STATE OF TEXAS §
§ **ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT**
COUNTY OF DALLAS §

This Economic Development Incentive Agreement ("Agreement") is made by and between the City of Richardson, Texas (the "City"), and Alamo Richardson, LLC, a Delaware limited liability company ("Company") (each a "Party" and collectively the "Parties"), acting by and through their respective authorized officers.

W I T N E S S E T H:

WHEREAS, Company currently leases approximately 29,800 square feet of space in the Richardson Heights Shopping Center, located at 100 S. Central Expressway, Suite 14, Richardson, Texas (the "Leased Premises"), at which Company operates or has caused to be operated an "Alamo Draft House Cinema" including food and beverage served seat-side (the "Cinema"); and

WHEREAS, Company has caused the Cinema to reopen for business serving the public and has caused certain improvements to be made to the Cinema (the "Renovations"); and

WHEREAS, Company has advised City that a contributing factor that would induce Company to undertake the Renovations and continue to lease and occupy the Leased Premises, and operate the Cinema would be an agreement by City to provide an economic development grant; and

WHEREAS, promoting the expansion and maintenance of existing business enterprises within City will promote economic development, stimulate commercial activity, generate additional sales tax, and will enhance the property tax base and economic vitality of City; and

WHEREAS, City has adopted programs for promoting economic development and this Agreement and the economic development incentives set forth herein are given and provided by City pursuant to and in accordance with those programs; and

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

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

NOW THEREFORE, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Article I
Term

This Agreement shall be effective on the last date of execution hereof ("Effective Date") and shall continue until the Expiration Date, unless sooner terminated as provided herein.

Article II
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 a Party's existence as a going business, insolvency, appointment of receiver for any part of such Party's property and such dissolution, termination, or appointment is not terminated within ninety (90) days after such dissolution, termination, or 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.

"Capital Investment" shall mean the capitalized cost of Company and/or its landlord under the Lease, for the Renovations.

"Claim" shall mean the actual amount, if any, distributed to the City from the Chapter 7 bankruptcy estate created pursuant to In re Iced Tea with Lemon, LLC, Case No. 24-41976 (ELM), filed and/or pending in the United States Bankruptcy Court for the Northern District of Texas, as a result of the City's claimed filed therein.

"Cinema" shall have the meaning assigned in the Recitals.

"Commencement Date" shall mean the later of: (i) the date the City has issued a certificate of occupancy for the operation of the Cinema; (ii) the date that the Cinema has re-opened for business serving the public; (iii) date of Completion of Construction of the Renovations; and (iv) the Effective Date..

"Company" shall mean Alamo Richardson, LLC, a Delaware limited liability company.

"Company Affiliate" shall mean any entity that owns or controls, is owned or controlled by, or is under common ownership or control with, Company, or any entity the ownership of which is substantially the same as the ownership of Company.

"Completion of Construction" shall mean that: (i) substantial completion of the Renovations at the Leased Premises has occurred; and (ii) City has conducted a final inspection of the Renovations and/or a Building Final for the Leased Premises for the Renovations (if applicable); and (iii) City has issued a certificate of occupancy for the

occupancy of the Leased Premises by Company for the operation of the Cinema (if applicable).

"Expiration Date" shall mean the tenth (10th) anniversary following the Commencement Date.

"Force Majeure" shall mean an occurrence of any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, riot, terrorism, civil commotion, insurrection, government or de facto governmental action, restrictions or interferences (unless caused by the intentional acts or omissions of the Party), fires, explosions, floods or other inclement weather, strikes, slowdowns or work stoppages, incidence of disease or other illness that reaches outbreak, epidemic, or pandemic proportions or similar causes affecting the area in which the Leased Premises is located that results in a reduction of labor force or work stoppage in order to comply with local, state, or national disaster orders, or national emergency orders, construction delays, shortages or unavailability of supplies, materials or labor, necessary condemnation proceedings, or any other circumstances which are reasonably beyond the control of the Party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstances are similar to any of those enumerated or not, in which case the Party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or performance shall be extended for a period of time equal to the period such Party was delayed, provided the performance delayed is not the payment of a liquidated amount and, the Party whose performance is delayed provides written notice to the other Party not later than fifteen (15) business days after the last day of the month of the occurrence of the event(s) or condition(s) causing the delay or the date the Party whose performance has been delayed becomes aware or should have reasonably known of the event, describing such event(s) and/or condition(s) and the date on which such event(s) and/or condition(s) occurred.

"Grant" shall mean an economic development grant for the Renovations in the amount of Four Hundred Thousand and No/ 100 Dollars ($400,000.00) to be paid in two installments as set forth herein.

"Impositions" shall mean 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 Company or any property or any business owned by Company and/or a Company Affiliate within City.

"Lease" shall mean the lease of the Leased Premises as modified, amended or a new lease for Leased Premises that provides for a lease term of at least ten (10) years following the Completion of Construction of the Renovations, which such term may include options to extend by the Company.

"Leased Premises" shall have the meaning assigned in the Recitals.

"Payment Request" shall mean a written request from Company to City for payment of the applicable installment of the Grant, which request shall be accompanied by: (i) copies of records, receipts, invoices and such other information as may be reasonably requested by City to document the required Capital Investment; and (ii) copies of records, receipts, invoices and such other information as may be reasonably requested by City to document the actual costs incurred and paid by Company, or on behalf of Company, for the Renovations to the Leased Premises.

"Related Agreement" shall mean any agreement (other than this Agreement) by and between City and Company or any Company Affiliate.

"Renovations" shall mean and include: (i) installation of new carpet and aisle lighting; (ii) new 4K movie projectors for all seven (7) movie auditoriums within the Cinema with required screen replacements; (iii) a Dolby Atmos immersive sound package for auditorium # 6 within the Cinema; (iv) drapery and a premium large format ("PLF") entry for auditorium #6 within the Cinema; and (v) related improvements to the interior of the Cinema.

"Required Use" shall mean the continuous lease and occupancy of the Leased Premises and operation of the Cinema as an "Alamo Draft House Cinema" with beverages and food served seat-side and related restaurant open to the public and serving the citizens of City.

Article III
Economic Development Grant

3.1 Grant. (a) Subject to the continued satisfaction of all the terms and conditions of this Agreement by Company, and the obligation of Company to repay the Grant pursuant to Article V hereof, City agrees to provide to Company the Grant in an amount not to exceed Four Hundred Thousand and No/100 Dollars ($400,000.00), to be paid in two (2) installments to be paid as set forth herein.

(b) First Installment of the Grant. Subject to the continued satisfaction of all the terms and conditions of the Agreement by Company, and the obligation of Company to repay the Grant pursuant to Article V hereof, City agrees to provide Company with the first installment of the Grant equal to the costs incurred and paid by Company or on behalf of Company for the Renovations not to exceed Two Hundred Thousand and No/100 Dollars ($200,000.00) (the "First Installment") to be paid by City to Company within thirty (30) days after receipt of a Payment Request following the Commencement Date provided the Capital Investment is no less than One Million Dollars. Company shall submit the Payment Request for the First Installment no earlier than thirty (30) days after the Commencement Date and no later than ninety (90) days thereafter. Failure of Company to timely submit the Payment Request for the First Installment shall result in the forfeiture of the payment of the First Installment by City to Company.

(c) Second Installment of the Grant. Subject to the continued satisfaction of all the terms and conditions of the Agreement by Company, and the obligation of Company to repay the Grant pursuant to Article V hereof, City agrees to provide Company with the second installment in the amount of the lesser of: (i) Two Hundred Thousand and No/100 Dollars ($200,000.00); and (ii) the Claim (the "Second Installment") to be paid by City to Company within thirty (30) days after City receipt of the Claim provided the City has received the Claim within three (3) years after the Effective Date. Company shall submit the Payment Request for the Second Installment no earlier than thirty (30) days after the first anniversary of the Commencement Date and no later than ninety (90) days after the third anniversary of the Effective Date. Payment of the Second Installment by City to Company is subject to City's receipt of the Claim on or before three (3) years after the Effective Date. Failure of the City to receive the Claim within three (3) years after the Effective Date shall result in the forfeiture of the payment of the Second Installment by the City to Company. Failure of Company to timely submit the Payment Request for the Second Installment shall result in the forfeiture of the payment of the Second Installment by City to Company.

3.2 Current Revenue. The Grant shall be paid solely from annual appropriations from the general funds of City or from such other funds of City as may be legally set aside for such purpose consistent with Article III, Section 52(a) of the Texas Constitution. Under no circumstances shall the obligations of City hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision.

3.3 Grant Limitations. City shall not be obligated to pay any commercial bank, lender or similar institution for any loan or credit agreement made by Company. None of the obligations of City under this Agreement shall be pledged or otherwise encumbered by Company in favor of any commercial lender and/or similar financial institution.

Article IV
Conditions to Grant

The obligation of City to provide the Grant and any installment thereof shall be conditioned upon the continued compliance with and satisfaction of each of the terms and conditions of this Agreement by Company, and each of the conditions set forth in this Article provided, however, that the failure to meet a condition shall not prevent the payment of the applicable installment of the Grant prior to the specified deadline for satisfaction of the condition.

4.1 Good Standing. Company shall not have an uncured breach or default of this Agreement, or a Related Agreement.

4.2 Continuous Lease. Company shall, beginning on the Effective Date and continuing thereafter until the Expiration Date, continuously lease the Leased Premises.

4.3 Required Use. During the term of this Agreement following the Effective Date and continuing thereafter until the Expiration Date, the Leased Premises shall not be used for any purpose other than the Required Use, and the operation and occupancy of the Leased Premises in conformance with the Required Use shall not cease for more than thirty (30) days, except in

connection with and to the extent of an event of Force Majeure (which shall include events of casualty and/or condemnation) or for renovation or remodeling of the Leased Premises which such periods of renovation or remodeling shall not exceed ninety (90) consecutive days.

4.4 Construction of the Renovations. Company shall, subject to events of Force Majeure, cause Completion of Construction of the Renovations Leased to occur no less than sixty (60) days after the Effective Date.

4.5 Capital Investment. The Capital Investment shall be no less than One Million Dollars as of the date of Completion of Construction of the Renovations.

4.6 Continuous Operation of the Cinema. Company shall (or shall cause) following the Commencement Date and continuing thereafter until the Expiration Date continuously operate an Alamo Draft House Cinema at the Leased Premises open to the public and serving the citizens of City.

Article V
Termination

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

(a) By written agreement of the Parties;
(b) The Expiration Date;
(c) On the date set forth in written notice, by either Party in the event the other Party breaches any of the terms or conditions of this Agreement, or a Related Agreement, and such breach is not cured within thirty (30) days after written notice thereof;
(d) On the date set forth in a written notice, by City, if Company suffers an event of Bankruptcy or Insolvency;
(e) On the date set forth in written notice, by City, if any Impositions owed to City or the State of Texas by Company shall become delinquent (provided, however, Company retains the right to timely and properly protest and contest any such Impositions); or
(f) On the date set forth in 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 the Agreement is terminated by City pursuant to Section 5.1(c), (d), (e), or (f), Company shall immediately repay to City an amount equal to the Grant paid by City to Company preceding the date of such termination, plus interest at the rate of interest 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 selected by City) as its prime or base commercial lending rate, from the date on which the Grant is paid by City until such Grant is refunded by Company. The repayment obligation of Company set forth in this section 5.2 hereof shall survive termination.

5.3 Right of Offset. City may, at its option, offset any amounts due and payable under this Agreement or a Related Agreement against any debt (including taxes) lawfully due to 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 City has been reduced to judgment by a court.

Article VI
Miscellaneous

6.1 Binding Agreement. The terms and conditions of this Agreement are binding upon the successors and permitted assigns of the Parties hereto. This Agreement may not be assigned without the express written consent of City Manager. The City Manager is authorized to approve and execute any amendments to this Agreement.

6.2 Limitation on Liability. It is understood and agreed between the Parties that Company, in satisfying the conditions of this Agreement, has acted independently, and City assumes no responsibilities or liabilities to third parties in connection with these actions. Company agrees to indemnify and hold harmless City from all such claims, suits, and causes of actions, liabilities, and expenses of any nature whatsoever by a third party arising out of Company's failure to perform its obligations under this Agreement.

6.3 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.

6.4 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.

6.5 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received five (5) business days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the Party at the address set forth below or on the day received if sent by courier or otherwise hand delivered.

If intended for City, to:

Attn: Don Magner
City Manager
City of Richardson, Texas
2360 Campbell Creek Boulevard
Suite 550
Richardson, Texas 75082

With a copy to:

Attn: Peter G. Smith
City Attorney
Nichols, Jackson, Dillard,
Hager & Smith, L.L.P.
1800 Ross Tower
500 N. Akard
Dallas, Texas75201

If intended for Company, to:

Attn: Chief Financial Officer
Alamo Richardson, LLC
3908 Avenue B
Austin, Texas 78751

With a copy to:

Attn: Russell A. Arouh
Partner
Arnall Golden Gregory LLP
171 17th Street NW, Suite 2100
Atlanta, Georgia 30363

With a copy to:

Attn: Chris Drazba
Chief Development Officer
Alamo Drafthouse Cinema
250 Dodd Lane
Alpharetta, Georgia 30005

6.6 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.

6.7 Governing Law. The Agreement shall be governed by the laws of the State of Texas without regard to any conflict of law rules. Exclusive venue for any action concerning this Agreement shall be in the State District Court of Dallas County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

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

6.9 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, 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 shall 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.

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

6.11 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.

6.12 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 Company agrees not to knowingly employ any undocumented workers and, if Company is convicted of a violation under 8 U.S.C. Section 1324a (f), Company shall repay the amount of the Grant and any other funds received by Company under this Agreement from City as of the date of such violation within one hundred twenty (120) days after the date Company is notified by City of City's demand for repayment under this Section 6.13 following such conviction, plus interest at the rate of four percent (4%) compounded annually from the date of City notice under this Section 6.13 until paid. Company is not liable for a violation of this section in relation to any workers employed by a subsidiary, affiliate, or franchisee of Company or by a person with whom Company contracts.

(signature page to follow)

EXECUTED on this 4 day of February, 2025.

CITY OF RICHARDSON, TEXAS

By: [redacted]
Don Magner, City Manager

Approved as to Form:

By: [redacted]
Peter G. Smith, City Attorney

EXECUTED this the 4 day of February, 2025.

ALAMO RICHARDSON, LLC,
a Delaware limited liability company

By: [redacted]
Michael Kustermann, CEO