

**DEVELOPMENT AGREEMENT
WITH PAVILION PROPERTIES FOR IMPROVEMENTS TO PROPERTY WITHIN TAX
INCREMENT REINVESTMENT ZONE NUMBER 1, CITY OF MANSFIELD**

THIS DEVELOPMENT AGREEMENT ("Agreement") is entered into by and between the City of Mansfield, a Texas municipal corporation of Tarrant, Johnson and Ellis Counties, Texas (hereinafter called "City"), the Board of Directors of the Tax Increment Financing Reinvestment Zone Number One, City of Mansfield, Texas (hereinafter called "Board"), and Pavilion Properties, (hereinafter called "Methodist").

W I T N E S S E T H:

WHEREAS, City recognizes the importance of its continued role in local economic development and infrastructure enhancement; and

WHEREAS, in accordance with the provisions of the Tax Increment Financing Act, V.T.C.A. Tax Code, Chapter 311 (the "Act"), on December 13, 2006, the Mansfield City Council approved Ordinance No. 1608, creating, establishing and designating "Tax Increment Financing Reinvestment Zone Number One, City of Mansfield" (hereinafter called the "TIF District" or "District"); and

WHEREAS, Pavilion Properties, a subsidiary of Methodist, owns Professional Office Building #2 located within the TIF District and has developed the property for use as a high quality first class medical office building; and

WHEREAS, Methodist desires to construct enhanced streetscapes and landscaping in the public right-of-way adjacent to Professional Building #2; and

WHEREAS, the Act authorizes the expenditure of funds derived within a reinvestment zone, whether from bond proceeds or other funds, for the payment of expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by a municipality consistent with the project plan of the reinvestment zone, which expenditures and monetary obligations constitute project costs, as defined in the Act; and

WHEREAS, on November 28, 2007, after approval of the Board, the Mansfield City Council approved Ordinance No. OR-1655-07 approving the Tax Increment Reinvestment Zone Financing and Project Plans (herein so called), and the Financing Plan (herein so called); and

WHEREAS, the Board authorized the execution of this Agreement, for the construction of public improvements in accordance with the approved Project Plan and Financing Plan, and authorizing reimbursement to Methodist from the Tax Increment Fund for the construction of the public improvements under the conditions set forth herein; and

WHEREAS, the Improvements will improve the pedestrian experience along the public roadway and create a traffic calming effect and improve the pedestrian and driving experience; and

WHEREAS, pursuant to Resolution No. _____, the City Council authorized the execution of this Agreement, for the construction of the Improvements to enhance the streetscape in accordance with the approved Project Plan and Financing Plan, and authorizing reimbursement to Methodist from the Tax District Fund for the construction of the Improvements under the conditions set forth herein; and

WHEREAS, the Improvements constructed within the TIF District boundaries, as set forth in this Agreement, are consistent with encouraging development of the TIF District in accordance with the purposes for its creation and are in compliance with the ordinance creating the TIF District adopted by the City and all applicable laws; and

WHEREAS, the City and Board agree to reimburse funds advanced by Methodist for the cost of making Improvements up to Two Hundred and Thirty-One Thousand Seven Hundred Eighty Two Dollars (\$231,782.00) as contemplated herein and as contemplated by the Act and is consistent with the Project Plan and Financing Plan;

NOW, THEREFORE, in consideration of the mutual covenants and obligations herein, the parties agree as follows:

SECTION 1. DEFINITIONS

In this Agreement, the following words shall have the meanings ascribed to them:

CONSTRUCTION COSTS means the costs of the Improvements as set forth on Exhibit "A".

EFFECTIVE DATE means the date both parties sign this Agreement.

IMPROVEMENTS means enhanced streetscapes and enhanced landscaping related to Professional Office Building #2 located on the Methodist Mansfield Medical Center Campus at 252 Matlock Road as described and depicted in detail on Exhibit "B".

MEDICAL CENTER means Methodist Mansfield Medical Center Campus located at 252 Matlock Road, Mansfield, Texas 76063

PROJECT PLAN AND FINANCING PLAN means the Tax Increment Financing Reinvestment Zone Project Plan and Financing Plan approved by Ordinance No. OR-1655-07 of the City of Mansfield.

REIMBURSEMENT means the payment made to Methodist by the City pursuant to Section 3 of this Agreement from TIF District Fund for the Construction Costs

expended for the Improvements, not to exceed Two Hundred and Thirty-One Thousand Seven Hundred Eighty Two Dollars (\$231,782.00).

SUBSTANTIAL COMPLETION means with regard to the Improvements, the date the City issues a Letter of Acceptance for the Improvements.

TIF DISTRICT means the district created by Ordinance No. 1608 comprising approximately 3100 acres of which the Medical Center is a part.

TIF DISTRICT FUND means the fund in which the total revenue collected and required by the TIF Act and Mansfield Ordinance No. 1608 is be deposited, excluding revenue committed to another developer prior to the date of this Agreement.

SECTION 2. METHODIST'S OBLIGATIONS

A. Commencing no later than October 1, 2017 and Substantially Completed no later than March 30, 2018, Methodist agrees to construct the Improvements, described on Exhibit "B", to include enhanced streetscapes and landscaping along Matlock Road.

B. Prior to entitlement to the Reimbursement, Methodist shall provide documentation satisfactory to the City, evidencing payment of the Construction Costs.

SECTION 3. CITY PARTICIPATION

Within thirty (30) days of receipt of evidence of payment for the construction costs and the issuance of a Letter of Acceptance by the City for the Improvements, the City agrees to pay the Reimbursement.

SECTION 4. MAINTENANCE

Prior to payment of the Reimbursement, the City and Methodist will enter into a separate agreement allocating duties and ongoing costs for the maintenance of the Improvements.

SECTION 5. TERM

The term of this Agreement shall begin on the Effective Date and shall terminate upon the complete performance of all obligations and conditions precedent by parties to this Agreement.

SECTION 6. RIGHT OF OFFSET

City may, at its option, offset any amounts due and payable to Methodist under this Agreement against any debt (including taxes) lawfully due to City, or any other taxing unit participating in the Payment under this Agreement, from Methodist, regardless of whether the amount due arises pursuant to the terms of this Agreement or otherwise, and regardless of whether or not the debt in question has been reduced to judgment by a court.

SECTION 7. VENUE AND GOVERNING LAW

This Agreement is performable in Tarrant County, Texas and venue of any action arising out of this Agreement shall be exclusively in Tarrant County, Texas. This Agreement shall be governed and construed in accordance with the Charter, ordinances, and resolutions of the City of Mansfield, applicable federal and state laws, violation of which shall constitute a default of this Agreement. To the extent permitted by law, the laws of the State of Texas shall apply without regard to applicable principles of conflicts of law, and the parties submit to the jurisdiction of the state and federal courts in Mansfield, Tarrant County, Texas.

SECTION 8. FORCE MAJEURE

Performance of Methodist's obligations under this Agreement shall be subject to extension due to delay by reason of events of force majeure, and Methodist's obligations shall be abated during any period of force majeure. Force majeure shall include, without limitation, damage or destruction by fire or other casualty, condemnation, strike, lockout, civil disorder, war, issuance of any permit and/or legal authorization (including engineering approvals by any governmental entity), shortage or delay in shipment of materials or fuel occasioned by any event referenced herein, acts of God, unusually adverse weather or wet soil conditions or other causes beyond the parties' reasonable control, including but not limited to, any court or judgment resulting from any litigation affecting the Improvements or this Agreement.

SECTION 9. MISCELLANEOUS MATTERS

A. Time is of Essence. Time is of the essence in this Agreement. The parties hereto will make every reasonable effort to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires their continued cooperation.

B. Agreement Subject to Law. This Agreement is made subject to the provisions of the Mansfield Home Rule Charter and ordinances of City, as amended, and all applicable State and federal laws.

C. Interpretation. This Agreement shall not be construed against the drafting party.

D. Counterparts Deemed Original. 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.

E. Captions. The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

F. Complete Agreement. This Agreement embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to matters in the Agreement, and except as otherwise provided herein cannot be modified without written agreement of the parties to be attached and made a part of this Agreement.

G. Notice. Any notice to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and shall be (i) delivered personally, with a receipt requested therefore; or (ii) sent by a nationally recognized overnight courier service; or (iii) delivered by United States certified mail, return receipt requested, postage prepaid. All notices shall be addressed to the respective party at its address set forth below, and shall be effective (a) upon receipt or refusal if delivered personally; (b) one business day after depositing, with such an overnight courier service or (c) two business days after deposit in the United States mails, if mailed. Any party hereto may change its address for receipt of notices by service of a notice of such change in accordance with this subsection.

If intended for Board, to:

Chair, Board of Directors
Tax Increment Financing Reinvestment Zone No. One
1200 E. Broad Street
Mansfield, Texas 76063

If intended for City, to:

City of Mansfield
1200 E. Broad Street
Mansfield, Texas 76063
Attn: City Manager
Facsimile: (817) 473-1342

With a copy to:
Taylor, Olson, Adkins, Sralla & Elam, LLP
6000 Western Place, Suite 200
Fort Worth, Texas 76107
Attn: Betsy Elam
(817) 332-4740

If intended for Methodist, to:

Pavilion Properties
1441 North Beckley Avenue
Dallas, Texas 75203
Attn: Claude Cutshaw
Facsimile: _____

With a copy to:
Methodist Mansfield Medical Center
2700 East Broad Street
Mansfield, Texas 76063
Attn: John Phillips, President Facsimile:
Facsimile: _____

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

I. Severability. In the event any section, subsection, paragraph, subparagraph, sentence, phrase, or word herein is held invalid, illegal, or unenforceable, the balance of this Agreement shall stand, shall be enforceable, and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, subparagraph, sentence, phrase, or word. In the event there shall be substituted for such deleted provision a provision as similar in terms and in effect to such deleted provision as may be valid, legal and enforceable.

SECTION 10. EFFECTIVE DATE.

This Agreement shall become effective upon the last to occur: of the execution of the Agreement by all parties.

EXECUTED and effective as of the 11th day of September, 2017 by Board signing by and through its Chairman, duly authorized to execute same by majority vote of the TIF Board, by City, signing by and through its City Manager, duly authorized to execute same by Resolution No. _____.

BOARD OF DIRECTORS OF THE
TAX INCREMENT FINANCING
REINVESTMENT ZONE NUMBER
ONE, CITY OF MANSFIELD, TEXAS

By: _____
Cory Hoffman, Board Chairman

CITY OF MANSFIELD, TEXAS

By: _____
Michael J. Schaefer, President,
Pavilion Properties

By: _____
Clayton Chandler, City Manager

ATTEST:

By: _____
Jeanne Heard, City Secretary

Exhibit List

Exhibit A: Construction Costs

Exhibit B: Improvements