

TIRZ DEVELOPMENT AGREEMENT

This TIRZ Development Agreement (this “Agreement”) is entered into among the City of Mansfield, Texas (the “City”), the Board of Directors (the “Board”) of Reinvestment Zone Number Two, City of Mansfield (the “Zone”), and HGRC Mansfield, LP, a Delaware limited partnership (the “Developer”). The City, the Board, and the Developer are individually referred to as a “Party” and collectively as the “Parties.” The City and the Board are collectively referred to as the “Public Parties.”

ARTICLE I RECITALS

WHEREAS, unless otherwise specified, all references to “Section” mean a section of this Agreement, and all references to “Exhibit” mean the exhibits attached to and made a part of this Agreement for all purposes; and

WHEREAS, HGRC Mansfield, LP is a Delaware limited partnership; and

WHEREAS, the City is a home rule municipality of the State of Texas; and

WHEREAS, the Zone (hereinafter defined) is a tax increment reinvestment zone created by the governing body of the City (the “City Council”) in accordance with the Tax Increment Financing Act, Chapter 311, Texas Tax Code, as amended (the “Act”), by Ordinance No. O-1861-12 adopted December 10, 2012; and

WHEREAS, on January 9, 2013, the Board (i) approved the Final Project and Finance Plan for the Zone (the “Project and Finance Plan”) for the Zone and (ii) recommended approval of the Project and Finance Plan to the City Council; and

WHEREAS, on February 11, 2013, the City Council adopted Ordinance No. O-1867-13 approving the Project and Finance Plan; and

WHEREAS, the Act authorizes agreements to implement the Project and Finance Plan; and

WHEREAS, the liability of the Public Parties under this Agreement is limited to amounts required to be deposited into the Property TIRZ Fund; and

WHEREAS, in accordance with Section 311.010(h) of the Act, the City Council and the Board, as necessary or convenient to implement the 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.

WHEREAS, by approval of the City Council, the Board has all the powers of a City under Chapter 380, Texas Local Government Code; and

WHEREAS, in accordance with the Project and Finance Plan, the Public Parties find that reimbursements to Developer will be made in furtherance of economic development programs authorized under Chapter 380, Texas Local Government Code, and the Project to be built by Developer is one which contains retail 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 Public Parties find that the reimbursements provided to the Developer 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 Public Parties have an interest in creating jobs and expanding the tax base which accomplish a public purpose; and

WHEREAS, pursuant to Section 311.008 of the Act, City intends on selling the Property to Developer on the terms and conditions of the Contract of Sale, which it considers advisable to implement the Project and Finance Plan of the Zone; and

WHEREAS, the Public Parties have ensured that the public will receive benefits for the reimbursements provided imposing on the Developer performance standards and penalties for any failure to meet the standards.

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the Parties agree as follows:

ARTICLE II **DEFINITIONS**

Words and phrases used in this Agreement that have their initial letters capitalized shall have the meanings given to them in the introductory paragraph above, in the recitals, and in this Article II unless the context in which a word or phrase is used clearly requires a different meaning.

“Act” is defined in the Recitals.

“Agreement” is defined in the introductory paragraph of this Agreement.

“Annual Payment Date” shall mean October 1 of each calendar year during the term of this Agreement, except the first Annual Payment Date shall be October 1 of the calendar year following the Commencement Date.

“Board” is defined in the introductory paragraph of this Agreement.

“Capital Investment” means the actual cost incurred by Developer related to the design and construction of the Project, including all labor and materials for construction of the total

development, architectural fees, engineering costs, surveying costs, fees of other consultants, permit and inspection fees, development fees, and financing fees.

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

“Certificate of Occupancy” means a certificate issued by the City building official reflecting that construction of the Project has been completed in conformance with appropriate City codes such that the Developer is authorized to secure full utility service and is permitted to occupy the structures for commercial occupancy.

“City” is defined in the introductory paragraph of this Agreement.

“City Council” is defined in the Recitals.

“Civic Plaza” means the public space as shown on the attached **Exhibit B** and to be dedicated to the City.

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

“Commencement Date” shall mean the date (i) Developer has achieved Completion of Construction of the Project; (ii) the Developer has made a Capital Investment of at least \$50,000,000; and (iii) the Developer has executed the Parking Garage Easement, and such form has been recorded in the Real Property Records of Tarrant County, Texas.

“Completion of Construction” means the City has approved and accepted all public infrastructure within the Project and all structures within the Project have received a Certificate of Occupancy from City.

“Contract of Sale” means the contract of sale attached hereto as **Exhibit C**.

“Developer” is defined in the introductory paragraph of this Agreement.

“Effective Date” means the last date of execution of this Agreement by the Parties.

“Expiration Date” means the earlier of: (i) the date of termination of the Zone; and (ii) the date on which Maximum Reimbursement Amount has been paid in full to the Developer.

“Maximum Reimbursement Amount” means \$8,061,063.00.

“Parking Garage” means a multi-level above-ground structure located on the Property and designed for the public parking of motor vehicles within the Project, and containing a minimum of 280 parking spaces.

“Parking Garage Completion Date” means the date the Parking Garage is completed and accepted by the City.

“Parking Garage Easement” shall have the meaning set forth in Section 3.4.

“Party” and “Parties” are defined in the introductory paragraph of this Agreement.

“Participation Agreement” shall mean an Agreement between the City and a Taxing Unit for the Taxing Unit to contribute Tax Increment to the TIRZ Fund.

“Payment Request” shall mean a written request from the Developer to the City for a Reimbursement Payment accompanied by: (i) copies of invoices, bills, receipts and such other information as may be reasonably requested by City to document Project Costs; and (ii) satisfactory written proof that all amounts owing to contractors and subcontractors for the Project Costs have been paid in full evidenced by the customary affidavits executed by Developer and/or its contractors. Once the Developer has submitted copies of invoices, bills, and receipts for eligible Project Costs equal to the Maximum Reimbursement Amount, the Developer is not required to include such materials in any subsequent Payment Request.

“Project” means a mixed-use development consisting of a minimum of 249 multifamily units and live/work units; 11,700 square feet of retail space; 7,800 square feet of civic plaza space; a Parking Garage; and infrastructure, driveways, parking, landscaping and other improvements reasonably required to be constructed by Developer on the Property, all of the foregoing of which are shown on the site plan and renderings attached hereto as **Exhibit B**.

“Project and Finance Plan” is defined in the Recitals.

“Project Costs” mean the following costs attributable to the construction of the Project: all development cost, including, without limitation, all hard cost of construction; the costs of construction materials, building systems installation; contractor fees; architectural, engineering, design, and planning costs; development fees; insurance; financing costs; permit fees; and testing fees.

“Property” means the real property more particularly described on the attached **Exhibit A**.

“Property TIRZ Fund” means a sub-account within the TIRZ Fund consisting of Tax Increment contributed by the City and Taxing Unit on that portion of Captured Appraised Value solely attributable to the Property.

“Reimbursement Payment” means the annual payment to the Developer for the Project Costs from the Property TIRZ Fund that has been collected by the City and Taxing Unit and deposited in the Property TIRZ Fund, as set forth herein.

“Public Parties” are defined in the introductory paragraph to this Agreement.

“Tax Increment” means the total amount of property taxes levied and collected by the City and a Taxing Unit for a calendar year on the Captured Appraised Value of real property taxable by the City and a Taxing Unit and located in the Zone. The amount of Tax Increment contributed by the

City or any other Taxing Unit shall be limited to any maximum amount or other terms set forth in the respective Participation Agreement of such Taxing Unit or, in the case of the City, the participation amount established by ordinance.

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

“Taxing Unit” shall mean Tarrant County, Texas.

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

“Zone” means Tax Increment Reinvestment Zone Number Two, City of Mansfield, Texas.

ARTICLE III **DEVELOPER OBLIGATIONS**

3.1 Construction of Project. Developer agrees to: (a) achieve Commencement of Construction of the Project no later than one hundred eighty (180) days after the Effective Date; and (b) achieve Completion of Construction of the Project no later than thirty (30) months after Commencement of Construction.

3.2 Capital Investment. On or before Completion of Construction Developer must make a Capital Investment in the Project in an amount of no less than \$50,000,000 within sixty (60) days of Completion of Construction, Developer must provide sufficient evidence to the City for the Capital Investment in a manner acceptable to the City.

3.3 Contract of Sale. Within thirty (30) days of the Effective Date, Developer must execute the Contract of Sale.

3.4 Parking Garage Easement. Within thirty (30) days of the Parking Garage Completion Date, Developer, any other owners of the Property, and all lienholders of the Property, shall execute a parking easement in the form attached hereto as **Exhibit D** (the “Parking Garage Easement”) to permit up to 20 parking spaces to be dedicated for public parking in the Parking Garage in accordance with the terms and conditions contained in the Parking Garage Easement.

3.5 Civic Plaza. Developer agrees to dedicate the Civic Plaza to the City at the time of platting the Property, or by separate instrument on a form reasonably acceptable to City after Completion of Construction of the Project.

3.6 Compliance with Laws. Developer agrees to construct the Project in accordance with the site plan and renderings attached hereto as **Exhibit B**, and all applicable federal, state and local laws, codes, and regulations (or valid waiver thereof). The construction of the Project may not deviate from the site plan and renderings on the attached **Exhibit B** without the prior approval of the City Council.

ARTICLE IV
REIMBURSEMENT OF PROJECT COSTS

4.1 Developer Reimbursement. Subject to the continued satisfaction of all the terms and conditions of this Agreement by the Developer, the Public Parties agree to reimburse the Developer for Project Costs from the Property TIRZ Fund as provided in this Agreement. Only those Project Costs approved by the City's city manager or his designee as being in compliance with this Agreement will be considered for reimbursement. The Property TIRZ Fund shall only be used to pay Project Costs in accordance with this Agreement and the Act.

(a) The City shall make Reimbursement Payments to the Developer on an annual basis within thirty (30) days after receipt of a Payment Request following the first Annual Payment Date that follows the Commencement Date.

(b) The amount of each annual Reimbursement Payment shall be the lesser of: (i) the amount of the Project Costs then eligible for payment pursuant to paragraph (a) of this Section 4.1 that have not been paid to the Developer; and (ii) the amount of available Property TIRZ Funds after consideration of the priorities set forth in Section 4.2, below. If there are insufficient funds in the Property TIRZ Fund for an annual Reimbursement Payment, the unreimbursed Project Costs shall be carried forward to succeeding Annual Payment Dates until payment has been made in full or termination of this Agreement, whichever occurs first.

(c) Notwithstanding any other provision to the contrary, in no event shall the monies on deposit in the Property TIRZ Fund be used to reimburse the Developer for the Project Costs under this Agreement in excess of the Maximum Reimbursement Amount. The obligation of the City to pay the Developer the Project Costs is limited to the extent that there are funds in the Property TIRZ Fund available during the term of this Agreement in an amount not to exceed the Maximum Reimbursement Amount.

(d) The Developer agrees to look solely to the Property TIRZ Fund, not the City's general fund or other funds, for payment of Project Costs. Nothing in this Agreement shall be construed to obligate the City to provide reimbursement of Project Costs from any other source of funds or to otherwise require the City to pay the Developer for Project Costs in the event there are insufficient funds in the Property TIRZ Fund to pay Project Costs or in the event the Zone terminates prior to payment in full of the accrued Project Costs (provided the City shall not adopt an ordinance providing for termination of the Zone on a date earlier than provided in the ordinance that established the Zone unless this Agreement has been terminated). Upon the termination of this Agreement or the expiration of the Zone, any Project Costs that remain un-reimbursed or that remain unpaid, due to lack of availability of funds in the Property TIRZ Fund, or due to the failure of the Developer to satisfy any precondition of reimbursement under this Agreement, shall no longer be considered Project Costs or obligations of the Zone, and any obligation of the Public Parties to provide reimbursement payments to the Developer for Project Costs shall automatically expire and terminate on such date.

4.2 Tax Increment Fund Priorities. The funds deposited in the Property TIRZ Fund shall be applied in the following order of priority: (i) amounts pledged or required for payment of outstanding bonds or debt issued for Zone projects, if any (and provided that bond proceeds are used or reserved to pay City and Board obligations pursuant to this Agreement); (ii); and Reimbursement Payments to the Company for the Project Costs.

4.3 Records. The Developer shall at all times keep complete and accurate books and records in accordance with generally accepted accounting principles and shall allow any representative of the Public Parties, at all reasonable times and with at least three (3) business days' prior written notice, to examine and copy the books and records of the Developer that relate to this Agreement.

ARTICLE V ADDITIONAL PROVISIONS

5.1 Zone Duration. If upon expiration of the term of the Zone, Project Costs have not been paid to the Developer or its assignees, neither the City nor a Taxing Unit shall have any obligation to pay the shortfall.

5.2 Assignment. The Developer has the right, from time to time without the consent of the City, but upon written notice to the City, to assign this Agreement, in whole or in part, including any obligation, right, title, or interest of the Developer under this Agreement, to the following (an “Assignee”): (i) any person or entity that is or will become an owner of or who leases any portion of the Property; or (ii) any entity that is controlled by or under common control with the Developer. Each assignment shall be in writing executed by the Developer and the Assignee and shall obligate the Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each assignment shall be provided to the City within forty-five (45) days after execution. From and after such assignment and notwithstanding anything to the contrary in this Agreement, the City agrees to look solely to the Assignee for the performance of all obligations assigned to the Assignee and agrees that the Developer shall be released from subsequently performing the assigned obligations and from any liability that results from the Assignee’s failure to perform the assigned obligations; provided, however, if a copy of the assignment is not received by the City within forty-five (45) days after execution, the Developer shall not be released until the City receives such assignment. An Assignee shall be considered the “Developer” and a “Party” for the purposes of this Agreement.

5.3 Collateral Assignment. The Developer shall have the right to collaterally assign, pledge, or encumber, in whole or in part, to any lender as security for any loan in connection with development within the Zone, all rights, title, and interests of the Developer to receive payments under this Agreement. Such collateral assignments (i) shall not require the consent of the Public Parties, (ii) shall require notice to the Public Parties together with full contact information for such lenders, (iii) shall not create any liability for any lender under this Agreement by reason of such collateral assignment unless the lender agrees, in writing, to be bound by this Agreement; and (iv) may give lenders the right, but not the obligation, to cure any failure of the Developer to perform under this Agreement. No collateral assignment shall relieve the Developer from any obligations or liabilities under this Agreement.

5.4 Recitals. The recitals contained in this Agreement: (i) are true and correct as of the Effective Date; (ii) form the basis upon which the Parties negotiated and entered into this Agreement; (iii) are legislative findings of the City Council, and (iv) reflect the final intent of the Parties with regard to the subject matter of this Agreement. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

5.5 Defaults; Remedies.

(a) No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given thirty (30) days to perform. If the default cannot reasonably be cured within such 30-day period, and the Party in default has diligently pursued such remedies as shall be reasonably necessary to cure such default, then the non-defaulting Party may, at its sole option, extend the period in which the default must be cured.

(b) Notwithstanding Section 5.5(a), upon written notice, this Agreement may be terminated by the City in the event Developer fails to close on the Property in accordance with the terms of the Contract of Sale; or (ii) fails to achieve Commencement of Construction.

5.6 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 on the day actually received if sent by courier or otherwise hand delivered:

To the City: City of Mansfield
Attn: City Manager
1200 E Broad Street
Mansfield, TX 76063

With a copy to: Taylor, Olson, Adkins, Sralla & Elam, LLP
Attn: Drew Larkin
6000 Western Place, Suite 200
Fort Worth, Texas 76107

To the Developer: HGRC Mansfield, LP
Attn: Steven Shelley
1717 Main Street, Suite 5630
Dallas, Texas 75201

With a copy to: Munsch Hardt Kopf & Harr, P.C.
Attn: Phillip Geheb
500 N. Akard Street, Suite 3800
Dallas, Texas 75201

To the Board: City of Mansfield
Attn: Chairman of the Board
TIRZ No. 2
1200 E Broad Street
Mansfield, TX 76063

With a copy to: Taylor, Olson, Adkins, Sralla & Elam, LLP
Attn: Drew Larkin
6000 Western Place, Suite 200
Fort Worth, Texas 76107

5.7 Authority and Enforceability. The Public Parties represent and warrant that the individuals executing this Agreement on behalf of the Public Parties have been duly authorized to do so. The Developer represents and warrants that this Agreement has been approved by appropriate action of the Developer, and that the individual executing this Agreement on behalf of the Developer has been duly authorized to do so. Each Party acknowledges and agrees that this Agreement is binding upon such Party and enforceable against such Party in accordance with its terms and conditions.

5.8 Entire Agreement; Severability. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (i) such unenforceable provision shall be deleted from this Agreement; (ii) the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Parties; and (iii) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

5.9 Applicable Law; Venue. This Agreement is entered into under and pursuant to, and is to be construed and enforceable in accordance with, the laws of the State of Texas, and all obligations of the Parties are performable in Tarrant County, Texas. Exclusive venue for any action to enforce or construe this Agreement shall be in Tarrant County, Texas.

5.10 Non-Waiver. Any failure by a Party to insist upon strict performance by another Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

5.11 Force Majeure. Each Party shall use due diligence and commercially reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within thirty (30) days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term “force majeure” shall include events or circumstances that are not within the reasonable control of the Party whose performance is suspended and that could not have been avoided by such Party with the exercise of due diligence and commercially reasonable care. No force majeure event shall suspend a Party's obligation to perform for longer than ninety (90) days.

5.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

5.13 Term of Agreement. The term of this Agreement shall begin on the Effective Date and shall continue until the Expiration Date.

5.14 Employment of Undocumented Workers. During the term of this Agreement, the Developer agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a (f), the Developer shall repay to the City the funds received by the Developer under this Agreement within one hundred twenty (120) days after the date the Developer is notified by the City of such violation, plus interest at the rate of four percent (4%) compounded annually from the date of violation until paid. Pursuant to Section 2264.101(c), Texas Government Code, a business is not liable for a violation of Chapter 2264 by a subsidiary, affiliate, or franchisee of the business, or by a person with whom the business contracts.

5.15 Right of Offset. The City may offset any amount owed to the Developer for reimbursement of Project Costs against any amount which is lawfully due to the City from the Developer.

5.16 Rough Proportionality. As additional consideration for the reimbursements received by the Developer under this Agreement, the Developer agrees that all dedications, construction costs and other payments made by the Developer related to any public improvements are roughly proportional to the need for such public improvements created by the development of the Property and the Developer hereby waives any claim therefore that it may have. The Developer further acknowledges and agrees that all prerequisites to such a determination of rough proportionality have been met, and that any costs incurred relative to the dedication, construction costs, and other payments for any public improvements are related both in nature and extent to the impact of the Project. The Developer waives and releases all claims against the City related to any and all rough proportionality and individual determination requirements mandated by Section 212.904, Texas Local Government Code, or the Texas or U.S. Constitutions, as well as other requirements of a nexus between development conditions and the projected impact of the Project.

5.17 Attorney's Fees. In the event any Party initiates or defends any legal action or proceeding to enforce or interpret any of the terms of this Agreement, the prevailing party in any

such action or proceeding shall be entitled to recover its reasonable costs and attorney's fees (including its reasonable costs and attorney's fees on any appeal).

5.18 No Boycott of Israel. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to enable compliance with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, "boycott Israel," a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

5.19 Iran, Sudan, and Foreign Terrorist Organizations. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,

<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>,

<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

5.20 No Discrimination Against Fossil Fuel Companies. The Developer hereby verifies that for the purpose of the requirements under Section 2274.002 of the Texas Government Code, as amended, that the Developer does not employ ten (10) or more full-time employees; therefore, Section 2274.002 of the Texas Government Code, as amended, does not apply to this Agreement.

5.21 No Discrimination Against Firearm Entities and Firearm Trade Associations. The Developer hereby verifies that for the purpose of the requirements under Section 2274.002 of the Texas Government Code, as amended, that the Developer does not employ ten (10) or more full-time employees; therefore, Section 2274.002 of the Texas Government Code, as amended, does not apply to this Agreement.

5.22 Affiliate. As used in Sections 5.14, 5.18, and 5.19, the Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

5.23 Form 1295. Submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The Parties understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the City nor its consultants have verified such information.

5.24 Conditions Precedent. This Agreement is subject to and conditioned on: (i) the Parties entering into the Contract of Sale; (ii) the Developer closing its purchase of the Property from the City.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

CITY OF MANSFIELD

Michael Evans, Mayor

Date: _____

ATTEST:

Susana Marin, City Secretary

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

Darlene Hooks, Chairman

Date: _____

THE DEVELOPER:

HGRC MANSFIELD, LP,
a Delaware limited partnership

By: HGRC Mansfield GP, LLC,
a Texas limited liability company,
its general partner

By: 
Steven Shelley, Vice President

Date: 08/05/22

EXHIBIT A

The Property

BEING 3.924 ACRES OF LAND LOCATED IN BLOCKS 63 AND 64, ORIGINAL TOWN OF MANSFIELD, ACCORDING TO THE PLAT RECORDED IN VOLUME 63, PAGE 53, OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS, SAID 3.924 ACRES OF LAND ALSO BEING LOCATED IN THE F.B. WADDELL SURVEY, ABSTRACT NO. 165E, THE W.C. PRICE SURVEY, ABSTRACT NO. 124D, AND THE T.J. HANKS SURVEY, ABSTRACT NO. E44, MANSFIELD, TARRANT COUNTY, TEXAS, SAID 3.924 ACRES OF LAND ALSO BEING COMPRISED OF THE TRACTS OF LAND CONVEYED TO THE CITY OF MANSFIELD, BY THE DEED RECORDED IN VOLUME 3919, PAGE 352, INSTRUMENT NO. D21224728E, INSTRUMENT NO. D21227E55E, INSTRUMENT NO. D21311616E, AND INSTRUMENT NO. D214082452, OF THE OFFICIAL PUBLIC RECORDS OF TARRANT COUNTY, TEXAS, SAID 3.924 ACRES OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 3/8" IRON ROD FOUND AT THE SOUTHWEST CORNER OF LOT 1, OF SAID BLOCK 64, ORIGINAL TOWN OF MANSFIELD, AND SAID POINT OF BEGINNING ALSO BEING THE SOUTHWEST CORNER OF THE TRACT OF LAND CONVEYED TO THE CITY OF MANSFIELD, BY THE DEED RECORDED IN INSTRUMENT NO. D21224728E, OF THE OFFICIAL PUBLIC RECORDS OF TARRANT COUNTY, TEXAS, AND SAID POINT OF BEGINNING ALSO BEING THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF ELM STREET AND THE EAST RIGHT-OF-WAY LINE OF SMITH STREET;

THENCE ALONG THE EAST RIGHT-OF-WAY LINE OF SAID SMITH STREET, AS FOLLOWS:

1. N 03° 51' 37" E 100.15 FEET, TO A 1/2" IRON ROD MARKED "BRITTAIN & CRAWFORD" SET;
2. N 03° 35' 00" E 82.01 FEET, TO AN "X" CUT IN CONCRETE FOUND AT THE SOUTHWEST CORNER OF THE AFORESAID TRACT OF LAND CONVEYED TO THE CITY OF MANSFIELD, BY THE DEED RECORDED IN INSTRUMENT NO. D21227E55E, OF THE OFFICIAL PUBLIC RECORDS OF TARRANT COUNTY, TEXAS;
3. N 03° 34' 54" E 216.34 FEET, TO A 5/8" IRON ROD FOUND AT THE NORTHWEST CORNER OF SAID CITY OF MANSFIELD TRACT;
4. N 04° 00' 29" E 295.33 FEET, TO A SOUTHWESTERN BELL PROPERTY CORNER MONUMENT FOUND AT THE NORTHWEST CORNER OF THE AFORESAID TRACT OF LAND CONVEYED TO THE CITY OF MANSFIELD, BY THE DEED RECORDED IN VOLUME 3919, PAGE 352, OF THE OFFICIAL PUBLIC RECORDS OF TARRANT COUNTY, TEXAS;

THENCE S 64° 15' 34" E 220.69 FEET, ALONG THE NORTH BOUNDARY LINE OF SAID CITY OF MANSFIELD TRACT, RECORDED IN VOLUME 3919, PAGE 352, OF THE OFFICIAL PUBLIC RECORDS OF TARRANT COUNTY, TEXAS, TO A SOUTHWESTERN BELL BOUNDARY MONUMENT FOUND AT THE NORTHEAST CORNER OF SAID CITY OF MANSFIELD TRACT;

THENCE ALONG THE EAST BOUNDARY LINE OF SAID CITY OF MANSFIELD TRACT, AS FOLLOWS:

1. S 04° 06' 30" W 21.92 FEET, TO A 1/2" IRON ROD MARKED "COOMBS" FOUND;
2. S 04° 25' 22" W 85.77 FEET, TO A 1/2" IRON ROD MARKED "BRITTAIN & CRAWFORD" SET;

THENCE S 00° 16' 07" E 10.00 FEET, TO A 1/2" IRON ROD MARKED "BRITTAIN & CRAWFORD" SET AT THE NORTHEAST CORNER OF THE AFORESAID TRACT OF LAND CONVEYED TO THE CITY OF MANSFIELD, BY THE DEED RECORDED IN INSTRUMENT NO. D21227E55E, OF THE OFFICIAL PUBLIC RECORDS OF TARRANT COUNTY, TEXAS;

THENCE ALONG THE EAST BOUNDARY LINE OF SAID CITY OF MANSFIELD TRACT, AS FOLLOWS:

1. S 02° 38' 08" W 12.94 FEET, TO A 1/2" IRON ROD MARKED "BRITTAIN & CRAWFORD" SET;
2. S 05° 51' 20" W 227.15 FEET, TO A 1/2" IRON ROD MARKED "BRITTAIN & CRAWFORD" SET;

THENCE S 86° 29' 23" E ALONG THE MOST SOUTHERLY NORTH BOUNDARY LINE OF SAID CITY OF MANSFIELD TRACT, AT 21.59 FEET PASSING AN "X" CUT IN CONCRETE IN A HIKE & BIKE TRAIL, AND IN ALL 56.59 FEET, TO A POINT IN THE CENTERLINE OF POND CREEK;

THENCE ALONG THE CENTERLINE OF SAID POND CREEK, AS FOLLOWS:

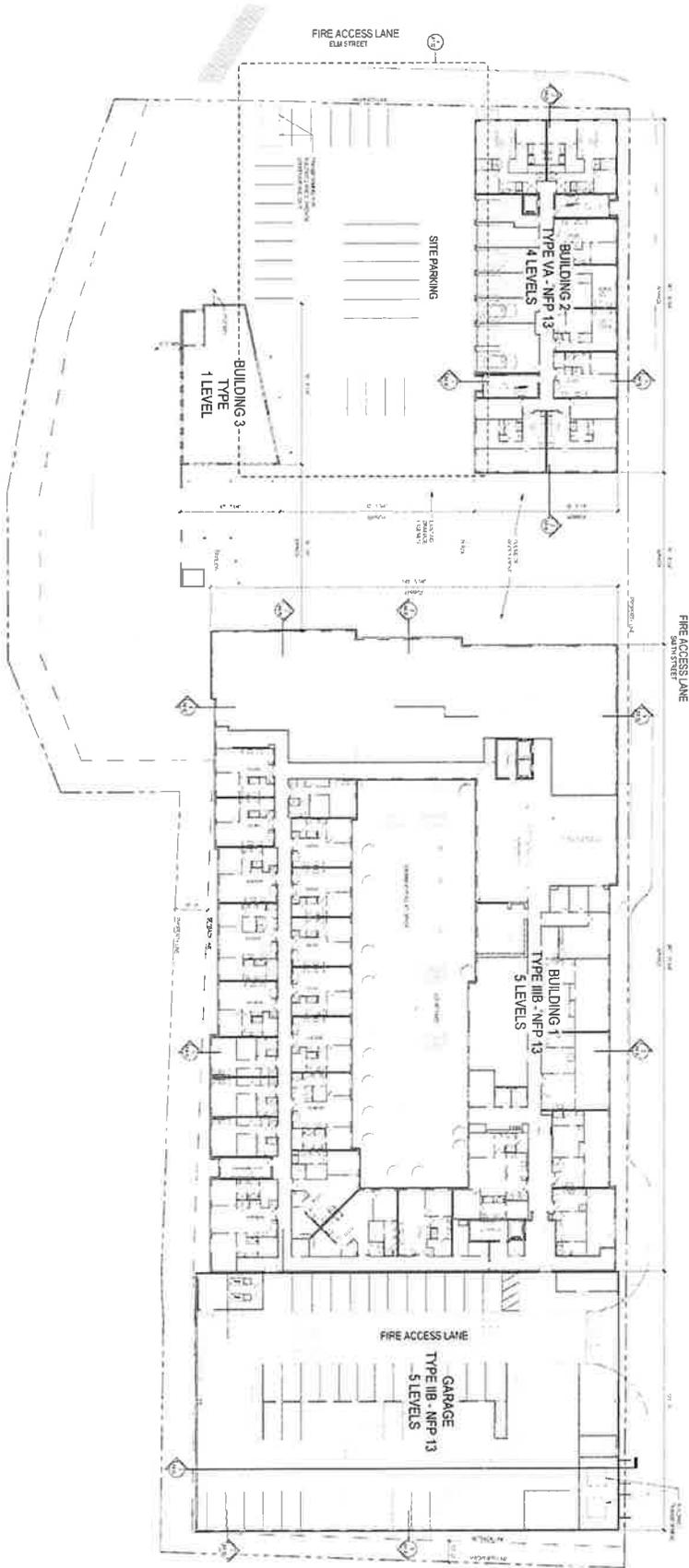
1. S 17° 59' 59" E 67.35 FEET, TO A POINT;
2. S 03° 32' 06" W 79.23 FEET, TO A POINT;
3. S 13° 45' 18" W 63.35 FEET, TO A POINT;
4. S 22° 13' 44" W 105.90 FEET, TO A POINT AT THE SOUTHEAST CORNER OF SAID AFORESAID TRACT OF LAND CONVEYED TO THE CITY OF MANSFIELD, BY THE DEED RECORDED IN INSTRUMENT NO. D21224728E, OF THE OFFICIAL PUBLIC RECORDS OF TARRANT COUNTY, TEXAS, AND ALSO LYING IN THE NORTH RIGHT-OF-WAY LINE OF AFORESAID ELM STREET;

THENCE N 86° 21' 46" W DEPARTING SAID CREEK AND RUNNING ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID ELM STREET, AT 35.00 FEET PASSING A 1/2" IRON ROD MARKED "BRITTAIN & CRAWFORD" SET ON THE BANK OF SAID CREEK, AND IN ALL 246.62 FEET, TO THE POINT OF BEGINNING CONTAINING 3.924 ACRES (170,921 SQUARE FEET) OF LAND.

EXHIBIT B

Project Site Plan/Renderings

[See Attached]



PROPOSED

NO.	DESCRIPTION	AREA (SQ. FT.)	TYPE
1	BUILDING 1	10,000	TYPE IIB - NFP 13
2	BUILDING 2	8,000	TYPE VA - NFP 13
3	BUILDING 3	2,000	TYPE 1 LEVEL
4	GARAGE	10,000	TYPE IIB - NFP 13
5	PARKING	10,000	ASPHALT
6	LANDSCAPE	5,000	GRASS
7	WALKWAYS	2,000	CONCRETE
8	DRIVEWAYS	1,000	ASPHALT
9	UTILITIES	1,000	CONCRETE
10	STREET LIGHTS	1,000	CONCRETE
11	LANDSCAPE	5,000	GRASS
12	WALKWAYS	2,000	CONCRETE
13	DRIVEWAYS	1,000	ASPHALT
14	UTILITIES	1,000	CONCRETE
15	STREET LIGHTS	1,000	CONCRETE



LOT COVERAGE

MAXIMUM PERMITTED LOT COVERAGE: 75%

MAXIMUM PERMITTED LOT AREA: 100,000 SQ. FT.

MAXIMUM PERMITTED LOT WIDTH: 100 FT.

MAXIMUM PERMITTED LOT DEPTH: 100 FT.

MAXIMUM PERMITTED LOT AREA: 100,000 SQ. FT.

MAXIMUM PERMITTED LOT WIDTH: 100 FT.

MAXIMUM PERMITTED LOT DEPTH: 100 FT.

GENERAL NOTES

1. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL BUILDING CODE (IBC) AND THE INTERNATIONAL FIRE CODE (IFC).

2. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL MECHANICAL AND ELECTRICAL CODE (IMC) AND THE INTERNATIONAL ELECTRIC CODE (IEC).

3. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL PLUMBING AND MECHANICAL CODE (IPMC) AND THE INTERNATIONAL MECHANICAL AND ELECTRICAL CODE (IMC).

4. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL FIRE CODE (IFC) AND THE INTERNATIONAL BUILDING CODE (IBC).

5. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL MECHANICAL AND ELECTRICAL CODE (IMC) AND THE INTERNATIONAL ELECTRIC CODE (IEC).

6. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL PLUMBING AND MECHANICAL CODE (IPMC) AND THE INTERNATIONAL MECHANICAL AND ELECTRICAL CODE (IMC).

7. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL FIRE CODE (IFC) AND THE INTERNATIONAL BUILDING CODE (IBC).

8. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL MECHANICAL AND ELECTRICAL CODE (IMC) AND THE INTERNATIONAL ELECTRIC CODE (IEC).

9. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL PLUMBING AND MECHANICAL CODE (IPMC) AND THE INTERNATIONAL MECHANICAL AND ELECTRICAL CODE (IMC).

10. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL FIRE CODE (IFC) AND THE INTERNATIONAL BUILDING CODE (IBC).

**HOQUE GLOBAL
MANSFIELD MULTIFAMILY**
INTERSECTION OF SMITH STREET AND ELM STREET
MANSFIELD, TX 76063

50%
CONSTRUCTION
DOCUMENTS

ma
MANSFIELD
MULTIFAMILY
CONSTRUCTION
DOCUMENTS

EXHIBIT C

Contract of Sale

[See Attached]

EXHIBIT D

Parking Garage Easement

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER’S LICENSE NUMBER.

PUBLIC PARKING EASEMENT

**THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §**

KNOW ALL MEN BY THESE PRESENTS:

THAT _____, LLC (whether one or more natural persons or legal entities (the “Grantor(s)”) for and in consideration of the sum of TEN (\$10.00) DOLLARS, to the undersigned in hand paid by the City of Mansfield, Texas of the County of Tarrant, State of Texas, a municipal corporation (the “Grantee”), the receipt of which is hereby acknowledged and confessed, and other valuable consideration, has Granted, Sold and Conveyed, and by these presents does Grant, Sell and Convey, unto Grantee an easement for the benefit of the public for public parking within the parking garage to be constructed on land situated in the County of Tarrant, State of Texas, and described on Exhibit “A” attached hereto (the “Easement Property”).

The Grantor shall construct a garage which shall consist of at least 280 parking spaces (the “Garage”), which shall include 20 non-exclusive parking spaces (the “Public Parking Spaces”) which shall be for the benefit and use of the public (the location of which shall be determined by Grantor and which may be relocated within the Garage upon not less than thirty (30) days prior written notice to Grantee) and shall repair as needed and perpetually maintain said parking spaces in good condition and in compliance with all ordinances of the City of Mansfield, Texas. Subject to the remaining provisions of this Public Parking Easement, the Public Parking Spaces in the Garage shall remain open and accessible to Grantee and to the public for free, uninterrupted use, during all twenty-four hours of the day, 365 days a year, subject to temporary closures of the Garage for repairs, maintenance, construction, or reconstruction of the same and special event approved by Grantee. Any additional parking spaces in the Garage in excess of the 20 Public Parking Spaces may be established by the Grantor as private parking spaces not accessible to the public. Additionally, provided that there is no material interference with use of the Public Parking Spaces, Grantor may restrict access to portions of the Garage designated for private use.

Grantor shall be permitted to charge users of the Public Parking Spaces for transient and overnight parking at not more than the then prevailing market rates for public parking in the area

of downtown Mansfield, Texas, such parking rates which shall be subject to the reasonable approval of Grantee.

Grantor may adopt and promulgate reasonable rules and regulations (the "Parking Rules and Regulations") from time to time, concerning the use of the Garage, and which Parking Rules and Regulations must not be inconsistent with or contrary to the terms and provisions of this Public Parking Easement and shall not cause any material interference with the use of the Public Parking Spaces. The Parking Rules and Regulations shall be enforced in a uniform and nondiscriminatory manner. The Parking Rules and Regulations may include, without limitation, restrictions regarding the size and/or dimensions of motor vehicles (that is, restrictions regarding oversized vehicles) if such restrictions are appropriate for reasons such as to prevent damage to the structure of the Garage. Such Parking Rules and Regulations may address matters which are designed to facilitate traffic flow and the availability of the maximum number of convenient parking spaces in the Garage. If any party or user of the Garage does not comply with the terms of this Agreement or the Parking Rules and Regulations, Grantor may deny such party or user access to the Garage until such time as Grantor is satisfied that such party or user will comply with this Public Parking Easement or the Parking Rules and Regulations going forward. Grantor shall inform users of the Garage of the Parking Rules and Regulations. All motor vehicles using the Garage shall comply at all times and in all respects with applicable laws, and shall operate at all times in a manner to minimize noise and exhaust fumes within the Garage. If any person occupies any parking spaces in violation of the provisions of this Public Parking Easement or the Parking Rules and Regulations, such vehicle may be towed, disabled or removed. IN CONNECTION WITH ANY TOWING OR OTHER REMOVAL OR DISABLING OF ANY VEHICLE AS CONTEMPLATED BY THIS SECTION, NO PARTY OR ITS EMPLOYEES, REPRESENTATIVES, AGENTS OR CONTRACTORS ("OWNER RELEASED PARTIES") SHALL HAVE ANY LIABILITY TO ANY PERSON WHOSE VEHICLE IS SO REMOVED, INCLUDING LIABILITY FOR ANY NEGLIGENT ACT OR OMISSION OF SUCH OWNER RELEASED PARTY AND EACH OWNER RELEASED PARTY IS HEREBY RELEASED FROM ALL SUCH LIABILITY.

The use of the Garage by any user shall be at the sole risk of such user and Grantor shall be under no obligation to provide security or any services except as required herein. Grantor and, if applicable, Grantee, shall use reasonable efforts to include a disclaimer of any of the liabilities described in the immediately preceding sentence in each lease, license, or other agreement such party enters into for the use of any portion of the Garage designated for such party's users. Grantor may install signage within the Garage stating that such use is at the sole risk of such persons. GRANTOR SHALL NOT BE RESPONSIBLE TO PROVIDE SECURITY FROM THEFT, VANDALISM, DESTRUCTION, ASSAULT, BATTERY, BODILY HARM AND/OR ANY OTHER DAMAGES WHICH MAY BE INCURRED BY ANY AND ALL ENTITIES, PERSONS, PERSONAL PROPERTY, REAL PROPERTY OR ANY OTHER PERSONS OR ITEMS OF ANY KIND OR NATURE WHICH MAY BE LOCATED ON OR WHICH MAY BE USING ANY PORTION OF THE GARAGE AS A RESULT OF THE EASEMENT GRANTED HEREUNDER OR THE EXECUTION OF THIS AGREEMENT, IT BEING UNDERSTOOD THAT ALL VEHICLES ARE PARKED AT THE SOLE RISK OF THE USERS of the garage.

If as a result of the exercise of the power of eminent domain or by conveyance in lieu of eminent domain, each a "Taking", all or a material portion of the Garage shall be taken or otherwise rendered unusable for its intended purpose as a result of such Taking, this Public Parking Easement shall terminate as of the date possession of the Garage is delivered to the condemning authority. All awards, damages or other sums paid on account of such condemnation or conveyance in lieu of condemnation shall be payable to Grantor; provided, however, that Grantee may pursue a separate claim for recovery for any loss of Grantee resulting from such Taking so long as any such recovery by Grantee shall not diminish Grantor's award.

If the Garage is damaged by fire, storm or other casualty such that all or a material portion thereof can no longer be used for its intended purpose, then Grantor shall be obligated to rebuild or replace the Garage subject to the satisfaction of the following conditions: (i) applicable law permits the construction of a parking facility on Easement Area, (ii) such casualty occurred on or before the thirty fifth (35th) anniversary of the Effective Date, and (iii) the insurance proceeds actually made available to Grantor by its then current lender with respect thereto would in Grantor's sole but reasonable estimation cover substantially all of the cost of such work. If all of the conditions in the foregoing sentence are not fulfilled, then Grantor may terminate this Agreement by notice to Grantee on or before ninety (90) days after such casualty and retain any proceeds of insurance policies which Grantor is required to maintain under this Agreement.

The Grantor also grants to Grantee a limited right of ingress and egress across Grantor's property adjacent to this easement for the sole purposes of accessing the Garage.

Improvements approved by the Grantee may be placed on the Easement Property which are compatible with the use of this easement and the facilities, provided said facilities do not interfere with the use of the surface of the Easement Property for reasonable access to the Garage or parking in the Garage.

The easement, rights and privileges granted herein shall be perpetual in duration and shall run with the land.

Should one or more of the Grantor(s) herein be natural persons and not joined by the respective spouse, it is conclusively presumed that the land herein conveyed is not the residence or business homestead of such Grantor(s) and that the undersigned has the full authority to sign individually. Should one or more of the Grantor(s) herein be a legal entity other than a natural person, it shall be conclusively presumed that the person signing on behalf of such party has been duly and legally authorized to so sign. **Prior to this Public Parking Easement being submitted to the City, Grantor shall obtain consent from all lienholders/mortgagees. The lienholder/mortgagee shall provide their consent and subordination in writing below. If the lienholder signature block is left blank and no partial release is provided, the Grantor represents that, to the best of their knowledge, there are no lienholders or mortgagees on the property. Grantor also acknowledges that the City has relied upon such representation.** Grantor shall at all times have the right to mortgage all or any part of Grantor's right, title and interest in the Grantor's Land, or any portion thereof including the Access Areas and Garage; *provided, however*, that any such subsequent mortgage shall be subordinate and inferior to the rights, privileges and interests of Grantee under this Public Parking Easement.

TO HAVE AND TO HOLD the same, together with all and singular the rights and appurtenances thereto in anywise belonging, unto the Grantee, its successors and assigns forever, and Grantor(s) is(are) hereby bound, together with all heirs, executors, administrators, lienholders, mortgagees, or successors, to Warrant and Forever Defend, all and singular the said Easement unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof, by, through, or under Grantor, but not otherwise. .

[remainder of this page left blank – signatures follow]

EXECUTED this _____ day of _____, 20 ____.

_____ LLC
a _____ limited liability company

[Insert Address]

By: _____
Name: Steven Shelley
Title: Vice President

ACKNOWLEDGEMENT

STATE OF _____ §

§
§
§

COUNTY OF _____

This instrument was acknowledged before me this _____ day of _____
20__, by Steven Shelley, the Vice President of _____ LLC, on
behalf of said limited liability company.

Notary Public in and for the State of _____

(NOTARY SEAL)

CONSENT AND SUBORDINATION OF LIENHOLDER

The undersigned _____, being the owner and holder of an existing Deed of Trust lien or other lien upon and against the property described above as such mortgagee and lienholder, does hereby consent to the grant of said Public Parking Easement and to the recording of same.

As part of this consent, the holder of the existing Deed of Trust lien or other lien upon and against the property described above subordinates its Deed of Trust lien or other lien upon the property described above to the rights and interests of the easements, such that a foreclosure of the lien(s) shall not extinguish the rights and interests of the easements.

Executed this _____ day of _____, 20__.

LIENHOLDER: _____

By: _____

Its: _____

LIENHOLDER ACKNOWLEDGMENT

THE STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 20 ____, by _____ of _____ a _____ corporation on behalf of said corporation.

Notary Public
State of Texas

My Commission Expires:
