

ECONOMIC DEVELOPMENT AGREEMENT

MAIN DISTRICT TOWNHOMES

This Economic Development Agreement (“**Agreement**”) is made and entered into by and between the City of Mansfield, a Texas home-rule municipal corporation (the “**City**”), the Mansfield Economic Development Corporation (“**MEDC**”), a nonprofit Corporation organized under Title 12, Subtitle C1, of the Texas Local Government Code (“**Act**”), the Board of Directors (the “**Board**”) of Reinvestment Zone Number Two, City of Mansfield (the “**Zone**”), and Oakhollow Group, Ltd., a Texas limited liability Partnership and / or Assigns (“**Company**”). City, MEDC, Board, and Company may sometimes hereafter be referred to individually as a “party” or collectively as the “parties.”

RECITALS:

WHEREAS, the MEDC owns real property and improvements located in the Zone as described or generally shown on the attached **Exhibit A** (the “**MEDC Property**”); and

WHEREAS, the City owns real property and improvements located in the Zone as described or generally shown on the attached **Exhibit B** (the “**City Property**”); and

WHEREAS, the Company desires economic development incentives to purchase and develop the MEDC Property and the City Property (collectively referred as the “**Property**”) in accordance with the City’s and MEDC’s economic development program and the terms and conditions of this Agreement; and

WHEREAS, the City, Board, and MEDC are authorized by Article III, Section 52-a of the Texas Constitution and Chapters 380 and 501 of the Texas Local Gov’t Code to provide economic development grants and incentives to promote state and local economic development and to stimulate business and commercial activity in the City; and

WHEREAS, pursuant to the Contracts of Sale (as defined below), the City and MEDC desire to convey their respective properties to Company to implement the project plan for the Zone, and in accordance with Texas Local Gov’t Code Chapters 501 and 253 for economic development and other public purposes provided in this Agreement; and

WHEREAS, Company intends to develop the Property in four (4) phases for a mixed-use project consisting of approximately 8,000 square feet of retail/office space, and approximately 44 townhouse units (the total number of units may decrease or increase subject to site conditions, and subject to final approval by the City Manager, or his designee) as described or generally shown on the attached **Exhibit C** (collectively the “**Project**”); and

WHEREAS, Company has advised the MEDC that a contributing factor that would induce the Company to construct the Project would be an agreement by MEDC to provide economic development grants to the Company as set forth herein; and

WHEREAS, MEDC has determined that the MEDC Grants (as defined below) to be made hereunder are required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises and constitute a “project”, as that term is defined in the Act; and

WHEREAS, MEDC has determined that conveying the MEDC Property and making the MEDC Grants and expenditures in accordance with this Agreement will further the objectives of MEDC, will benefit City and City’s inhabitants, and will promote local economic development and stimulate business and commercial activity in City; and

WHEREAS, in accordance with Section 311.010(h) of the Act, the City Council of City and the Board, as necessary or convenient to implement the adopted project and finance plan, and achieve its purposes, may establish and provide for the administration of one or more programs for the public purposes of developing and diversifying the economy of the Zone, eliminating unemployment and underemployment in the Zone, and developing or expanding transportation, business, and commercial activity in the Zone, including programs to make grants and loans from the TIRZ Fund of the Zone; and

WHEREAS, by approval of the City Council, the Board has all the powers of a municipality under Chapter 380, Texas Local Gov’t Code; and

WHEREAS, in accordance with the adopted project and finance plan, the City and Board find that conveyance of the City Property and payments to Company under this Agreement is advisable to implement the project and finance plan for the Zone and are in compliance with the Tax Increment Financing Act, Chapter 311, Texas Tax Code, and will be made in furtherance of economic development programs authorized under Chapter 380, Texas Local Gov’t Code, and the Project to be built by Company is one which contains businesses that will result in investments that support the placemaking goals of the project and finance plan, and is a project that offers a high likelihood of repayment to encourage the regeneration of public funds; and

WHEREAS, the parties agree that payments from the TIRZ Fund provided to Company under this Agreement are for the public purposes of: (i) developing and diversifying the economy of the Zone and the state; (ii) eliminating unemployment and underemployment in the state and Zone; (iii) developing and expanding commerce in the state; (iv) stimulating business and commerce within the Zone; and (v) promoting development and redevelopment within the Zone; and

WHEREAS, the parties have concluded and hereby find that this Agreement promotes economic development in the City, 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.

NOW THEREFORE, in consideration of the recitals above and the mutual covenants and promises contained herein and for other good and valuable consideration the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1 DEFINITIONS

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in this Article have the meanings assigned to them in the Recitals or this Article, and all such terms include the plural as well as the singular.

“Affiliate” of Company means any other person directly controlling, or directly controlled by or under direct common control with the Company. As used in this definition, the term “control,” “controlling” or “controlled by” shall mean the possession, directly, of the power either to (a) vote fifty percent (50%) or more of the securities or interests having ordinary voting power for the election of directors (or other comparable controlling body) of the Company, or (b) direct or cause the direction of management or policies of the Company, whether through the ownership of voting securities or interests, by contract or otherwise, excluding in each case, any lender of the Company or any affiliate of such lender.

“Approved Plans” means the plans and specifications relating to the design and construction of the Project and the Public Infrastructure, inclusive of any change orders thereto, which are in compliance with all City rules and regulations, and approved by the City.

“Building Final” means the approval of the final inspection issued by the City certifying a building’s compliance with applicable building codes and other laws, and indicating it to be in condition suitable for further construction of interior finish out for Company, or for its specific tenant(s).

“Capital Investment” shall mean Company’s capitalized costs for the design and construction of the Project (inclusive of all hard and soft costs). Capital Investment does not include the cost of the land or rights-of-way.

“Captured Appraised Value” means the total appraised value of all real property taxable by the City and located in the Zone for the calendar year less the Tax Increment Base.

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

“City” means the City of Mansfield, Texas.

“Commencement of Construction” shall mean (i) the plans have been prepared and all approvals thereof required by applicable governmental authorities have been obtained for construction of Phase 1, Phase 2, Phase 3, and Phase 4, as the case may be; (ii) all necessary permits for the construction of Phase 1, Phase 2, Phase 3, and Phase 4, as the case may be, have

been issued by the applicable governmental authorities; and (iii) construction of vertical elements of buildings within Phase 1, Phase 2, Phase 3, and Phase 4, as the case may be, has commenced.

“Director” means the City’s Economic Development Director or his authorized designee.

“Effective Date” means the date this Agreement is last executed by the parties as indicated on the signature pages of this Agreement (whether or not in counterparts).

“Eligible Costs” shall mean with respect to the Public Infrastructure, the costs incurred and paid by Company for the design and construction of the Public Infrastructure, including Demolition (described below), and authorized by the MEDC, not including costs for legal fees, permit fees, the costs of the land, interest, finance, the cost of financing, right-of-way, or easements. All Eligible Costs must be first approved by the City Engineer.

“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.

“Force Majeure” means any act that (i) materially and adversely affects the affected party’s ability to perform the relevant obligations under this Agreement or delays such affected party’s ability to do so, (ii) is beyond the reasonable control of the affected party, (iii) is not due to the affected party’s fault or negligence, and (iv) could not be avoided, by the party who suffers it, by the exercise of commercially reasonable efforts. “Force Majeure” shall include: (a) natural phenomena, such as storms, floods, lightning and earthquakes; (b) wars, civil disturbances, revolts, insurrections, terrorism, sabotage and threats of sabotage or terrorism; (c) transportation disasters, whether by ocean, rail, land or air; (d) strikes or other labor disputes that are not due to the breach of any labor agreement by the affected party; (e) fires; (f) epidemics or pandemics where shut-down of residential or commercial construction or the manufacturing of supplies relating thereto has been ordered by a governmental authority; and (g) actions or omissions of a governmental authority (including the actions of the City in its capacity as a governmental authority) that were not voluntarily induced or promoted by the affected party, or brought about by the breach of its obligations under this Agreement or any applicable law or failure to comply with City regulations; provided, however, that under no circumstances shall Force Majeure include any of the following events: (g) economic hardship; (h) changes in market condition; (i) any strike or labor dispute involving the employees of the Company or any Affiliate of the Company, other than industry or nationwide strikes or labor disputes; (j) during construction, weather conditions which could reasonably be anticipated by experienced contractors operating the relevant location; (k) the occurrence of any manpower, material or equipment shortages except as set forth in (f) above; or (l) any delay, default or failure (financial or otherwise) of the general contractor or any subcontractor, vendor or supplier of the Company, or any construction contracts for the Public Infrastructure or the Project.

“Impositions” 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 the Property, or any property or any business owned by Company or within the City.

“Maximum Public Infrastructure Amount” means the lesser of: (i) the total amount of the Eligible Costs, or (ii) \$2,500,000. In the event additional funds are required after completion of the engineering design of the Public Infrastructure, the Parties shall mutually agree to amend the Maximum Public Infrastructure Amount, subject to available funding.

“MEDC Grants” mean the economic development payments to be paid by MEDC to Company in the amount equal to the costs incurred and paid by Company for Eligible Costs for Public Infrastructure not to exceed the Maximum Public Infrastructure Amount, as verified by MEDC, to be paid in installments as set forth herein. Each individual payment is considered individually as an “MEDC Grant.”

“Payment Request” means a written request from Company to Director for payment of the applicable installment of the MEDC Grants, accompanied by the applicable written application for payment, copies of invoices, bills, receipts, and such other information, as may reasonably be requested by the Director, evidencing the Eligible Costs incurred and paid by Company for the Public Infrastructure and Demolition. Once the Company has submitted copies of invoices, bills, and receipts for Eligible Costs equal to the Maximum Public Infrastructure Amount, the Company is not required to include such items in any subsequent Payment Request.

“Phase 1” shall mean that portion of the Project consisting of one (1) retail/office building totaling approximately 8,000 square feet (Commercial Building), seven (7) townhouse units, and associated Public Infrastructure, parking, sidewalks, green space, landscaping, and other amenities to be constructed as generally shown on the attached **Exhibit C**.

“Phase 2” shall mean that portion of the Project consisting of approximately fourteen (14) townhouse units, and associated Public Infrastructure, parking, sidewalks, green space, landscaping, and other amenities to be constructed as generally shown on the attached **Exhibit C**.

“Phase 3” shall mean that portion of the Project consisting of approximately eleven (11) townhouse units, and associated Public Infrastructure, parking, sidewalks, green space, landscaping, and other amenities to be constructed as generally shown on the attached **Exhibit C**.

“Phase 4” shall mean that portion of the Project consisting of approximately twelve (12) townhouse units, and associated Public Infrastructure, parking, sidewalks, green space, landscaping, and other amenities to be constructed as generally shown on the attached **Exhibit C**.

“Public Infrastructure” means public streets, sanitary sewer mains, storm drainage facilities, sidewalks along public streets, water mains, electric, gas, telecommunication, existing utility removal and relocation, and other site improvements and related public improvements associated with full development of the Project as described in **Exhibit D**, which shall also include

engineering, survey, topography, geo-tech, environmental Phase I and Phase II, and architectural design costs associated with the full design of the Project as described in **Exhibit D**.

“Tax Increment” means the total amount of property taxes levied and collected by the City for a calendar year on the Captured Appraised Value of real property taxable by the City and located in the Zone. The amount of Tax Increment contributed by the City shall be limited to any maximum amount or other terms set forth in the participation amount established by ordinance.

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

“Tax Increment Base” means the total appraised value of all real property taxable by the City and located in the Zone for the calendar year in which the Zone was designated by the City.

“Taxable Value” shall mean the appraised value of the Property as certified by the Tarrant Appraisal District, or its successor, for a given Tax Year.

“TIRZ Fund” means the funds deposited by the City in the Tax Increment fund for the Zone.

“Term” means the term of this Agreement as described in Article 2 of this Agreement.

ARTICLE 2 TERM

The term of this Agreement shall commence on the Effective Date and shall continue until the parties have fully satisfied all terms and conditions of this Agreement unless sooner terminated as provided herein.

ARTICLE 3 COMPANY OBLIGATIONS

3.1 **Contract of Sale.** Within thirty (30) days of the Effective Date, the City shall submit a contract (the “Proposed Contract”) to the Company for review. The Company and the City shall have thirty (30) days (unless otherwise agreed to in writing between the City and the Company) following the Company’s actual receipt of the Proposed Contract to negotiate its terms in good faith and execute a form mutually acceptable to the City and the Company, including any exhibits attached thereto requiring the City’s or the Company’s execution (the “Contract of Sale”). If the City and the Company fail to execute the Contract of Sale within the time prescribed in this section 3.1, this Agreement shall be of no force or effect and the parties shall have no further obligation, liability or debt to each other hereunder.

3.2 **Compliance with Laws.** Construction of the Public Infrastructure and Project must be done in accordance with the Approved Plans and all applicable federal, state and local laws, codes, and regulations. Company agrees that before platting the Property, it will file applications with the City requesting approval of all, concept, site, and phasing plans and any other requirements of the

Zoning District.

3.3 Regulations Regarding Building Products, Materials, or Methods. The parties find that the Property constitutes an area of architectural importance and significance and the City Council of City hereby designates it as an area of architectural importance and significance for purposes of Chapter 3000 of the Texas Gov't Code (the "**Code**"). In consideration for the mutual covenants and conditions contained herein and pursuant to §3000.002(d) of the Code, Company voluntarily consents to the application of all City rules, charter provisions, ordinances, orders, building codes, and other regulations existing as of the Effective Date, including the Zoning District (the "**Regulations**") that govern the use or installation of a building product or material in the construction, renovation, maintenance, or other alteration of a residential or commercial building on the Property, regardless of whether a different building product or material is approved for use by a national model code published within the last three code cycles that applies to the construction, renovation, maintenance, or other alteration of the building. In addition, Company voluntarily consents to the application of the Regulations that establish a standard for a building product, material, or aesthetic method in construction, renovation, maintenance, or other alteration of a residential or commercial building, regardless of whether the standard is more stringent than a standard for the product, material, or aesthetic method under a national model code published within the last three code cycles that applies to the construction, renovation, maintenance, or other alteration of the building. The parties agree that: (a) the City will not issue any permits for the Property in violation of this section; (b) the covenants contained within this section constitute a material term of this Agreement; (c) Company's voluntary consent to the application of the Regulations to the Property, as described in this section, constitutes a material inducement for the City, MEDC, and Board to authorize the payments to Company described herein; (d) the covenants contained herein shall run with the land and shall bind Company and all successors and assigns; and (e) this section shall survive termination or expiration of this Agreement.

3.4 Commencement of Construction. Company shall use commercially reasonable efforts to achieve Commencement of Construction for Phase 1 no later than 18 months following the Company's receipt of all approvals required by applicable governmental authorities.

3.5 Building Final and Certificate of Occupancy Schedule. Company shall use commercially reasonable efforts to receive a Building Final and Certificate of Occupancy no later than the dates established below for each phase as follows; however, the City Manager, in his reasonable discretion, may extend the time for each phase below based on progress by Company to achieve Building Final and Certificate of Occupancy:

- (a) Phase 1 – 18 months following the Commencement of Construction;
- (b) Phase 2 – 18 months following the Company's receipt of a Building Final and Certificate of Occupancy for Phase 1;
- (c) Phase 3 – 18 months following the Company's receipt of a Building Final and Certificate of Occupancy for Phase 2; and

- (d) Phase 4 – 18 months following the Company’s receipt of a Building Final and Certificate of Occupancy for Phase 3.

If Company fails to achieve Commencement of Construction for Phase I within the deadline in Section 3.5(a), , Company must repay the MEDC and City, as applicable, pursuant to the repayment obligations of Section 6.3, but subject to the Notice Period and Cure Period in Section 3.6, and subject to any extensions granted by the City Manager.

3.6 Default. Upon a default by a party, a non-defaulting party may provide written notice of such default to the defaulting party (the “Notice of Default”). Upon a defaulting party’s receipt of the Notice of Default, said defaulting party shall have ninety (90) days, unless otherwise extended by written agreement between the Company and Director (the “Notice Period”) to cure such default, after which time a non-defaulting party may, at its option, pursue any and all remedies it may be entitled to, at law or in equity, in accordance with Texas law, without the necessity of further notice to or demand upon the defaulting party. Notwithstanding the foregoing, a non-defaulting party shall not pursue remedies for as long as the defaulting part proceeds in good faith and with due diligence to remedy and correct the default (the “Cure Period”), provided that the defaulting party has used commercially reasonable efforts to commence to cure such default within the Notice Period.

3.7 Property Maintenance.

(a) Company agrees to create a property owner’s association, or other appropriate entity (“**Association**”), to assume and be responsible for the continuous and perpetual operation, maintenance, and supervision of structures, parks, landscaping systems or landscape elements or features, landscape irrigation systems, screening walls, living screens, buffering systems, entryway features, including monuments or other signage, or other physical facilities or grounds held in common and necessary or desirable for the welfare of the Project, or that are of common use or benefit and that are not or cannot be satisfactorily maintained by the City. A copy of the agreements, covenants and restrictions establishing and creating the Association must be approved by the city attorney and City Council of City prior to the approval of the record plat of the subdivision for the Project and must be filed of record with such record plat in the map and plat records of Tarrant County. All facilities, structures, improvements, systems, areas or grounds that are to be operated, maintained and/or supervised by the Association, other than those located in public easements or rights-of-way, shall be dedicated by easement or deeded in fee simple ownership interest to such Association. Such easements or ownership shall be clearly identified on the record plat of the applicable subdivision.

(b) At a minimum, the agreements, covenants and restrictions establishing and creating the Association must contain or provide for the following:

- (1) Definitions of terms contained therein;
- (2) Provisions reasonably and mutually acceptable to the City and the Company for the establishment and organization of the Association and the adoption of

bylaws for such Association, including provisions requiring that the owner of any lot within the applicable subdivision and any successive buyer shall automatically and mandatorily become a member of the Association;

(3) The initial term of the agreements, covenants and restrictions establishing and creating the Association shall be for a 25-year period and shall automatically renew for successive ten-year periods, and the Association may not be dissolved without the prior written consent of the City;

(4) Provisions reasonably acceptable to the City and the Company to ensure the continuous and perpetual use, operation, maintenance, and/or supervision of all facilities, structures, improvements, systems, areas or grounds that are the responsibility of the Association and to establish a reserve fund for such purposes;

(5) Provisions reasonably prohibiting the amendment of any portion of the Association's agreements, covenants or restrictions pertaining to the use, operation, maintenance and/or supervision of any facilities, structures, improvements, systems, areas or grounds that are the responsibility of the Association without the reasonable prior written consent of the City, which such consent shall not be unreasonably withheld or delayed.

(6) The right and ability of the City or its lawful agents, after due notice to the Association, and expiration of Cure Period, to remove any landscape systems, features or elements that cease to be maintained by the Association; to perform the responsibilities of the Association if the Association fails to do so in compliance with any provisions of the agreements, covenants or restrictions of the Association or of any applicable City codes or regulations; to assess the Association for all reasonable costs incurred by the City in performing such responsibilities if the Association fails to do so; and/or to avail itself of any other enforcement actions available to the City pursuant to state law or City codes or regulations; and

(7) Provisions indemnifying and holding the City harmless from any and all costs, expenses, suits, demands, liabilities or damages, including attorney's fees and costs of suit, incurred or resulting from the City's removal of any landscape systems, features or elements that cease to be maintained by the Association or from the City's performance of the operation, maintenance or supervision responsibilities of the Association due to the Association's failure to perform such responsibilities.

3.8 Minimum Capital Investment. Phase 1 of the Project shall result in a minimum Capital Investment of at least \$4,800,000 following (i) the sale of all residential units in Phase 1, and (ii) a fully leased Commercial Building that shall retain in the City or create at least 4 full-time jobs as a performance obligation during the term of this Agreement, subject to the repayment terms in this Agreement as required by Texas Local Gov't Code Sec. 501.158, as amended. It is estimated that the remaining phases of the Project will result in the following minimum Capital Investments:

- (a) Phase 2 – \$6,700,000
- (b) Phase 3 – \$5,300,000
- (c) Phase 4 – \$5,800,000

If Company fails to meet the minimum Capital Investment for Phase 1 in this Section 3.8, Company must repay the MEDC and City, as applicable, pursuant to the repayment obligations of Section 6.3, but subject to the Notice Period and Cure Period in Section 3.6 and any extensions granted by the City Manager.

ARTICLE 4 MEDC, CITY, AND TIRZ GRANTS

4.1 MEDC Grants.

(a) Company shall demolish the buildings currently located on the Property and may submit a Payment Request to the Director after the demolition work, assessment and removal of any hazardous material, asbestos and removal of same, disposal of debris and materials, engineering and grading work, removal, rerouting and / or capping of any utilities, and any related site improvements or other improvements are complete (collectively referred to as the “Demolition”). The Payment Request shall be reviewed by the City Engineer and the Director. Upon approval of the Payment Request by the City Engineer and Director, which such approval shall not be unreasonably denied, withheld or delayed, the MEDC shall pay Company an MEDC Grant in an amount not to exceed \$300,000, or the actual cost of Demolition, whichever is less, for Eligible Costs related to the Demolition no later than thirty (30) days after City’s receipt of the Company’s Payment Request for Demolition.

(b) MEDC shall convey the MEDC Property to the Company for the purchase price of **ONE DOLLAR (\$1.00)** and the deed shall include a provision by which the Property will automatically revert back to the MEDC if Company fails to achieve Commencement of Construction for Phase 1 pursuant to Section 3.5 of this Agreement.

(c) An MEDC Grant shall be paid to Company for all Eligible Costs related to the approved Public Infrastructure. Prior to Commencement of Construction for Phase 1, the proposed costs for storm, sewer, water, electric, gas, telecommunication and reconstruction of parking, sidewalks, landscape, hardscape and benches on Main St., and all infrastructure exhibits and estimates shall be submitted to the City Engineer for approval. The Company may submit a monthly progress Payment Request to the City Engineer and the Director. Upon approval of a Payment Request by the City Engineer and Director, which such approval shall not be unreasonably denied, withheld or delayed, the MEDC Grant shall be paid to Company no later than twenty (20) days after City’s receipt of said Payment Request for Public Infrastructure.

4.2 Maximum Public Infrastructure Amount. The MEDC Grants paid to Company in accordance with this Article 4 shall not exceed the Maximum Public Infrastructure Amount, and is subject to the availability of MEDC funds as required by Texas law.

4.3 City Grants. As a condition precedent to City's conveyance of the City Property to Company, the Company shall provide sufficient proof of financing of each phase of the Project to the City. If, in the City's reasonable determination, the proof of financing for each phase is acceptable, the City shall convey the City Property to the Company for the purchase price of **ONE DOLLAR (\$1.00)** and the deed shall include a provision by which the Property will automatically revert back to the City if the Commencement of Construction for Phase 1 fails to occur by the time prescribed in Section 3.5 of this Agreement.

4.4 TIRZ 380 Grants. As part of the economic development program and in exchange for Company's completion and compliance with the terms and conditions of this Agreement, the Board agrees to pay Chapter 380 grants from currently available TIRZ Funds to Company for "Project Costs", as that term is defined in Texas Tax Code Ch. 311, subject to the project and finance plan for the Zone, which may be amended to ensure TIRZ Fund eligibility under this Section 4.4, and subject to the following:

- (a) Upon final 100% completion of construction of each respective phase of the Project, Company may notify the Board of any Project Costs related to that respective phase of the Project, including costs for demolition and Public Infrastructure, that were not part of the Eligible Costs to be paid through the MEDC Grants; and
- (b) The Board's obligation to pay the TIRZ 380 Grants for each respective phase of the Project will become effective upon the Board's receipt of written notice from the Director specifying the amount and schedule of TIRZ 380 Grants to be paid. The parties agree that any TIRZ 380 Grants paid from the Zone may not come from any source of Zone funds other than the TIRZ Fund.

ARTICLE 5 DEFERRED DEVELOPMENT FEES

5.3 Deferred Development Fees. The parties agree that all of the development fees, including, but not limited to, plan review, permit, water, sewer, park, and roadway impact fees shall be deferred by the City and funded by the TIRZ Fund, which obligation will become effective upon the Board's receipt of written notice from the Director specifying the amount and schedule of development fee payments to be paid. The parties agree that any development fee payments paid under this Agreement will be paid from the TIRZ Funds and shall not come from any other source of funding.

ARTICLE 6 TERMINATION, OFFSET, AND REPAYMENT

6.1 Termination. This Agreement may be terminated upon any one or more of the following:

- (a) by mutual written agreement of the parties; or
- (b) upon written notice by MEDC or City, if:
 - (i) Company fails to execute the Contract of Sale; or
 - (ii) upon written notice by MEDC or City, if the Contract of Sale is terminated or the conveyance of the MEDC Property or the City Property to Company otherwise fails to close; or
- (c) upon written notice by any party, if another party defaults or breaches any of the other terms or conditions of this Agreement and such default or breach is not cured as provided in Section 3.6 of this Agreement; or
- (d) upon written notice by MEDC or City, if Company suffers an Event of Bankruptcy or Insolvency; or
- (e) upon written notice by MEDC or City, if any Impositions owed to MEDC or City become delinquent and such delinquency has not been cured within thirty (30) days after written notice thereof; or
- (f) upon written notice by any party if any subsequent federal or state legislation or any decision of a court of competent jurisdiction renders this Agreement invalid, illegal, or unenforceable.

6.2 **Offset.** City or MEDC may at its option, and after delivering written notice to Company of its intent to do so, offset any amounts due and payable under this Agreement against any delinquent debt (including taxes) lawfully due to City or MEDC, regardless of whether or not the debt due to the City or MEDC has been reduced to judgment by a court.

6.3 **Repayment.** In the event the Agreement is terminated by MEDC pursuant to Section 6.1(b)-(e), or if Company fails to meet its performance obligations in Sections 3.5(a) and 3.8, Company shall, subject to repayment obligations of Section 3.6 refund to MEDC and City an amount equal to the amount of the MEDC Grants or City payments that have been provided by MEDC or City to Company prior to 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 MEDC) as its prime or base commercial lending rate, which shall accrue from the Effective Date until paid.

ARTICLE 7 INDEMNIFICATION

CITY, MEDC, AND THE BOARD SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE, OR INJURY OF ANY KIND OR CHARACTER TO ANY PERSON OR PROPERTY

ARISING FROM THE ACTS OR OMISSIONS OF THE COMPANY OR ITS CONTRACTORS PURSUANT TO THIS AGREEMENT. COMPANY HEREBY WAIVES ALL CLAIMS AGAINST CITY, MEDC, AND THE BOARD, THEIR COUNCIL, DIRECTORS, OFFICERS, AGENTS AND EMPLOYEES (COLLECTIVELY REFERRED TO AS THE "CITY REPRESENTATIVES") FOR DAMAGE TO ANY PROPERTY OR INJURY TO, OR DEATH OF, ANY PERSON ARISING AT ANY TIME AND FROM ANY CAUSE (OTHER THAN THE SOLE NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL ACT OF THE CITY REPRESENTATIVES) ARISING FROM THE ACTS OR OMISSIONS OF THE COMPANY OR ITS CONTRACTORS PURSUANT TO THIS AGREEMENT. COMPANY DOES HEREBY INDEMNIFY AND SAVE HARMLESS THE CITY REPRESENTATIVES FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, CLAIMS, SUITS, COSTS (INCLUDING COURT COSTS, ATTORNEYS' FEES AND COSTS OF INVESTIGATION) AND ACTIONS OF ANY KIND BY REASON OF INJURY TO OR DEATH OF ANY PERSON, OR DAMAGE TO OR LOSS OF PROPERTY ARISING FROM COMPANY'S BREACH OF ANY OF THE TERMS AND CONDITIONS OF THIS AGREEMENT, OR BY REASON OF ANY ACT OR OMISSION ON THE PART OF COMPANY, ITS OFFICERS, DIRECTORS, SERVANTS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, SUB-CONTRACTOR(S), LICENSEES, SUCCESSORS OR PERMITTED ASSIGNS IN THE PERFORMANCE OF THIS AGREEMENT (EXCEPT WHEN SUCH LIABILITY, CLAIMS, SUITS, COSTS, INJURIES, DEATHS OR DAMAGES ARISE FROM OR ARE ATTRIBUTED TO THE SOLE NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL ACT OF THE CITY REPRESENTATIVES). NOTWITHSTANDING THE FOREGOING IN THE EVENT OF JOINT OR CONCURRENT NEGLIGENCE OF BOTH THE CITY REPRESENTATIVES AND COMPANY, THE RESPONSIBILITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY REPRESENTATIVES AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. THE PROVISIONS OF THIS SECTION ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND THEIR RESPECTIVE SUCCESSORS AND PERMITTED ASSIGNS AND NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY. THE COMPANY'S OBLIGATIONS UNDER THIS SECTION SHALL NOT BE LIMITED TO THE LIMITS OF COVERAGE OF INSURANCE MAINTAINED OR REQUIRED TO BE MAINTAINED BY COMPANY UNDER THIS AGREEMENT. THIS PROVISION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

ARTICLE 8 ACCESS TO INFORMATION

Notwithstanding any other provision to the contrary in this Agreement, all information, documents, and communications relating to this Agreement may be subject to the Texas Public Information Act and any opinion of the Texas Attorney General or a court of competent jurisdiction relating to the Texas Public Information Act. In addition to the foregoing sentence, the City shall submit to the comptroller the information as required by Texas Local Gov't Code Sec.

380.004, and any other information the comptroller considers necessary to operate and update the database described by Section 403.0246, Government Code. Upon the City's or MEDC's written request, Company agrees to provide the City or MEDC, within thirty (30) days of the Company's receipt of such request, access to contract documents, invoices, receipts, records, and reports to verify Company's compliance with this Agreement.

ARTICLE 9 GOVERNMENTAL FUNCTIONS AND IMMUNITY

The parties hereby acknowledge and agree that the City is entering into this Agreement pursuant to its governmental functions and that nothing contained in this Agreement shall be construed as constituting a waiver of the City's police power, legislative power, or governmental immunity from suit or liability, which are expressly reserved to the extent allowed by law. The parties agree that this is not an Agreement for goods or services to the City. To the extent a Court of competent jurisdiction determines that the City's governmental immunity from suit or liability is waived in any manner, or that this Agreement is subject to the provisions of Chapter 271 of the Texas Local Gov't Code, as amended, the City's immunity from suit may be waived only as set forth in Subchapter I of Chapter 271, Texas Local Gov't Code. Further, the parties agree that this Agreement is made subject to all applicable provisions of the Texas Civil Practice and Remedies Code, including but not limited to all defenses, limitations, and exceptions to the limited waiver of immunity from liability provided in Chapter 101 and Chapter 75.

ARTICLE 10 GENERAL PROVISIONS

10.1 Mutual Assistance. The parties shall do all things reasonably necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

10.2 Representations and Warranties. Company represents and warrants to the MEDC and City that it has the requisite authority to enter into this Agreement. Company represents and warrants to the MEDC and City that it will not violate any federal, state or local laws in constructing or operating the Project, and that the Project and Public Infrastructure shall conform to the applicable building codes, zoning ordinances, and all other ordinances and regulations of the City of Mansfield.

10.3 Section or Other Headings. Section or other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

10.4 Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the transaction contemplated herein.

10.5 Amendment. This Agreement may only be amended, altered, or revoked by written instrument signed by the parties.

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

City: City of Mansfield, Texas
Attn: City Manager
1200 E. Broad Street
Mansfield, Texas 76063

10.8 Interpretation. Regardless of the actual drafter of this Agreement, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against any party.

10.9 Applicable Law/Venue. 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 arising out of, or relating to, this Agreement must be in a court of competent jurisdiction in Tarrant County, Texas.

10.10 Severability. In the event any provision of this Agreement is ruled illegal, invalid, or unenforceable by any court of proper jurisdiction, under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

10.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

10.12 No Joint Venture. The provisions of this Agreement are not intended to create, nor will they be in any way interpreted or construed to create a joint venture, partnership, or any other similar relationship between the parties.

10.13 Force Majeure. If any party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder (other than the payment of money) by reason of Force Majeure, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay, provided that the foregoing shall not be applicable to any payment obligation of any party under this Agreement.

10.14 Attorney's Fees. If either party employs an attorney or attorneys to enforce any of the provisions hereof, or to recover damages for the breach of this Agreement, the non-prevailing party in any final judgment or award agrees to pay the other party all reasonable costs, charges and expenses, including reasonable attorneys' fees and costs of court, expended or incurred in connection therewith.

10.15 Limitation of Liability. The parties further agree that no party will be liable to any other party under this Agreement for special, consequential (including lost profits), or exemplary damages.

10.16 Undocumented Workers. Company covenants and certifies that it does not and will not knowingly employ an undocumented worker as that term is defined by Section 2264.001(4) of the Texas Government Code. In accordance with Section 2264.052 of the Texas Government Code, if Company is convicted of a violation under 8 U.S.C. Section 1324a (f), Company shall repay to the MEDC the full amount of all payments made under this Agreement, plus ten percent (10%) interest per annum from the date such payment was made until the date of full repayment. Repayment shall be paid within one hundred twenty (120) days after the date Company receives a notice of violation from the MEDC.

10.17 City Council Approval. This Agreement is not valid unless first approved by the City Council of the City of Mansfield.

10.18 Gift to Public Servant. The City may terminate the Agreement immediately if the Company has offered or agreed to confer any benefit upon a City employee or official that the City employee or official is prohibited by law from accepting.

10.19 Texas Boycott Prohibitions. To the extent required by Texas law, Company verifies that: (1) it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association, as defined in Texas Government Code § 2274.001, and that it will not during the term of this Agreement discriminate against a firearm entity or firearm trade association; (2) it does not “boycott Israel” as that term is defined in Texas Government Code § 808.001 and it will not boycott Israel during the term of this Agreement; and (3) it does not “boycott energy companies,” as those terms are defined in Texas Government Code §§ 809.001 and 2274.001, and it will not boycott energy companies during the term of this Agreement.

10.20 380 Grant Limitations. Under no circumstances shall the obligations of the City hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision; provided, however, the City agrees during the term of this Agreement to appropriate funds to pay the grant for this Agreement. Further, City shall not be obligated to pay any lienholder, commercial bank, lender, or similar Person or financial institution for any loan or credit agreement made by the Company.

10.21 Full Execution Required. This Agreement will not be binding on any party unless fully executed by all parties.

[Signatures on Following Page]

[Remainder of Page Intentionally Left Blank]

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

By: _____

Name: _____

Title: _____

Date: _____

ATTEST:

Board Secretary

OAKHOLLOW GROUP, LTD.
a Texas limited partnership

By: Oakhollow Properties, Inc.

a Texas corporation
its General Partner By: _____

DocuSigned by:

Mojy Haddad

Mojy Haddad, President

12/4/2023

Date: _____

CITY OF MANSFIELD, TEXAS

Joe Smolinski, City Manager, or designee

Date: _____

ATTEST:

Susana Marin, City Secretary

**BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER TWO,
CITY OF MANSFIELD**

Chairman

Date: _____

EXHIBIT A

MEDC Property



EXHIBIT B

City Property



EXHIBIT C

The Project

The percent of 2-story and 3-story unit mix shall be consistent with the percentages developed at the Main 7 Development in Arlington, Texas, and may be amended by the Company and City Manager, mutually, in their reasonable discretion.

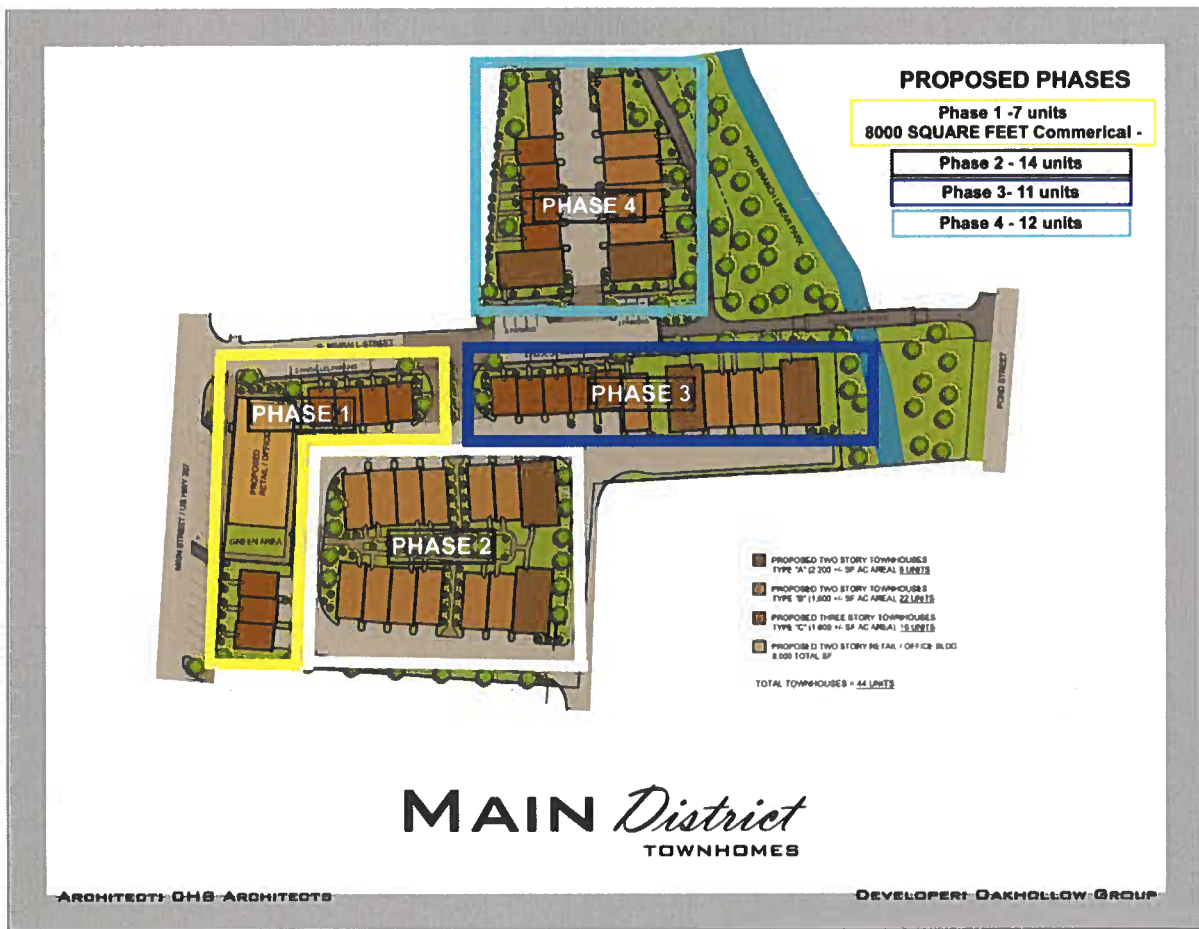


EXHIBIT D

Public Infrastructure

Company to attach this exhibit after obtaining approval from the City Engineer, and prior to platting.

