

**DEVELOPMENT AGREEMENT WITH MEEHAN PROPERTIES FOR PUBLIC
IMPROVEMENTS TO PROPERTY WITHIN REINVESTMENT ZONE NUMBER TWO,
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 the "City"), the Board of Directors of the Tax Increment Financing Reinvestment Zone Number Two, City of Mansfield, Texas (hereinafter called the "Board"), and Meehan Properties, LLC, a Texas limited liability company (hereinafter called the "Owner").

W I T N E S S E T H:

WHEREAS, the City and the Board recognize the importance of its continued role in local economic development; 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 10, 2012, the Mansfield City Council approved Ordinance No. 1861-12, creating, establishing and designating "Tax Increment Financing Reinvestment Zone Number Two, City of Mansfield" (hereinafter called the "TIF District" or "District"); and

WHEREAS, the Owner owns certain real property situated within the TIF District and intends to develop the property for use as a high-end chophouse and cigar lounge; 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 February 11, 2013, after approval of the Board, the Mansfield City Council approved Ordinance No. 1867-13 approving the Tax Increment Reinvestment Zone Financing and Project Plans (herein so called), and the Financing Plan for the District (herein so called); and

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

WHEREAS, on September 27, 2021, the City Council authorized the execution of this Agreement, in accordance with the approved Project Plan and Financing Plan, and

authorizing reimbursement to the Owner from the Tax Increment Fund for the improvements 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 pay the Owner up to Seven Hundred Thousand Dollars (\$700,000). 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:

AVAILABLE TIF DISTRICT REVENUE means that portion of the TIF District Revenue generated by and attributable to the Property and Private Improvements after January 1, 2021, excluding ad valorem tax revenues attributable to the mineral estate (which includes but is not limited to oil and gas). The Available TIF District Revenue due in reimbursement to the Owner pursuant to this Agreement shall be excluded from and payment of same to Owner hereunder shall have priority over other payments of TIF district reimbursements due under development agreements in connection with the development of the Property.

BASE YEAR VALUE means the real estate value of the Property as established by the Tarrant Appraisal District, as applicable, as of January 1, 2021, excluding any value from any mineral estate.

CITY TAX INCREMENT means 100% of the difference between the City's ad valorem property taxes attributable to the TIF District for 2012 and the City's ad valorem property taxes attributable to the TIF District for each year following 2012.

CONSTRUCTION COSTS means all hard and soft costs incurred by the Owner, which shall include, without limitation, construction costs, construction equipment charges, the costs of construction materials, design fees (including landscape and architectural design) contractor fees, fees related to any bonding requirements (including those set forth in Section 2.B.3. of this Agreement), and subject to approval by the City, surveying and engineering costs and fees attributable to the construction of the Public Improvements. Construction Costs does not include any acquisition costs of the Property, marketing, or City fees, including but not limited to inspection fees, impact fees and park development fees, related to the development of the Public Improvements.

COUNTY TAX INCREMENT means 75% of the difference between the County's ad valorem property taxes attributable to the TIF District for 2012 and the County's ad valorem property taxes attributable to the TIF District for each year following 2012.

EFFECTIVE DATE means the date both parties sign this Agreement.

EVENT OF BANKRUPTCY OR INSOLVENCY means the dissolution or termination of the Owner's existence as a going business, insolvency, appointment of receiver for any part of the Owner's property and such appointment is not terminated within 60 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 the Owner and such proceeding is not dismissed within 60 days after the filing thereof.

OWNER REIMBURSEMENT means the Payments to the Owner of an amount not to exceed Seven Hundred Thousand Dollars (\$700,000) paid pursuant to Section 3 of this Agreement.

PAYMENT(S) means the payment made to the Owner by the City pursuant to Section 3 of this Agreement from Available TIF District Revenue for the Owner Reimbursement.

PRIVATE IMPROVEMENTS mean a high-end chophouse and cigar lounge with locations in Arlington, TX and Sundance Square - Fort Worth, TX.

PROJECT PLAN AND FINANCING PLAN means the Tax Increment Financing Reinvestment Zone Project Plan and Financing Plan approved by Ordinance No. 1867-13 of the City of Mansfield.

PROPERTY means 101 S. Main St. upon which the Private Improvements will be constructed.

TAX INCREMENT FUND means the Tax Increment Fund of Mansfield Tax Increment Financing Reinvestment Zone No. 2, excluding ad valorem tax revenues attributable to oil and gas revenues.

TIF DISTRICT means the district created by Ordinance No. 1861-12 comprising approximately 292 acres of which the Property is a part.

TIF DISTRICT REVENUE means the total revenue collected and required by the TIF Act and Mansfield Ordinance No. 1861-12 to be deposited into the Tax Increment Fund from the City Tax Increment and the County Tax Increment, excluding revenues attributable to the mineral estate (which includes, but is not limited to oil and gas), and excluding revenue committed to another developer prior to the date of this Agreement.

SECTION 2. THE OWNER'S OBLIGATIONS

A. Generally. In conjunction with the long-term development plan for the TIF District, as described in the Project Plan, the Owner agrees to make certain improvements.

B. Private Improvements.

1. In General. The Owner shall design and construct all phases of the Private Improvements so as to comprise a high-end chophouse and cigar lounge development in full conformance with the ordinances and development standards of the City of Mansfield existing as of the Effective Date.
2. Regulations Regarding Building Products, Materials, or Methods. The parties hereto find that the area described herein constitutes an area of architectural importance and significance and the City Council of the City of Mansfield, Texas, 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, the Owner voluntarily consents to the application of all City rules, charter provisions, ordinances, orders, building codes, and other regulations existing as of the Effective Date hereof (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, the Owner 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: 1) the City will not issue any permits for the Property in violation of this section; 2) the covenants contained within this section constitute a material term of this Agreement; 3) the Owner's voluntary consent to the application of the Regulations to the Property, as described in this Section, constitutes a material inducement for the City to authorize the Payment described herein; 4) the covenants contained herein shall

run with the land and shall bind the Owner and all successors and assigns; and 5) this section shall survive termination or expiration of this Agreement.

C. No Alteration of Development Regulations. This Agreement is not intended to and does not waive or alter any development requirement imposed by City ordinances, City development regulations, or other law.

SECTION 3. CITY PARTICIPATION

A. Payment. In consideration of the Owner's agreement to construct the Private Improvements and subject to the Owner's compliance with its duties and obligations in this Agreement, the City shall reimburse the Owner, up to an amount no greater than the principal sum of Seven Hundred Thousand Dollars (\$700,000), upon the following terms:

1. The Owner shall commission, or cause to commission, the improvements to 101 S. Main St. necessary to open a high-end chophouse and cigar lounge with locations in Arlington, TX and Sundance Square - Fort Worth, TX.
2. The payment shall be considered a forgivable loan whereas \$100,000 per year will be forgiven for each year the business remains in operation. Operation shall begin with the issuance of a Certificate of Occupancy. The full amount shall be reimbursed no later than 10 years after the effective date of this agreement.
3. In the event the business does not remain operational, any amount owed, up to the \$700,000 will be reimbursed to the City and a lien may be placed on the property for any non-reimbursed amount.
4. In the event the property is deemed vacant per City of Mansfield Ordinance, the City shall have the right to purchase the property and improvements from the Owner for the purchase price of one million eight hundred thousand dollars (\$1,800,000).

B. Payment from Available TIF District Revenue Funds Only. Nothing in this Agreement shall obligate or require the City to make Payments from any source of City funds, other than Available TIF District Revenue funds, under the terms set forth in this Agreement.

C. Declaration of Necessity. The City declares that the reimbursement procedure outlined above is necessary to implement the Project Plan.

SECTION 4. TERM

The term of this Agreement shall begin on the Effective Date and shall terminate upon the earlier of: (a) the complete performance of all obligations and conditions precedent by parties to this Agreement; or (b) on the date ten (10) years after the Effective Date, whether or not Payment has been made in full; (c) upon the City's termination of this Agreement pursuant to Section 6 hereof.

SECTION 5. AUTHORITY; COMPLIANCE WITH LAW

A. The Owner hereby represents and warrants to the City that it has full lawful right, power and authority to execute and deliver and perform the terms and obligations of this Agreement and that the execution and delivery of this Agreement has been duly authorized by all necessary action by the Owner and this Agreement constitutes the legal, valid and binding obligation of the Owner, and is enforceable in accordance with its terms and provisions.

B. The Owner represents and warrants that to the best of its knowledge during the Owner's ownership of the Property (1) no landfill was deposited on or taken from the Property, (2) no construction debris or other debris (including, without limitation, rocks, stumps, and concrete) was buried upon the Property, and (3) no toxic waste or "hazardous substances" as that term is defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1988, or petroleum products and derivatives thereof, were deposited on the Property.

C. Notwithstanding any other provision of this Agreement, the Owner shall comply with all federal and state laws, and City ordinances in the development, construction and operation of the Property and the Private Improvements.

D. As required by Subchapter B of Chapter 2264 of the Texas Government Code, the Owner certifies that to the Owner's knowledge it does not and will not knowingly employ an undocumented worker. If after receiving the Payment set forth in this Agreement the Owner is convicted under 8 USC Section 1324(a)(6), he shall repay the amount of the Payment (or portion that he has received) plus 10% interest not later than the 120th day after the date the City notifies the Owner of the violation.

SECTION 6. DEFAULT AND REMEDIES

A. In the event: (i) the Owner fails to comply with the terms of this Agreement; (ii) the Owner has delinquent ad valorem or sales taxes owed to the City (provided that the Owner retains the right to timely and properly protest and/or contest any such taxes); (iii) upon the occurrence of any Event of Bankruptcy or Insolvency by the

Owner prior to substantially completion of the Public Infrastructure; or (iv) the Owner materially breaches any of the material terms and conditions of this Agreement, then the Owner after the expiration of the notice and cure periods described herein, shall be in default of this Agreement. In the event of such a default, City shall give the Owner written notice of such breach and/or default, and if the Owner has not cured such breach or default within 30 days after receipt of such notice (or such longer period of time as may be necessary to effectuate a cure so long as the Owner is diligently pursuing same), the City may terminate this Agreement by written notice to the Owner, and the City shall have no further obligation to the Owner.

B. In the event: (i) the City fails to comply with the terms of this Agreement; or (ii) the City materially breaches any of the material terms and conditions of this Agreement, then the City after the expiration of the notice and cure periods described herein, shall be in default of this Agreement. In the event of such a default, the Owner shall give the City written notice of such breach and/or default, and if the City has not cured such breach or default within 30 days after receipt of such notice (or such longer period of time as may be necessary to effectuate a cure so long as the City is diligently pursuing same), the Owner may pursue any and all rights against the City set forth herein.

C. If a default shall occur and continue, after 30 days written notice to cure the default (or such longer period of time as may be necessary to effectuate a cure so long as the defaulting party is diligently pursuing same), the party not in default shall have the right to exercise any and all rights available to such party at law or in equity, including the right to seek equitable relief such as injunction or mandamus as to which the non-defaulting party may be entitled.

D. No waiver or any breach of any term or condition of this Agreement shall be construed to waive any subsequent breach of the same or any other term or condition of this Agreement. Any waiver of any term or condition of this Agreement must be in writing and approved by the City Council of Mansfield.

SECTION 7. RIGHT OF OFFSET

The City may, at its option, offset any amounts due and payable to the Owner under this Agreement against any debt (including taxes) lawfully due and payable to the City, or any other taxing unit participating in the Payment under this Agreement, from the Owner, 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 8. DETERMINATION OF ROUGH PROPORTIONALITY

As additional consideration for the Payment received by Owner under this Agreement, Owner hereby agrees to donate the land necessary to construct the Public Improvements to the City as currently contemplated as of the Effective Date and Owner further agrees that such land is roughly proportional to the need for such land; provided, however, notwithstanding anything to the contrary contained herein, the foregoing land donation and representation shall only apply to the Public Improvements contemplated as of the Effective Date and shall not apply to any modifications arising after the Effective Date. Owner further acknowledges and agrees that all prerequisites to such a determination of rough proportionality have been met, and that any costs incurred relative to said donation are related both in nature and extent to the impact of the Improvements. Owner waives and releases all claims against the City related to any and all rough proportionality and individual determination requirements mandated by Subchapter Z of Chapter 212, Texas Local Government Code, as well as other requirements of a nexus between development conditions and the projected impact of the Improvements.

SECTION 9. 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 10. FORCE MAJEURE

Performance of Owner's obligations under this Agreement shall be subject to extension due to delay by reason of events of force majeure, and Owner'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, 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 Property or this Agreement.

SECTION 11. GIFT TO PUBLIC SERVANT OR TO THE OWNER REPRESENTATIVE

A. No Benefit. Each party hereto represents to the other that it has not offered, conferred, or agreed to confer and that it will not offer, confer or agree to confer in the future any benefit upon an employee or official of the other party. For purposes of this

section, "benefit" means anything reasonably regarded as economic advantage, including benefit to any other person in whose welfare the beneficiary is interested, but does not include a contribution or expenditure made and reported in accordance with law.

E. Right of Reimbursement. Notwithstanding any other legal remedies, City may obtain reimbursement for any expenditures made to the Owner as a result of the improper offer, agreement to confer, or conferring of a benefit to a City employee or official.

SECTION 12. BINDING AGREEMENT; ASSIGNMENT

A. The terms and conditions of this Agreement are binding upon the successors and assigns of the parties hereto. The provisions of this Agreement are hereby declared covenants running with the Property and are fully binding on the City and the Owner and each and every subsequent owner of all or any portion of the Property and shall be binding on all successors, heirs, and assigns of the Owner which acquire any right, title, or interest in or to the Property, or any part thereof.

B. Any assignment of this Agreement must be in writing executed by the assignor and assignee, and shall not be permitted without the express written consent of the City; provided that the assignment of this Agreement as may be necessary to a lender of Owner in connection with the financing the Private or Public Improvements by the Owner shall be expressly permitted and no consent of the City to such assignment to a lender shall be required; and provided, further, that the assignment of this Agreement or a portion thereof by Owner in connection with the conveyance of any portion of the Property by Owner to a person in which at least ninety percent (90%) of the equity of which is directly or indirectly owned by Owner or the owner of Owner, shall not require the consent of the City if (i) the City is provided with current notice of such assignment and (ii) the transferee has agreed to assume applicable obligations under this Agreement with respect to the portion of the Property so conveyed. Any assignment shall be contingent upon the assignee's agreement to comply with the provisions of this Agreement.

SECTION 13. INDEMNIFICATION

A. THE OWNER EXPRESSLY AGREES TO FULLY AND COMPLETELY DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, AND ITS OFFICERS, AND EMPLOYEES, AGAINST ANY AND ALL CLAIMS, LAWSUITS, LIABILITIES, JUDGMENTS, COSTS, AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM, DAMAGES OR LIABILITY FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS, THAT MAY ARISE OUT OF OR BE OCCASIONED BY ANY NEGLIGENT, GROSSLY NEGLIGENT, WRONGFUL, OR STRICTLY LIABLE ACT OR OMISSION OF THE OWNER OR ITS AGENTS, EMPLOYEES, OR CONTRACTORS, ARISING OUT OF THE OWNER'S PERFORMANCE OF THIS AGREEMENT. Nothing in this paragraph may be construed as waiving any governmental immunity available to the City under state

law. This provision is solely for the benefit of the Owner and the City and is not intended to create or grant any rights, contractual or otherwise, in or to any other person.

B. It is acknowledged and agreed by the parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the parties. The City, their past, present and future officers, elected officials, directors, employees and agents of the City does not assume any responsibility to any third party in connection with the Owner's construction of the Public Improvements.

SECTION 14. 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 the 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. Two
1200 E. Broad Street
Mansfield, Texas 76063

If intended for City, to:

Attn: City Manager
Facsimile: (817) 473-1342

If intended for the Owner, to:

City of Mansfield
Meehan Properties
1200 E. Broad
Street 721 S. 5th St.
Mansfield, Texas
76063 Mansfield,
TX 76063

Attn: Tony Meehan
Email: tmeehan@nationwideconstruction.com

With a copy to:

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

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 15. EFFECTIVE DATE.

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

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EXECUTED and effective as of the _____ day of _____, 2021
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 or
designee, duly authorized to execute same by Resolution No. _____.

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

Meehan Properties, a Texas limited
liability company

By: _____
Name: _____
Board Chairman

By: _____
Name: _____
Title: _____

CITY OF MANSFIELD, TEXAS

By: _____
Joe Smolinski, City Manager or
Designee

ATTEST:

By: _____
Susana Marin, City Secretary

APPROVED AS TO FORM AND
LEGALITY:

By: _____
Elizabeth Elam, City Attorney