC INC" cap found for corner;

North 59° 07' 28" East, a distance of 77.48 feet to the POINT OF BEGINNING and containing an area of 36.363 acres or 1,583,986 square feet of land, more or less.

Straumann Site



EXHIBIT “B”
Facility



ALKAZAR, 11220 DALLAS PKWY
MANSFIELD, TX 75033

Winkelmann & Associates, Inc.
CONSULTING CIVIL ENGINEERS & SURVEYORS
4700 WILLOW PARK DRIVE, SUITE 210
DALLAS, TEXAS 75243
PHONE: (972) 490-1000
FAX: (972) 490-1001
WWW.WINKELMANN-ASSOCIATES.COM
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No.	DATE	REVISION	APPROV.		

EXHIBIT “C”
Mitchell Road Improvements

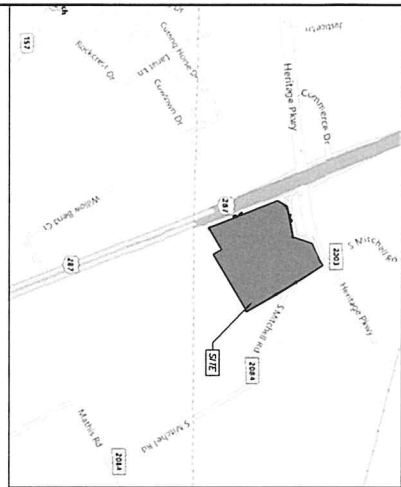


EXHIBIT “D”
Equipment Inspections



October 9, 2019

Michael A. Cutri, Managing Director
Ernst & Young LLP
725 South Figueroa Street Suite 500
Los Angeles, California 90017-5418

RE: Equipment Listing

Dear Mr. Cutri:

Following our on-site visit to the Arlington Straumann facility on 10/9/19 and the subsequent discussions regarding the permitting procedure for such a facility in Mansfield, I want to provide a summary of the policy that will be used in order to provide consistency for future projects.

Prior to commencement of the project, a building permit application and construction drawings for the building and its systems (M/E/P, life safety, civil, etc.) must be submitted for review. We would ask for a general "lay out" plan for the larger equipment areas in order for exit egress to be calculated, however no specifications or specific details will be necessary, as this equipment will not be included in the building permit.

Inspections associated with this permit would be simply for the building, building systems and site, prior to the issuance of a Certificate of Occupancy (C.O.). Once the C.O. is issued, any equipment would then be brought into the building and properly "installed" at the owner's own risk, without the need for additional permits or inspections, unless some modification of the building's electrical system is necessary.

As was discussed during our site visit, we believe that the specific listing exception allowance within OSHA regulations for such custom made equipment designed for, and intended for use by a particular customer, in addition to the documentation requirements for Installation and Operational Procedures of such equipment, provides further confirmation that safety needs and the intent of our adopted codes will be met.

This permitting and inspection procedure will be in effect for the initial building project, as well as future phases that may take place.

If you have any questions, please feel free to contact me at (817) 276-4223.

Sincerely,

J. Paul Coker, CBO, RAS
Chief Building Official

cc: file