

**ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT  
TAX REBATE**

This Economic Development Incentive Agreement (“Agreement”) is made by and between the City of Plano, Texas (“City”), a home-rule municipal corporation, and Delta Electronics (USA) Inc., a Delaware corporation (“Company”), acting by and through their respective authorized officers and representatives.

**WITNESSETH:**

**WHEREAS**, Company is engaged in the business of manufacturing power electronics and infrastructure and plans to add a minimum taxable value of \$286,400,000.00 and a minimum fair market value of \$358,000,000.00 of real property improvements on the Real Property and a minimum taxable value of \$75,200,000.00 and a minimum fair market value of \$94,000,000.00 of Business Personal Property on the Campus; and

**WHEREAS**, Company agrees to occupy a minimum of 1,090,000 square feet of manufacturing facilities and office space and transfer or create and retain up to 1,500 full-time job equivalents whose assigned work location is at the Real Property within Company's human resource system(s) of record(s) and who are residents of one of the eleven counties in the Dallas-Fort Worth-Arlington Metropolitan Statistical Area or Cooke, Fannin or Grayson County for the term of this Agreement; and

**WHEREAS**, City Council finds that the occupancy of a minimum 1,090,000 square feet of office space at the Real Property, the creation or transfer and retention of up to 1,500 full-time job equivalents within the City will promote economic development, stimulate commercial activity, and enhance the tax base and economic vitality of the City; and

**WHEREAS**, Company has advised the City that a contributing factor that would induce the Company to relocate and expand its business and commercial activities in the City, thereby generating additional local sales tax revenues and increasing ad valorem tax values for the City, would be an agreement by the City to provide an economic development grant to the Company; and

**WHEREAS**, the City has adopted programs for promoting economic development; and

**WHEREAS**, the City is authorized by TEX. LOC. GOV'T CODE §380.001 *et seq.* to provide economic development grants to promote local economic development and to stimulate business and commercial activity in the City; and

**WHEREAS**, the City has determined that making an economic development grant to the Company in accordance with the terms and conditions set forth in this Agreement will further the objectives of the City, will benefit the City and its citizens, and will promote local economic development and stimulate business and commercial activity in the City.

**NOW THEREFORE**, in consideration of the foregoing and the premises, mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby covenant and agree as follows:

## **Article I**

### **Definitions**

For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

"Ad Valorem Property Taxes" shall mean those taxes paid each year to City of Plano, Texas for the Real Property and the BPP. Ad Valorem Property Taxes excludes taxes paid to any taxing entities other than the City of Plano, Texas.

"Business Personal Property" or "BPP" shall mean the tangible personal property, excluding inventory and supplies, used by the Company.

"Campus" shall include the Real Property (as defined below) and the existing facility located at 601 Data Drive, Plano, Texas 75075.

"Commencement Date" shall mean December 31, 2028.

"Company" shall mean Delta Electronics (USA) Inc., a Delaware corporation.

"Occupancy" or "Occupy" shall mean the Company has received a certificate of occupancy for the occupancy of the Real Property and the Company is regularly open and operating their business at the Real Property.

"Real Property" or "Property" shall mean approximately fifty (50) acre parcel located on Data Drive and Lotus Drive, more particularly described by metes and bounds in **Exhibit "A"** attached hereto and made a part hereof.

## **Article II**

### **Term**

The term of this Agreement shall begin on the Commencement Date and continue for ten (10) years thereafter, unless sooner terminated as provided herein ("Term").

## **Article III**

### **Obligations of Company**

In consideration of the grant of public funds as set forth in Section 4.01 below, the Company agrees to perform the following:

(a) By the Commencement Date, construct or cause to construct and Occupy at least 600,000 square feet of new manufacturing facilities and office space located at the Real Property and maintain Occupancy throughout the Term of the Agreement. Such new construction shall consist of a new building(s) and/or building improvements with a minimum fair market value of \$184,000,000.00 and a minimum assessed taxable value of \$147,200,000.00 as determined by the Collin Central Appraisal District for the 2028 tax year; and

(b) By the Commencement Date, place Business Personal Property at the Campus with a minimum fair market value of \$67,000,000.00 and a minimum assessed taxable value of \$53,600,000.00 as determined by the Collin Central Appraisal District for the 2028 tax year; and

(c) By December 31, 2031, construct or cause to construct and Occupy at least 490,000 square feet of new manufacturing facilities and office space located at the Real Property and maintain Occupancy throughout the Term of the Agreement. Such new construction shall consist of a new building(s) and/or building improvements with a minimum fair market value of \$174,000,000.00 and a minimum taxable value of \$139,200,000.00 as determined by the Collin Central Appraisal District for the 2031 tax year; and

(d) By December 31, 2031, place Business Personal Property at the Campus with a minimum fair market value of \$27,000,000.00 and a minimum assessed taxable value of \$21,600,000.00 as determined by the Collin Central Appraisal District for the 2031 tax year; and

(e) During Term of the Agreement, Company must annually pay the Ad Valorem Property Taxes owed to the City and not become delinquent in such payment. No cash rebate shall be issued by the City unless and until the taxes are paid in full; and

(f) During the Term of the Agreement, the assessed taxable value of the real property improvements shall not be protested if it results in an assessed taxable value less than the requirements detailed in Article III(a) and (c); and

(g) During the Term of the Agreement, Company shall not remove any BPP located at the Campus pursuant to Article III(b) and (d) above if it results in an assessed taxable value less than the requirements detailed in Article III (b) and (d); and

(h) Use reasonable efforts to use facilities, including hotels and motels, located in the City of Plano, Texas for any Company-related or sponsored business activities throughout the Term of the Agreement.

#### **Article IV Tax Rebate**

4.01 Beginning on January 1, 2029 and continuing through Term of the Agreement, City shall pay to Company a tax rebate equal to fifty percent (50%) of the Ad Valorem Property Taxes paid by Company to the City for the previous tax year. Such tax rebate is subject to Company complying with the obligations set out in Article III above and this Article. The assessed taxes

shall be determined by the Collin Central Appraisal District. In calculating the annual cash rebate amount, the City shall not include any interest or penalties that may be assessed for late payments.

4.02 Beginning January 1, 2029, Company must submit an annual certification on the form attached hereto as **Exhibit “B”** not later than May 1st of each year for the duration of this Agreement certifying compliance with all of the obligations set out in Article III. A failure to file the annual certification by the May 1st deadline during the Term of the Agreement, if not cured, shall be an event of default, resulting in Company’s forfeiture of the tax rebate for that calendar year. City will make the payment within thirty (30) days of receipt of each annual certification if it reflects compliance with the terms of the Agreement. All certifications must be executed by the Company’s chief executive or financial officer.

## **Article V**

### **Default and Termination**

5.01 Any of the following events shall be deemed a breach of this Agreement resulting in default:

(a) Company allows its Ad Valorem Property Taxes owed the City to become delinquent, and fails to either:

(i) Timely and properly follow the legal procedures for protest and/or contest of any such Ad Valorem Property Taxes, or

(ii) Cure such delinquency within thirty (30) days of receipt of notice of such delinquency; or

(b) Company fails to comply with any of the terms and obligations, including those detailed in Article III, in this Agreement; or

(c) Company fails to provide the annual certifications as required in Section 4.02; or

(d) Company fails to comply with the Assignment provision in Article VI Below; or

(e) Company has been convicted of a violation under 8 U.S.C. Section 1324a(f) regarding the unlawful employment of aliens at the Real Property.

5.02 In the event of a default of this Agreement, the City shall give Company written notice of such default and if the default is not cured or a waiver by the City has not been obtained by the Company within thirty (30) days of said written notice, this Agreement shall automatically terminate except any damages as specified below shall survive the termination of this Agreement. Notice shall be in writing as provided below. The City Manager is authorized on behalf of the City to send notice of default and to terminate the Agreement for any default that is not cured.

5.03 Upon the occurrence of an event of default under Section 5.01 (a), (b), (c), or (d) and that remains uncured, at the City's sole discretion, it may require repayment of all or a portion of the tax rebates paid by the City to the Company. Any repayment due and owing to the City shall be paid by the Company within thirty (30) days of written demand from the City for repayment. City may use any efforts to collect such sums owed and the Company agrees to pay any and all interest, and expenses, including attorney's fees and costs incurred by the City. This obligation shall survive termination of this Agreement.

5.04 Upon the occurrence of an event of default under Section 5.01(e) and that remains uncured, all the tax rebates paid to the Company by the City shall become due and owing to the City from the Company, together with interest charged from the date of this Agreement at the statutory rate for delinquent taxes as determined by V.T.C.A., Tax Code § 33.01, but without the addition of penalty other than that mandated by V.T.C.A., § 33.01 or 33.07 and Texas Government Code Chapter 2264. Repayment of funds and interest shall be due not later than 120 days after the date the City notifies the Company of the conviction.

5.05 The rights, responsibilities and liabilities of the parties under this Agreement shall be extinguished upon the applicable effective date of termination of this Agreement, except for any obligations or default(s) that existed prior to such termination or as otherwise provided herein and those liabilities and obligations shall survive the termination of this Agreement, including the refund provision, maintenance of records, and access thereto.

## **Article VI Assignment**

This Agreement may not be assigned without the express written consent of the non-assigning party, except that the Company may assign this Agreement without obtaining the City's consent to (a) one of its wholly owned affiliates, or (b) any person or entity that directly or indirectly acquires, through merger, sale of stock, purchase or otherwise, all or more than ninety (90) percent of the assets of the Company as long as the Company gives sixty (60) days prior written notice to the City and the assignee executes an agreement with the City to be bound to all the terms and conditions of this Agreement and be responsible for any default(s) that occurred prior to or after the assignment.

For any assignment not covered by (a) or (b) in the preceding paragraph, the Company must obtain the prior approval of the City through its City Manager, which will not be unreasonably withheld or delayed, and the assignee must agree to be bound to all the terms and conditions of this Agreement and to accept all liability for any default that occurred prior to and/or after the assignment.

Any assignment agreement must be furnished in a form acceptable to the City and be provided at least thirty (30) days prior to the effective assignment date. City agrees to notify the potential assignee of any known default, but such notification shall not waive any defaults that are not yet known to the City.

## **Article VII Right to Inspect**

The Company agrees that the City, its representatives, agents, and employees, shall have reasonable right (upon reasonable prior notice to Company) to access and to inspect the BPP and the real property improvements at the Campus. The right of inspection shall continue during the Term of this Agreement.

## **Article VIII Miscellaneous**

8.01 **No Joint Venture.** It is acknowledged and agreed by the parties that the terms of this Agreement are not intended to and shall not be deemed to create a partnership or joint venture among the parties. Neither party shall have any authority to act on behalf of the other party under any circumstances by virtue of this Agreement.

8.02 **Notice of Bankruptcy.** In the event Company files for bankruptcy, whether involuntarily or voluntary, Company shall provide written notice to the City within three (3) business days of such event.

8.03 **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.

8.04 **Notice.** Any notice required or permitted to be delivered hereunder shall be deemed received three (3) 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 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 the City:  
City of Plano, Texas  
Attention: Mr. Mark D. Israelson  
City Manager  
1520 K Avenue  
P.O. Box 860358  
Plano, TX 75086-0358

If intended for the Company:  
Delta Electronics (USA) Inc.  
Attention: Mr. Benson Tan  
Senior Finance Manager  
601 Data Drive  
Plano, TX 75075

With a copy to:  
City of Plano, Texas  
Attention: Ms. Paige Mims  
City Attorney  
1520 K Avenue  
P.O. Box 860358  
Plano, TX 75086-0358

With a copy to:  
Delta Electronics (Americas) Ltd.  
Attention: Legal Department  
46101 Fremont Blvd  
Fremont, CA 94538.

8.05 **Compliance with Equal Rights Ordinance.** Company agrees to comply with Section 2-11(F) of the City Code of Ordinances, which reads as follows:

“It shall be unlawful for an employer to discriminate against any person on the basis of race, color, sex, religion, age, national origin, genetic information, sexual orientation, gender identity, disability status or United States military/veteran status by the following actions or inactions:

- (a) for an employer to fail or refuse to hire, or to discharge, any person;
- (b) for an employer to discriminate against any person with respect to compensation, terms, conditions or privileges, of employment;
- (c) for an employer to limit, segregate or classify employees or applicants for employment in any way that would deprive or tend to deprive a person of employment or employment opportunities, or that would otherwise adversely affect a person's status as an employee;
- (d) for an employment agency to fail or refuse to refer for employment, or to otherwise discriminate against, any person because of a protected employment characteristic;
- (e) for an employment agency to classify or refer for employment any person, on the basis of a protected employment characteristic;
- (f) for a labor organization to exclude or expel from its membership, or to otherwise discriminate against, any person because of a protected employment characteristic;
- (g) for a labor organization to fail or refuse to refer for employment any person because of a protected employment characteristic;
- (h) for a labor organization to limit, segregate or classify its members or applicants for membership, in any way that would deprive or tend to deprive a person of employment or employment opportunities, or that would otherwise adversely affect a person's status as an employee or as an applicant for employment;
- (i) for a labor organization to cause or attempt to cause an employer to discriminate against a person in violation of this subsection;
- (j) for an employer, a labor organization or a joint labor-management committee, to discriminate against any person because of a protected employment characteristic in the admission to, or employment in, any program established to provide apprenticeship or other training;
- (k) for an employer to print or publish, or cause to be printed or published, any notice or advertisement relating to employment by the employer that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic;

(l) for an employment agency to print or publish, or cause to be printed or published, any notice or advertisement relating to membership in or any classification or referral for employment by the employment agency that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic; or

(m) for a joint labor-management committee to print or publish, or cause to be printed or published, any notice or advertisement relating to admission to, or employment in, any program established to provide apprenticeship or other training by the joint labor-management committee that indicates any preference, limitation, specification or discrimination, based on a protected employment characteristic.”

Company also understands that it is entitled to apply to the City Manager for a waiver from the Equal Rights Ordinance’s application to its business if applying it would conflict with state or federal law. During the review of the waiver request, the contract will be placed on hold.

8.06 **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.

8.07 **Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the State of Texas, without giving effect to any conflicts of law rule or principle that might result in the application of the laws of another jurisdiction. Venue for any action concerning this Agreement, the transactions contemplated hereby or the liabilities or obligations imposed hereunder shall be in the State District Court of Collin County, Texas.

8.08 **Amendment.** This Agreement may only be amended by the mutual written agreement of the parties.

8.09 **Severability.** 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.

8.10 **Recitals.** The recitals to this Agreement are incorporated herein.

8.11 **Authorized to Bind.** The persons who execute their signatures to this Agreement represent and agree that they are authorized to sign and bind their respective parties to all of the terms and conditions contained herein.



8.12 **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.

This Agreement shall be effective upon the last date on which all parties have executed this Agreement.

ATTEST:

CITY OF PLANO, TEXAS, a home-rule  
municipal corporation

\_\_\_\_\_  
Lisa C. Henderson, CITY SECRETARY

\_\_\_\_\_  
Mark D. Israelson, CITY MANAGER  
Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Paige Mims, CITY ATTORNEY

ATTEST:

DELTA ELECTRONICS (USA) Inc., a  
Delaware company

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

[illegible]

**EXHIBIT “B”  
CERTIFICATION FORM**

[DATE]

City of Plano Finance Department  
P.O. Box 860358  
Plano, Texas 75086-0358

RE: Certification Form – Tax Rebate Economic Development Agreement (the “Agreement”) between Delta Electronics (USA) Inc. (“Owner”); and the City of Plano, Texas.

This letter certifies that Owner is in compliance with each applicable term as set forth in the Agreement and is entitled to a tax rebate equal to an amount of fifty percent (50%) of the Ad Valorem Property Taxes paid to the City by Company. The term of the tax rebate pursuant to the Agreement is January 1, 2029, through December 31, 2038. **This form is due no later than May 1, 2029, and on or before May 1 of each year thereafter that the Agreement is in force.**

DELTA ELECTRONICS (USA) Inc., a  
Delaware company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_