



**THE COTTON MILL
COMMERCIAL LEASE**

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ADDENDA & EXHIBITS (check all that apply)

- Exhibit A – Property Legal Description
- Exhibit B – Rent Agreement
- Commercial Lease Addendum for Broker's Fee
- Commercial Lease Expense Reimbursement Addendum
- Commercial Lease Addendum for Extension Option
- Commercial Lease Addendum for Percentage Rent
- Commercial Lease Parking Addendum
- Commercial Landlord's Rules & Regulations
- Commercial Lease Guaranty
- Commercial Lease Right of First Refusal Addendum
- Commercial Lease Addendum for Optional Space
- Commercial Leasehold Construction Addendum
- Commercial Lease Amendment



THE COTTON MILL
COMMERCIAL LEASE

1. PARTIES: The parties to this lease are:

Tenant: McKinney Werx, 610 Elm Street, Suite 700, McKinney, TX 75069

Landlord: The Cotton Mill Partners, Ltd., 610 Elm Street, McKinney, TX 75069

2. LEASED PREMISES:

A. Landlord leases to Tenant the following described real property, known as the "leased premises," along with all its improvements (*Check only one box*):

(1) Multiple-Tenant Property: Suite or Unit Number 700 containing approximately 2747 square feet of rentable area in The Cotton Mill (building name) at 610 Elm Street (address) in McKinney (city), Collin (county), Texas, which is legally described on attached Exhibit A or as follows: _____

(2) Single-Tenant Property: The real property at _____ (address) in _____ (city), _____ (county), Texas, which is legally described on attached Exhibit _____ or as follows: _____

B. If Paragraph 2A(1) applies:

- (1) "Property" means the building or complex in which the leased premises are located, inclusive of any common areas, drives, parking areas, and walks; and
- (2) the parties agree that the rentable area of the leased premises may not equal the actual or useable area within the leased premises and may include an allocation of common areas in the Property.

3. TERM:

A. Term: The term of this lease is Twelve (12) months and zero (0) days, commencing on:

January 1, 2015 (Commencement Date) and ending on December 31, 2015 (Ending Date).

B. Delay of Occupancy: If Tenant is unable to occupy the leased premises on the Commencement Date because of construction on the leased premises to be completed by Landlord that is not substantially complete or a prior tenant's holding over of the leased premises, Landlord will not be liable to Tenant for such delay and this lease will remain enforceable. In the event of such a delay, the Commencement Date will automatically be extended to the date Tenant is able to occupy the Property and the Expiration Date will also be extended by a like number of days, so that the length of this lease remains unchanged. If Tenant is unable to occupy the leased premises after the 90th day after the Commencement Date because of construction on the leased premises to be completed by

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Landlord that is not substantially complete or a prior tenant's holding over of the leased premises, Tenant may terminate this lease by giving written notice to Landlord before the leased premises become available to be occupied by Tenant and Landlord will refund to Tenant any amounts paid to Landlord by Tenant. This Paragraph 3B does not apply to any delay in occupancy caused by cleaning or repairs.

- C. Unless the parties agree otherwise, Tenant is responsible for obtaining a certificate of occupancy for the leased premises if required by a governmental body.

4. RENT AND EXPENSES:

- A. Base Monthly Rent: On or before the first day of each month during this lease, Tenant will pay Landlord base monthly rent as described on attached Exhibit B – Rent Agreement or as follows:

From _____ to _____ : \$ _____ ;
From _____ to _____ : \$ _____ ;
From _____ to _____ : \$ _____ ;

- B. First Full Month's Rent: The first full base monthly rent is due on or before _____.

- C. Prorated Rent: If the Commencement Date is on a day other than the first day of a month, Tenant will pay Landlord as prorated rent, an amount equal to the base monthly rent multiplied by the following fraction; the number of days from the Commencement Date to the first day of the following month divided by the number of days in the month in which this lease commences. The prorated rent is due on or before the Commencement Date.

- D. Additional Rent: In addition to the base monthly rent and prorated rent, Tenant will pay Landlord all other amounts, as provided by the attached (*Check all that apply*):
 (1) Commercial Expense Reimbursement Addendum
 (2) Commercial Percentage Rent Addendum
 (3) Commercial Parking Addendum
 (4) _____

All amounts payable under the applicable addenda are deemed to be "rent" for the purposes of this lease.

- E. Place of Payment: Tenant will remit all amounts due Landlord under this lease to the following person at the place stated or to such other person or place as Landlord may later designate in writing:

Name: Darla Lovett or current Property Manager
Address: 610 Elm Street, McKinney, TX 75069

- F. Method of Payment: Tenant must pay all rent timely without demand, deduction, or offset, except as permitted by law or this lease. If Tenant fails to timely pay any amounts due under this lease or if any check of Tenant is returned to Landlord by the institution on which it was drawn, Landlord after providing written notice to Tenant may require Tenant to pay subsequent amounts that become due under this lease in certified funds. This paragraph does not limit Landlord from seeking other remedies under this Lease for Tenant's failure to make timely payments with good funds.

- G. Late Charges: If Landlord does not actually receive a rent payment at the designated place of payment within 5 days after the date it is due, Tenant will pay Landlord a late charge equal to 5% of the amount due. In this paragraph, the mailbox is not the agent for receipt for Landlord. The late charge is a cost associated with the collection of rent and Landlord's acceptance of a late charge does not waive Landlord's right to exercise remedies under Paragraph 20.

H. **Returned Checks:** Tenant will pay \$100.00 for each check Tenant tenders to Landlord which is returned by the institution on which it is drawn for any reason, plus any late charges until Landlord receives payment.

5. SECURITY DEPOSIT:

- A. Upon execution of this lease, Tenant will pay \$ 0 to Landlord as a security deposit.
- B. Landlord may apply the security deposit to any amounts owed by Tenant under this lease. If Landlord applies any part of the security deposit during any time this lease is in effect to amounts owed by Tenant, Tenant must, within 10 days after receipt of notice from Landlord, restore the security deposit to the amount stated.
- C. After Tenant surrenders the leased premises to Landlord and provides Landlord written notice of Tenant's forwarding address, Landlord will, not later than the time required by §93.005, Texas Property Code, refund the security deposit less any amounts applied toward amounts owed by Tenant or other charges authorized by this lease. The parties agree that Landlord acts in good faith if Landlord accounts for the security deposit within the time stated.

6. **TAXES:** Unless otherwise agreed by the parties, Landlord will pay all real property ad valorem taxes assessed against the leased premises. Landlord reserves the right to amend this clause after 1 (one) year and charge the Tenants their pro-rata share of exterior ground maintenance, management expenses, security services, property taxes, and property insurance.

7. UTILITIES:

A. The party designated below will pay for the following utility charges to the leased premises and any connection charges for the utilities (*Check all that apply*).

	<u>N/A</u>	<u>Landlord</u>	<u>Tenant</u>
(1) Water.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(2) Sewer.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(3) Electric.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(4) Gas.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(5) Telephone.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(6) Trash.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(7) Cable.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(8) _____	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(9) All other utilities.....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

B. The party responsible for the charges under Paragraph 7A will pay the charges directly to the utility service provider. The responsible party may select the utility service provider except that if Tenant selects the provider any access or alterations to the Property or leased premises necessary for the utilities may be made only with Landlord's prior consent, which Landlord will not unreasonably withhold. If Landlord incurs any liability for utility or connection charges for which Tenant is responsible to pay and Landlord pays such amount, Tenant will immediately upon written notice from Landlord reimburse Landlord such amount.

C. **Notice:** Tenant should determine if all necessary utilities are available to the leased premises and are adequate for Tenant's intended use.

D. **After-Hours HVAC Charges:** "HVAC services" means the utility expenses to heat and cool the leased premises. (*Check one box only*).

- (1) Landlord is obligated to provide the HVAC services to the leased premises only during the Property's operating hours specified under Paragraph 9C.
- (2) Landlord will provide the HVAC services to the leased premises during the operating hours specified under Paragraph 9C for no additional charge and will, at Tenant's request, provide HVAC services to the leased premises during other hours for an additional charge of \$_____ per hour. Tenant will pay Landlord the charges under this paragraph immediately upon receipt of Landlord's invoice. Hourly charges are charged on a half-hour basis. Any partial hour will be rounded up to the next half hour. Tenant will comply with Landlord's procedures to make a request to provide the additional HVAC services under this paragraph.
- (3) Tenant will pay for the HVAC services under this lease.

8. INSURANCE:

- A. During all times this lease is in effect, Tenant must, at Tenant's expense, maintain in full force and effect from an insurer authorized to operate in Texas:
 - (1) public liability insurance in an amount not less than \$1,000,000.00 on an occurrence basis naming Landlord as an additional insured; and
 - (2) personal property damage insurance for Tenant's business operations and contents on the leased premises in an amount sufficient to replace such contents after a casualty loss.
- B. Before the Commencement Date, Tenant must provide Landlord with a copy of the insurance certificates evidencing the required coverage. If the insurance coverage changes in any manner or degree at any time this lease is in effect, Tenant must, not later than 10 days after the change, provide Landlord a copy of an insurance certificate evidencing the change.
- C. If Tenant fails to maintain the required insurance in full force and effect at all times this lease is in effect, Landlord may:
 - (1) purchase insurance that will provide Landlord the same coverage as the required insurance and Tenant must immediately reimburse Landlord for such expense; or
 - (2) exercise Landlord's remedies under Paragraph 20.
- D. Unless the parties agree otherwise, Landlord will, at Landlord's expense, maintain in full force and effect insurance for fire and extended coverage in an amount to cover the reasonable replacement cost of the improvements of the Property and public liability insurance in an amount that Landlord determines reasonable and appropriate.
- E. If there is an increase in Landlord's insurance premiums for the leased premises or Property or its contents that is caused by Tenant, Tenant's use of the leased premises, or any improvements made by or for Tenant, Tenant will, for each year this lease is in effect, pay Landlord the increase immediately after Landlord notified Tenant of the increase. Any charge to Tenant under Paragraph 8D will be equal to the actual amount of the increase in Landlord's insurance premium.

9. USE AND HOURS:

- A. Tenant may use the leased premises for the following purpose and no other: as needed based on the nature of the business. Tenant will have access to the premises 24/7.
- B. Unless otherwise specified in this lease, Tenant will operate and conduct its business in the leased premises during business hours that are typical of the industry in which Tenant represents it operates.

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- C. The Property maintains operating hours of (*specify hours, days of week, and if inclusive or exclusive of weekends and holidays*): _____

10. LEGAL COMPLIANCE:

- A. Tenant may not use or permit any part of the leased premises to be used for:
- (1) any activity that is a nuisance or is offensive, noisy, or dangerous;
 - (2) any activity that interferes with any other Tenant's normal business operations or Landlord's management of the Property;
 - (3) any activity that violates any applicable law, regulation, zoning ordinance, restrictive covenant, governmental order, owners' association rules, tenants' associations rules, Landlord's rules or regulations, or this lease;
 - (4) any hazardous activity that would require any insurance premium on the Property or leased premises to increase or that would void any such insurance;
 - (5) any activity that violates any applicable federal, state, or local law, including but not limited to those laws related to air quality, water quality, hazardous materials, wastewater, waste disposal, air emissions, or other environmental matters;
 - (6) the permanent or temporary storage of any hazardous material; or
 - (7) _____

- B. "Hazardous material" means any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance, solvent, or oil as defined by any federal, state, or local environmental law, regulation, ordinance, or rule existing as of the date of this lease or later enacted.

- C. Landlord does not represent or warrant that the leased premises or Property conform to applicable restrictions, zoning ordinances, setback lines, parking requirements, impervious ground cover ratio requirements, and other matters that may relate to Tenant's intended use. Tenant must satisfy itself that the leased premises may be used as Tenant intends by independently investigating all matters related to the use of the leased premises or Property. Tenant agrees that it is not relying on any warranty or representation made by Landlord, Landlord's agent, or any broker concerning the use of the leased premises or Property.

11. SIGNS:

- A. Tenant may not post or paint any signs at, on, or about the leased premises or Property without Landlord's written consent. Landlord may remove any unauthorized sign, and Tenant will promptly reimburse Landlord for its cost to remove any unauthorized sign.
- B. Any authorized sign must comply with all laws, restrictions, zoning ordinances, and any governmental order relating to signs on the leased premises or Property. Landlord may temporarily remove any authorized sign to complete repairs or alterations to the leased premises or the Property.
- C. By providing written notice to Tenant before this lease ends, Landlord may require Tenant, upon move-out and at Tenant's expense, to remove, without damage to the Property or leased premises, any or all signs that were placed on the Property or leased premises by or at the request of the Tenant. Any signs that Landlord does not require Tenant to remove and that are fixtures, become the property of the Landlord and must be surrendered to Landlord at the time this lease ends.

12. ACCESS BY LANDLORD:

- A. During Tenant's normal business hours Landlord may enter the leased premises for any reasonable purpose, including but not limited to purposes for repairs, maintenance, alterations, and showing the leased premises to prospective tenants or purchasers. Landlord may access the leased premises

after Tenant's normal business hours if: (1) entry is made with Tenant's permission; or (2) entry is necessary to complete emergency repairs. Landlord will not unreasonable interfere with Tenant's business operations when accessing the leased premises.

B. During the last 120 days of this lease, Landlord may place a "For Lease" or similarly worded sign in the leased premises.

13. **MOVE-IN CONDITION:** Tenant has inspected the leased premises and accepts it in its present (as-is) condition unless expressly noted otherwise in this lease. Landlord and any agent have made no express or implied warranties as to the condition or permitted use of the leased premises or Property.

14. **MOVE-OUT CONDITION AND FORFEITURE OF TENANT'S PERSONAL PROPERTY:**

A. At the time this lease ends, Tenant will surrender the leased premises in the same condition as when received, except for normal wear and tear. Tenant will leave the leased premises in a clean condition free of all trash, debris, personal property, hazardous materials, and environmental contaminants.

B. If Tenant leaves any personal property in the leased premises after Tenant surrenders possession of the leased premises, Landlord may: (1) require Tenant, at Tenant's expense, to remove the personal property by providing written notice to Tenant; or (2) retain such personal property as forfeited property to Landlord.

C. "Surrender" means vacating the leased premises and returning all keys and access devices to Landlord. "Normal wear and tear" means deterioration that occurs without negligence, carelessness, accident, or abuse.

D. By providing written notice to Tenant before this lease ends, Landlord may require Tenant, upon move-out and at Tenant's expense, to remove, without damage to the Property or leased premises, any or all fixtures that were placed on the Property or leased premises by or at the request of Tenant. Any fixtures that Landlord does not require Tenant to remove become the property of the Landlord and must be surrendered to Landlord at the time this lease ends.

15. **MAINTENANCE AND REPAIRS:**

A. Cleaning: Tenant must keep the leased premises clean and sanitary and promptly dispose of all garbage in appropriate receptacles. Landlord Tenant will provide, at its expense, janitorial services to the leased premises that are customary and ordinary for the Property type.

B. Repairs of Conditions Caused by a Party: Each party must promptly repair a condition in need of repair that is caused, either intentionally or negligently, by that party or that party's guests, patrons, invitees, contractors or permitted subtenants.

C. Repair and Maintenance Responsibility: Except as provided by Paragraph 15B, the party designated below, at its expense, is responsible to maintain and repair the following specified items in the leased premises. The specified items must be maintained in clean and good operable condition. If a governmental regulation or order requires a modification to any of the specified items, the party designated to maintain the item must complete and pay the expense of the modification. The specified items include and relate only to real property in the leased premises. Tenant is responsible for the repair and maintenance of its personal property. *(Check all that apply).*

	<u>N/A</u>	<u>Landlord</u>	<u>Tenant</u>
(1) Foundation, exterior walls, roof, and other structural components.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(2) Glass and windows (only broken out windows/glass).....	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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- (3) Fire protection equipment and fire sprinkler systems
- (4) Exterior & overhead doors, including closure devices, molding, locks, and hardware
- (5) Grounds maintenance, including landscaping and ground sprinklers
- (6) Interior doors, including closure devices, frames, molding, locks, and hardware
- (7) Parking areas and walks
- (8) Plumbing systems, drainage systems, electrical systems, ballast replacement, and mechanical systems, except those specifically designated otherwise
- (9) Heating Ventilation and Air Conditioning (HVAC) systems in office
- (10) Signs and lighting:
 - (a) Pylon
 - (b) Facia
 - (c) Monument
 - (d) Door/Suite
- (11) Extermination and pest control, excluding wood-destroying insects
- (12) Storage yards and storage buildings
- (13) Wood-destroying insect treatment and repairs
- (14) Cranes and related systems
- (15) _____
- (16) _____
- (17) All other items and systems

D. Repair Persons: Repairs must be completed by trained, qualified, and insured repair persons.

E. HVAC Service Contract: If Tenant maintains the HVAC system under Paragraph 15C(9), Tenant is is not required to maintain, at its expense, a regularly scheduled maintenance and service contract for the HVAC system. The maintenance and service contract must be purchased from a HVAC maintenance company that regularly provides such contracts to similar properties. If Tenant fails to maintain a required HVAC maintenance and service contract in effect at all times during this lease, Landlord may do so and charge Tenant the expense of such a maintenance and service contract or exercise Landlord's remedies under Paragraph 20.

F. Common Areas: Landlord will maintain any common areas in the Property in a manner as Landlord determines to be in the best interest of the Property. Landlord will maintain any elevator and signs in the common area. Landlord may change the size, dimension, and location of any common areas, provided that such change does not materially impair Tenant's use and access to the lease premises. Tenant has the non-exclusive license to use the common areas in compliance with Landlord's rules and restrictions. Tenant may not solicit any business in the common areas or interfere with any other person's right to use the common areas. This paragraph does not apply if Paragraph 2A(2) applies.

G. Notice of Repairs: Tenant must promptly notify Landlord of any item that is in need of repair and that is Landlord's responsibility to repair. All requests for repairs to Landlord must be in writing.

H. Failure to Repair: Landlord must make a repair for which Landlord is responsible within a reasonable period of time after Tenant provides Landlord written notice of the needed repair. If Tenant fails to repair or maintain an item for which Tenant is responsible within 10 days after Landlord provides Tenant written notice of the needed repair or maintenance, Landlord may: (1) repair or maintain the item, without liability for any damage or loss to Tenant, and Tenant must immediately reimburse Landlord for the cost to repair or maintain; or (2) exercise Landlord's remedies under Paragraph 20.

16. ALTERATIONS:

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- A. Tenant may not alter, improve, or add to the Property or the leased premises without Landlord's written consent. Landlord will not unreasonably withhold consent for the Tenant to make reasonable non-structural alterations, modifications, or improvements to the leased premises.
 - B. Tenant may not alter any locks or any security devices on the Property or the leased premises without Landlord's consent. If Landlord authorizes the changing, addition, or rekeying of any locks or other security devices, Tenant must immediately deliver the new keys and access devices to Landlord.
 - C. If a governmental order requires alteration or modification to the leased premises, the party obligated to maintain and repair the item to be modified or altered as designated in Paragraph 15 will, at its expense, modify or alter the item in compliance with the order.
 - D. Any alterations, improvements, fixtures or additions to the Property or leased premises installed by either party during the term of this lease will become Landlord's property and must be surrendered to Landlord at the time this lease ends, except for those fixtures Landlord requires Tenant to remove under Paragraph 11 or 14 or if the parties agree otherwise in writing.
17. **LIENS:** Tenant may not do anything that will cause the title of the Property or leased premises to be encumbered in any way. If Tenant causes a lien to be filed against the Property or leased premises, Tenant will within 20 days after receipt of Landlord's demand: (1) pay the lien and have the lien released of record; or (2) take action to discharge the lien. Tenant will provide Landlord a copy of any release Tenant obtains pursuant to this paragraph.
18. **LIABILITY:** To the extent permitted by law, Landlord is NOT responsible to Tenant or Tenant's employees, patrons, guests, or invitees for any damages, injuries, or losses to person or property caused by:
- A. an act, omission, or neglect of: Tenant; Tenant's agent; Tenant's guest; Tenant's employees; Tenant's patrons; Tenant's invitees; or any other tenant on the Property;
 - B. fire, flood, water leaks, ice, snow, hail, winds, explosion, smoke, riot, strike, interruption of utilities, theft, burglary, robbery, assault, vandalism, other persons, environmental contaminants, or other occurrences or casualty losses.
19. **INDEMNITY:** Each party will indemnify and hold the other party harmless from any property damage, personal injury, suits, actions, liabilities, damages, cost of repairs or service to the leased premises or Property, or any other loss caused, negligently or otherwise, by that party or that party's employees, patrons, guests, or invitees.
20. **DEFAULT:**
- A. If Landlord fails to comply with this lease within 30 days after Tenant notifies Landlord of Landlord's failure to comply, Landlord will be in default and Tenant may seek any remedy provided by Law. If, however, Landlord's non-compliance reasonably requires more than 30 days to cure, Landlord will not be in default if the cure is commenced within the 30-day period and is diligently pursued.
 - B. If Landlord does not actually receive at the place designated for payment any rent due under this lease within 5 days after it is due, Tenant will be in default. If Tenant fails to comply with this lease for any other reason within 10 days after Landlord notifies Tenant of its failure to comply, Tenant will be in default.
 - C. If Tenant is in default, Landlord may: (i) terminate Tenant's right to occupy the leased premises by providing Tenant with at least 3 days written notice; and (ii) accelerate all rents which are payable

during the remainder of this lease or any renewal period without notice or demand. Landlord will attempt to mitigate any damage or loss caused by Tenant's breach by using commercially reasonable means. If Tenant is in default, Tenant will be liable for:

- (1) any lost rent;
- (2) Landlord's cost of reletting the leased premises, including brokerage fees, advertising fees, and other fees necessary to relet the leased premises;
- (3) repairs to the leased premises for use beyond normal wear and tear;
- (4) all Landlord's costs associated with eviction of Tenant, such as attorney's fees, court costs, and prejudgment interest;
- (5) all Landlord's costs associated with collection of rent such as collection fees, late charges, and returned check charges;
- (6) cost of removing any of Tenant's equipment or fixtures left on the leased premises or Property;
- (7) cost to remove any trash, debris, personal property, hazardous materials, or environmental contaminants left by Tenant or Tenant's employees, patrons, guests, or invitees in the leased premises or Property;
- (8) cost to replace any unreturned keys or access devices to the leased premises, parking areas, or Property;
- (9) any other recovery to which Landlord may be entitled under this lease or under law.

21. ABANDONMENT, INTERRUPTION OF UTILITIES, REMOVAL OF PROPERTY, AND LOCKOUT:

Chapter 93 of the Texas Property Code governs the rights and obligations of the parties with regard to: (a) abandonment of the leased premises (b) interruption of utilities; (c) removal of Tenant's property; and (d) "lock-out" of Tenant.

22. HOLDOVER: If Tenant fails to vacate the leased premises at the time this lease ends, Tenant will become a tenant-at-will and must vacate the leased premises immediately upon receipt of demand from Landlord. No holding over by Tenant, with or without the consent of Landlord, will extend this lease. Tenant will indemnify Landlord and any prospective tenants for any and all damages caused by the holdover. Rent for any holdover period will be 2 times the base monthly rent plus any additional rent calculated on a daily basis and will be immediately due and payable daily without notice or demand.

23. LANDLORD'S LIEN AND SECURITY INTEREST: To secure Tenant's performance under this lease, Tenant grants to Landlord a lien and security interest against all of Tenant's non-exempt personal property that is in the leased premises or Property. This lease is a security agreement for the purposes of the Uniform Commercial Code. Landlord may file a copy of this lease as a financing statement.

24. ASSIGNMENT AND SUBLETTING: Landlord may assign this lease to any subsequent owner of the Property. Tenant may not assign this lease or sublet any part of the leased premises without Landlord's written consent. An assignment of this lease or subletting of the leased premises without Landlord's written consent is voidable by Landlord. If Tenant assigns this lease or sublets any part of the leased premises, Tenant will remain liable for all of Tenant's obligations under this lease regardless if the assignment or sublease is made with or without the consent of the Landlord.

25. RELOCATION:

- A. By providing Tenant with not less than 90 days advanced written notice, Landlord may require Tenant to relocate to another location in the Property, provided that the other location is equal in size or larger than the leased premises then occupied by Tenant and contains similar leasehold improvements. Landlord will pay Tenant's reasonable out-of-pocket moving expenses for moving to the other location. "Moving Expenses" means reasonable expenses payable to professional movers, utility companies for connection and disconnection fees, wiring companies for connecting and disconnecting Tenant's office equipment required by the relocation, and printing companies for reprinting Tenant's stationary and business cards. A relocation of Tenant will not change or affect

any other provision of this lease that is then in effect, including rent and reimbursement amounts, except that the description of the suite or unit number will automatically be amended.

- B. Landlord may not require Tenant to relocate to another location in the Property without Tenant's prior consent.

26. SUBORDINATION:

- A. This lease and Tenant's leasehold interest are and will be subject, subordinate, and inferior to:
 - (1) any lien, encumbrance, or ground lease now or hereafter placed on the leased premises or the Property that Landlord authorizes;
 - (2) all advances made under any such lien, encumbrance, or ground lease;
 - (3) the interest payable on any such lien or encumbrance;
 - (4) any and all renewals and extensions of any such lien, encumbrance, or ground lease;
 - (5) any restrictive covenant affecting the leased premises or the Property; and
 - (6) the rights of any owners' association affecting the leased premises or Property.
- B. Tenant must, on demand, execute a subordination, attornment, and non-disturbance agreement that Landlord may request that Tenant execute, provided that such agreement is made on the condition that this Lease and Tenant's rights under this lease are recognized by the lien-holder.

27. ESTOPPEL CERTIFICATES: Within 10 days after receipt of a written request from Landlord, Tenant will execute and deliver to Landlord an estoppel certificate that identifies:

- A. any breach of the lease;
- B. the then current rent payment and rent schedule;
- C. the date the next rent payment is due;
- D. any advance rent payments;
- E. the amount of the security deposit;
- F. any claims for any offsets;
- G. the then current term of the lease;
- H. any renewal options;
- I. Tenant's possession and acceptance of the leased premises and improvements;
- J. any ownership interest by Tenant; and
- K. any other information reasonably requested in the certificate.

28. CASUALTY LOSS:

- A. Tenant must immediately notify Landlord of any casualty loss in the leased premises. Within 20 days after receipt of Tenant's notice of a casualty loss, Landlord will notify Tenant if the leased premises are less than or more than 50% unusable, on a per square foot basis, and if Landlord can substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty loss.
- B. If the leased premises are more than 50% unusable and Landlord can substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty, Landlord will restore the leased premises to substantially the same condition as before the casualty. If Landlord fails to substantially restore within the time required, Tenant may terminate this lease.
- C. If the leased premises are more than 50% unusable and Landlord can substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty, Landlord may: (1) terminate this lease; or (2) restore the leased premises to substantially the same condition as before the casualty. If Landlord chooses to restore, notify Tenant of the estimated time to restore, and give Tenant the option to terminate this lease by notifying Landlord within 10 days.

- (a) a separate written commission agreement between Principal Broker and:
 - Landlord Tenant
- (b) the attached Addendum for Broker's Fee.
- (2) Cooperating Broker's fee will be paid according to: *(Check only one box)*.
 - (a) a separate written commission agreement between Cooperating Broker and:
 - Principal Broker Landlord Tenant
 - (b) the attached Addendum for Broker's Fee.

33. **ADDENDA:** Incorporated into this lease are the addenda, exhibits, and other information marked in the Addenda and Exhibit section of the Table of Contents. If Landlord's Rules and Regulations are made part of this lease, Tenant agrees to comply with the Rules and Regulations as Landlord may, at its discretion, amend from time to time.

34. **NOTICES:** All notices under this lease must be in writing and are effective when hand-delivered, sent by mail, or sent by facsimile transmission to:

Tenant at the leased premises,
 and a copy to: _____
 Address: _____
 Phone: _____ Fax: _____

and a copy to: _____
 Address: _____
 Phone: _____ Fax: _____

35. **SPECIAL PROVISIONS:**

36. **AGREEMENT OF PARTIES:**

- A. Entire Agreement: This lease contains the entire agreement between Landlord and Tenant and may not be changed except by written agreement.
- B. Binding Effect: This lease is binding upon and inures to the benefit of the parties and their respective heirs, executors, administrators, successors, and permitted assigns.

Initialed for Identification by Tenants: CS, Q, and Landlord: P

- C. Joint and Several: All Tenants are jointly and severally liable for all provisions of this lease. Any act or notice to, or refund to, or signature of, any one or more of the Tenants regarding any terms of this lease, its renewal, or its termination is binding on all Tenants.
- D. Controlling Law: The laws of the State of Texas govern the interpretation, performance, and enforcement of this lease.
- E. Severable Clauses: If any clause in this lease is found invalid or unenforceable by a court of law, the remainder of this lease will not be affected and all other provisions of this lease will remain valid and enforceable.
- F. Waiver: Landlord's delay, waiver, or non-enforcement of acceleration, contractual or statutory lien, rental due date, or any other right will not be deemed a waiver of any other or subsequent breach by Tenant or any other term in this lease.
- G. Quiet Enjoyment: Provided that Tenant is not in default of this lease, Landlord covenants that Tenant will enjoy possession and use of the leased premises free from material interference.
- H. Force Majeure: If Landlord's performance of a term in this lease is delayed by strike, lock-out, shortage of material, governmental restriction, riot, flood, or any cause outside Landlord's control, the time for Landlord's performance will be abated until after the delay.
- I. Time: Time is of the essence. The parties require strict compliance with the times for performance.

Brokers are not qualified to render legal advice, property inspections, surveys, engineering studies, environmental assessments, tax advice, or compliance inspections. The parties should seek experts to render such services. READ THIS LEASE CAREFULLY. If you do not understand the effect of this Lease, consult your attorney BEFORE signing.

The Werx in McKinney
Tenant
By [Signature]
Printed Name Christine Smith
Title Executive Director Date 1/2/2015

Cotton Mill Partners, Ltd.
Landlord
By [Signature]
Printed Name Terrance M. Casey
Title _____ Date Jan 7 2015

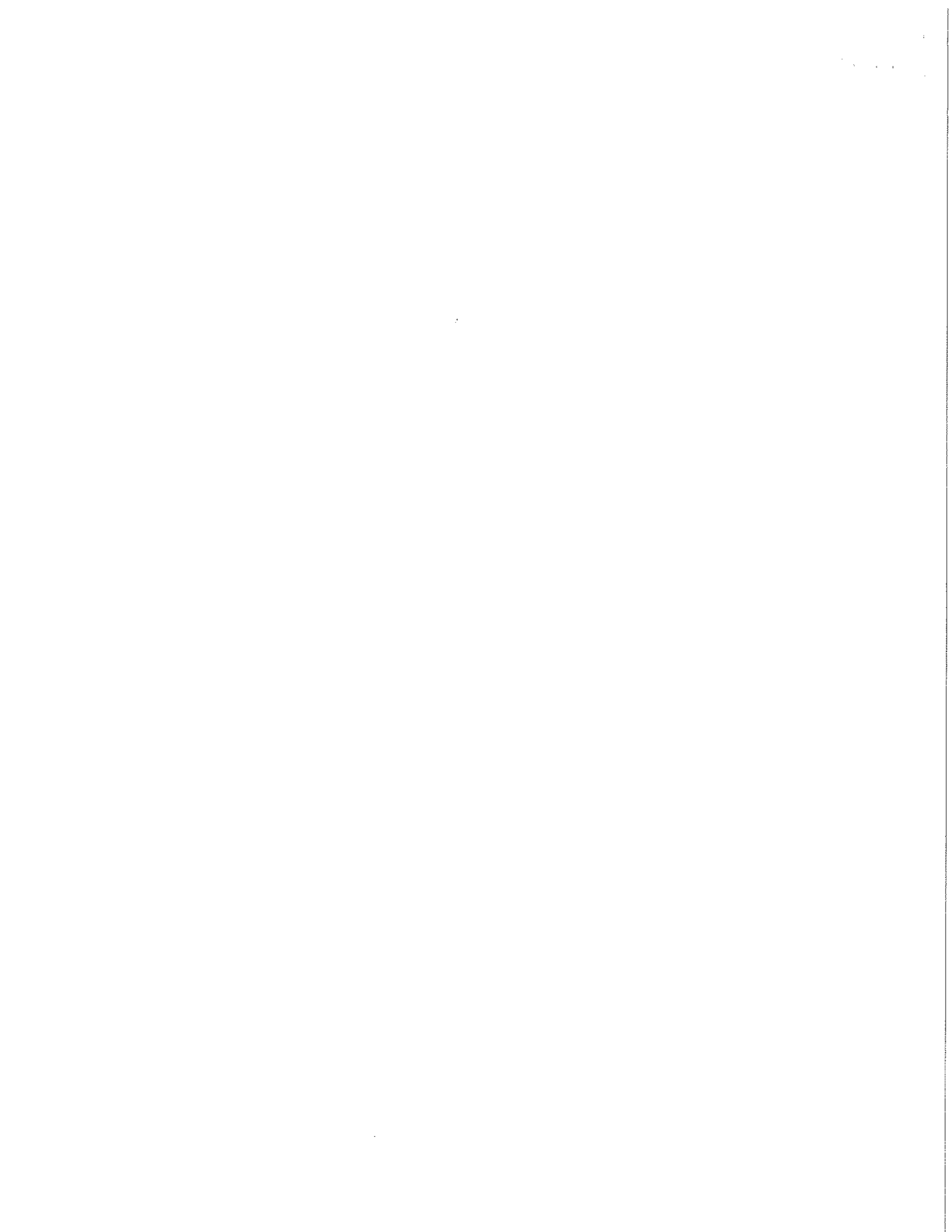
Tenant
By [Signature]
Printed Name MARIL A. COTTAM
Title CO-CHAIRMAN Date 01-02-2015

Landlord
By _____
Printed Name _____
Title _____ Date _____

Exhibit B – Rent Agreement

- McKinney Werx will be moving into Suite 700 (2747 sq ft) on January 1, 2015 and the monthly rent will be \$4,234.96 plus E
- Beginning May 1, 2015 McKinney Werx will add Suite 710 (3268 sq ft) with an additional monthly rent payment of \$4,765.04 for a total of \$9,000.00.
- Beginning July 1, 2016 the monthly rent will increase to \$10,000.00 for the remainder of the lease.
- McKinney Werx will be taking both suites "As Is". All improvements to the suite(s) will be handled by McKinney Werx.
- McKinney Werx is entering into a 12 (Twelve) Month agreement with the option by October 1, 2014 to extend the lease for an additional 12 (Twelve) Months with the same rental agreements as outlined in this Exhibit.

Initialed for Identification by Tenants: CS, N, and Landlord: [Signature]





THE COTTON MILL
COMMERCIAL LEASE AMENDMENT

AMENDMENT TO THE COMMERCIAL LEASE BETWEEN THE UNDERSIGNED PARTIES
CONCERNING THE LEASED PREMISES AT 610 Elm Street, Suite 700.

Effective on January 1, 2015, Landlord and Tenant amend the above-referenced lease as follows:

A. Parties: The parties named in Paragraph 1 of the Commercial Lease are changed to:

Tenant: The Werx in McKinney, Inc. (formerly McKinney Werx)

Landlord: _____

B. Leased Premises: The suite or unit number identified in Paragraph 2 is changed to N/A and contains approximately _____ square feet.

C. Term:

(1) The length of the term stated in Paragraph 3 is changed to 60 mos. (Sixty) months and 0 days.

(2) The Commencement Date stated in Paragraph 3 is changed to _____.

(3) The Expiration Date stated in Paragraph 3 is changed to December 31, 2016.

D. Rent: The amount of the base monthly rent specified in Paragraph 1.06 is changed to:

\$ _____ from _____ to _____.

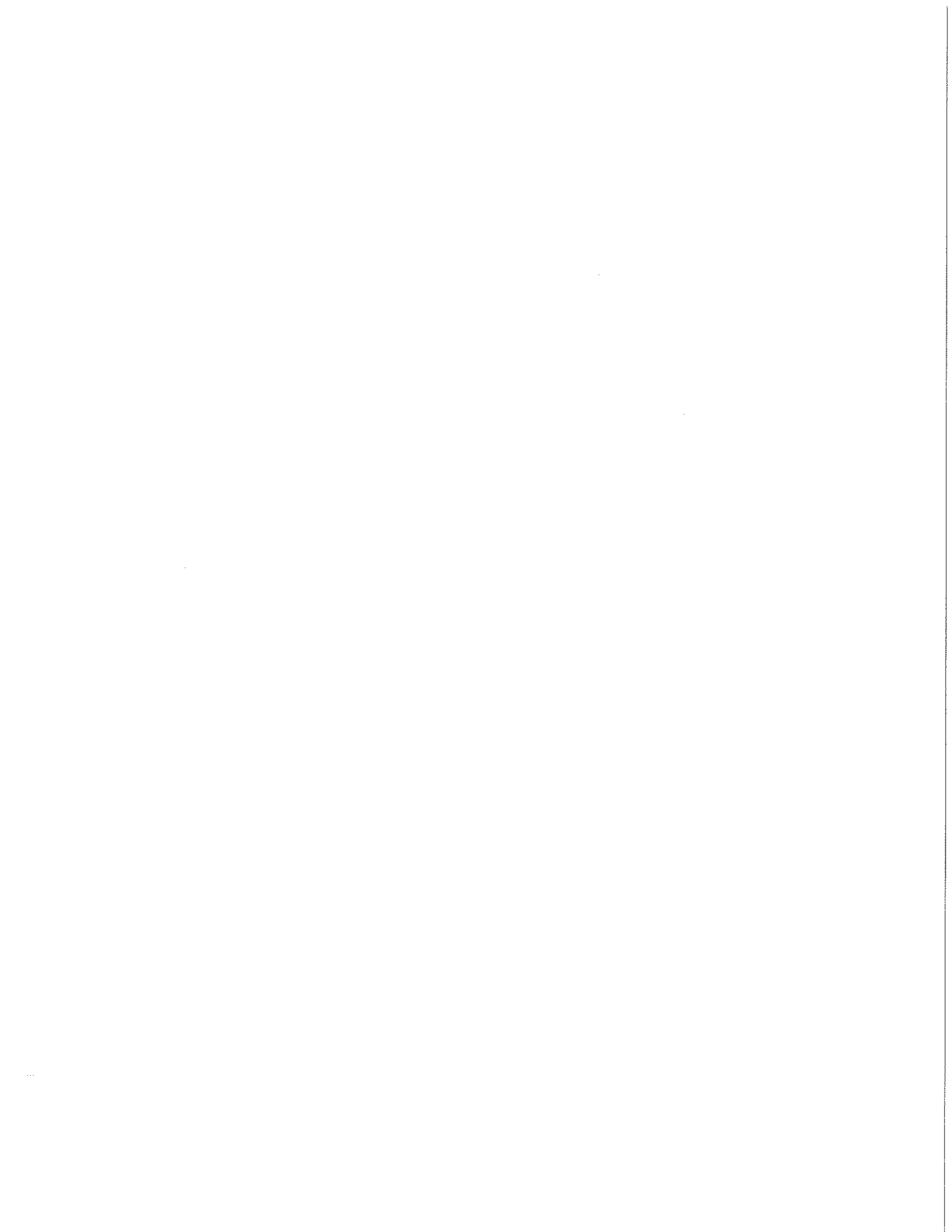
\$ _____ from _____ to _____.

\$ _____ from _____ to _____.

E. Security Deposit: The amount of the security deposit in Paragraph 5 is changed to \$ _____.

F. Maintenance and Repairs: The following item(s) specified in the identified subparagraph of *Paragraph 15: Maintenance and Repairs* will be maintained by the party designated below:

Initialed for identification by Tenants: CS, _____, and Landlord CR, _____



Amendment to Commercial Lease concerning _____

Para. No.	Description	Responsible Party
_____	_____	<input type="checkbox"/> N/A <input type="checkbox"/> Landlord <input type="checkbox"/> Tenant
_____	_____	<input type="checkbox"/> N/A <input type="checkbox"/> Landlord <input type="checkbox"/> Tenant
_____	_____	<input type="checkbox"/> N/A <input type="checkbox"/> Landlord <input type="checkbox"/> Tenant
_____	_____	<input type="checkbox"/> N/A <input type="checkbox"/> Landlord <input type="checkbox"/> Tenant
_____	_____	<input type="checkbox"/> N/A <input type="checkbox"/> Landlord <input type="checkbox"/> Tenant

G. Other: Paragraph(s) 35. Special Provisions is changed to read (cite specific paragraphs and copy the applicable paragraphs verbatim making any necessary changes).

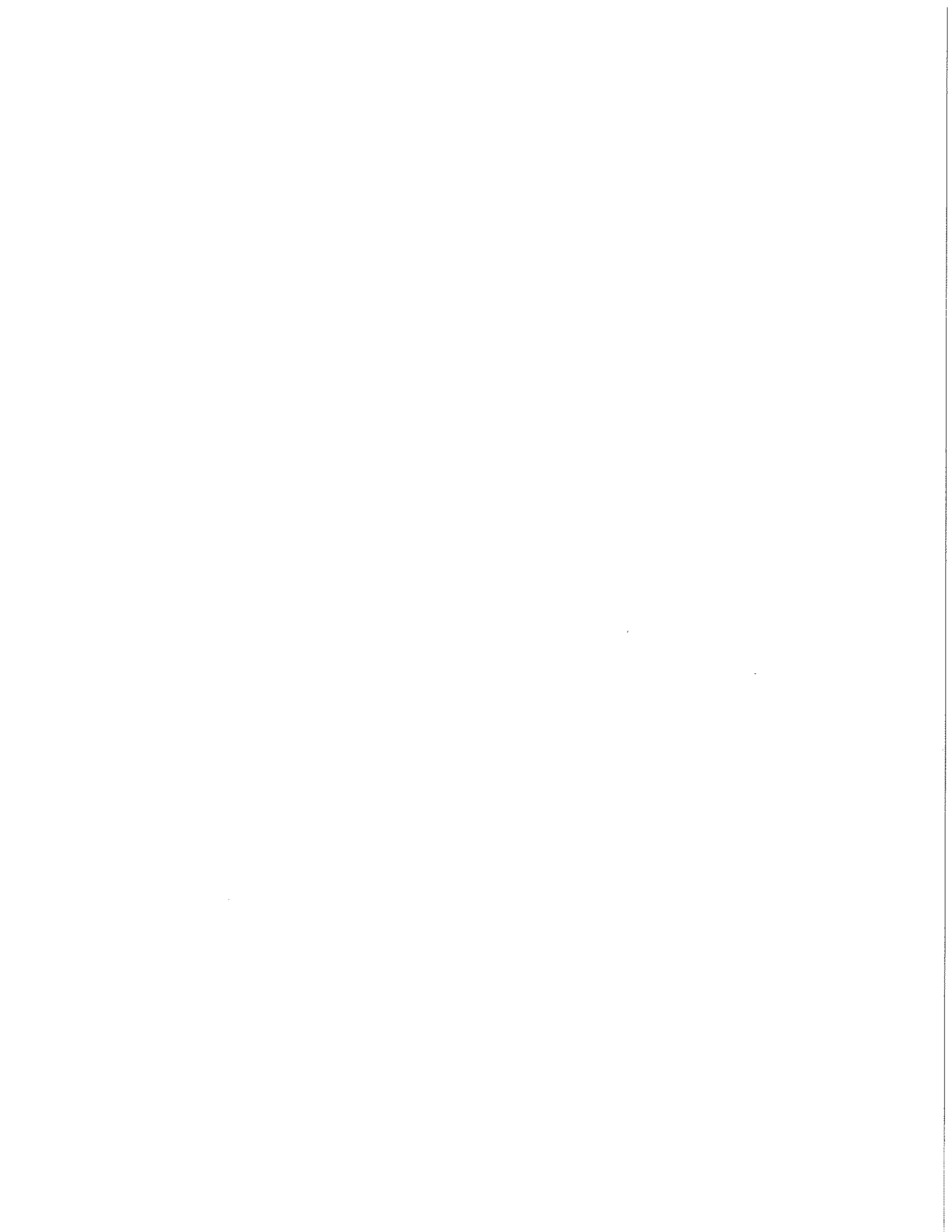
Landlord grants Tenant an 'out clause' after 24 months.

Christine Smith
 Tenant
 By
 Printed Name Christine Smith
 Title Executive Director Date 1-9-2015

Tenant
 By
 Printed Name Mark Cottam
 Title Co-Chairman Date 1-9-2015

Terrance M. Casey
 Landlord
 By
 Printed Name Terrance M. Casey
 Title PRESIDENT OF LP Date Jan 9 2015

Landlord
 By
 Printed Name _____
 Title _____ Date _____



GRANT AGREEMENT

THE WERX IN MCKINNEY, INC.

610 Elm Street
McKinney, Texas 75069

MCKINNEY ECONOMIC DEVELOPMENT CORPORATION

5900 Lake Forest Drive, Suite 110
McKinney, Texas 75070

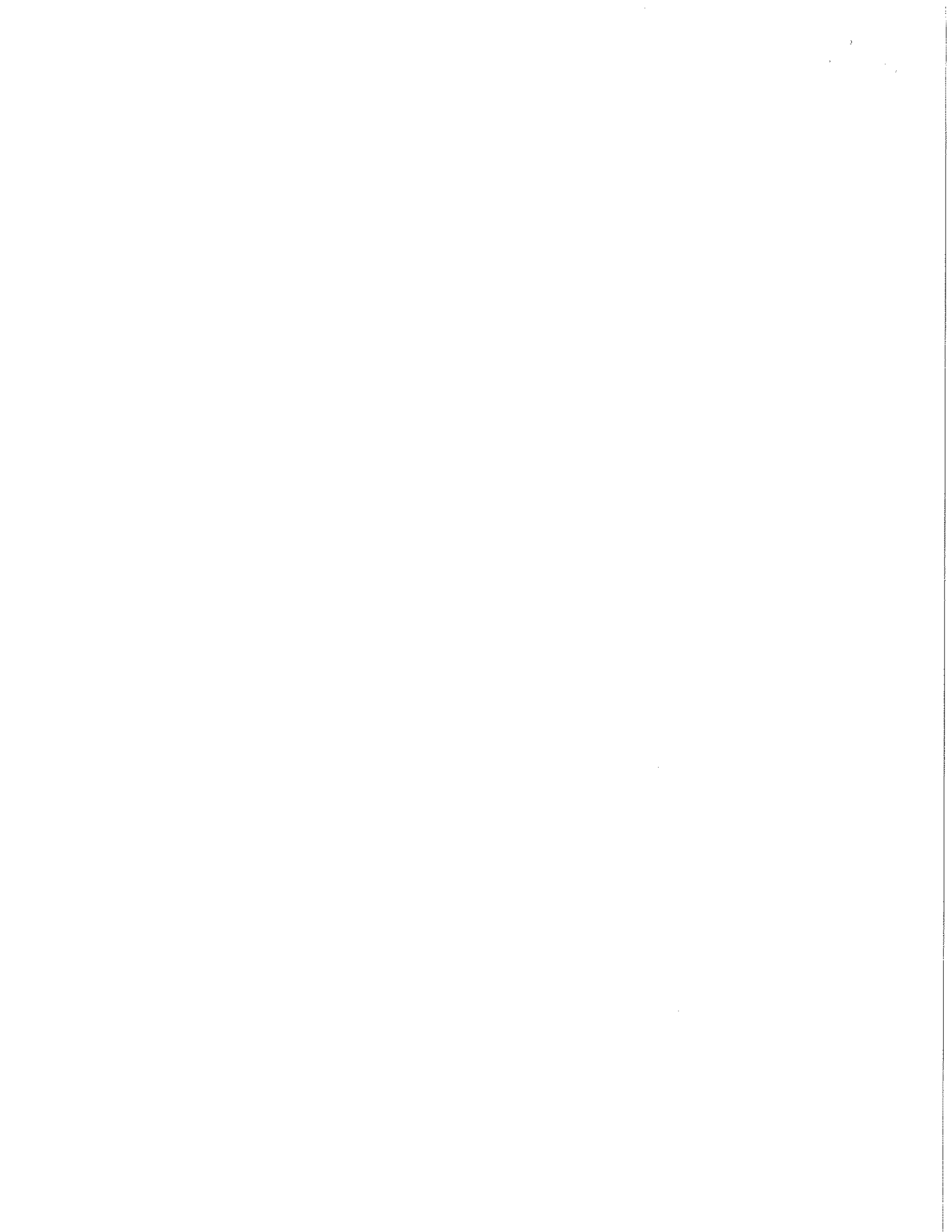
THIS GRANT AGREEMENT (the "Agreement") between, ***THE WERX IN MCKINNEY, INC.***, a Texas non-profit corporation ("Company") and the ***MCKINNEY ECONOMIC DEVELOPMENT CORPORATION***, a Texas non-profit corporation, (the "MEDC") is made and executed effective January 1, 2015 with the following recitals, terms and conditions.

WHEREAS, Company provides services and facilities to individuals and companies to help bring entrepreneurial minds and the startup business community together to build, support and grow small businesses and early stage companies; and

WHEREAS, Company has applied to the MEDC for grant funding and other financial accommodations to enable it to provide the above services and facilities by the lease of 2747 square feet in the office building known as the Cotton Mill in McKinney, Texas, including those grants which are described in this Agreement and those which may be described on any exhibit or schedule attached to this Agreement; and

WHEREAS, Company has agreed to operate under certain Operational Requirements to promote economic development in the City of McKinney, Texas; and

WHEREAS, Company understands and agrees that: (a) in granting, renewing, or extending the "Grant" (defined hereinafter), the MEDC are relying upon Company's representations, warranties, and agreements, as set forth and provided for in this Agreement; (b) in renewing or extending of the Grant by the MEDC such actions shall be subject to the MEDC' sole judgment and discretion; and (c) the Grant shall be and shall remain subject to the terms and conditions as set forth in this Agreement.



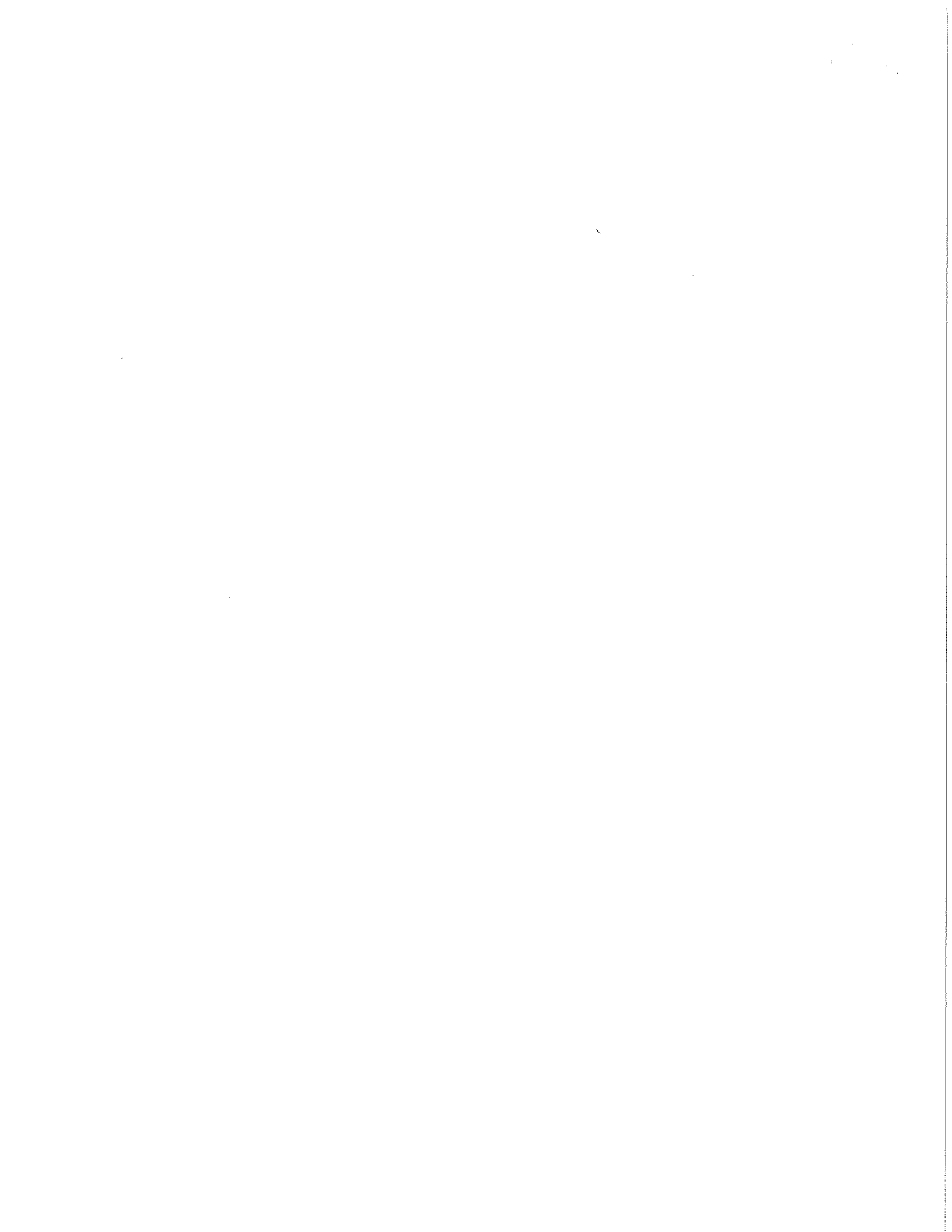
SECTION 1. TERM.

This Agreement shall be effective as of January 1, 2015 (the "Commencement Date") and shall continue thereafter until all obligations of Company and the MEDC have been performed in full and the parties terminate this Agreement in writing, or on the **Termination Date**, unless terminated sooner under the provisions hereof.

SECTION 2. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Texas Uniform Commercial Code.

- a. **Agreement.** The word "Agreement" means this Grant Agreement, together with all exhibits and schedules attached to this Grant Agreement from time to time, if any.
- b. **City.** The word "City" means the City of McKinney, Collin County, Texas.
- c. **Company.** The word "Company" means, *THE WERX IN MCKINNEY, INC., a Texas non-profit corporation* (used interchangeably with Lessee).
- d. **Event of Default.** The words "Event of Default" mean and include any of the Events of Default set forth below in the section entitled "Events of Default."
- e. **Facility.** The word "Facility" means Company's 2,747 square feet of leased space known as Suite 700 in the office building located at 610 Elm Street, McKinney, Texas 75069 or during the term of this Agreement, another commercial office facility of similar quality, finish-out, and use within the corporate limits of the City of McKinney that Company occupies through acquisition, lease or otherwise for the Term of this Agreement.
- f. **Financial Compliance.** The words "Financial Compliance" shall mean the Company not less than 75% of its Revenue Projections as shown on Exhibit A as of January 1, 2016 (the cumulative annual projection) and each monthly projection thereafter until December 31, 2016.
- g. **Grant.** The word "Grant" means and includes a) all grant funding and financial accommodations from MEDC to Company under this Agreement in an aggregate amount not to exceed \$264,000.00, payable monthly in varying payment amounts, and b) the conveyance of certain furniture, fixtures and equipment ("FFE") owned by MEDC and previously situated in Suite 800 of the Cotton Mill.



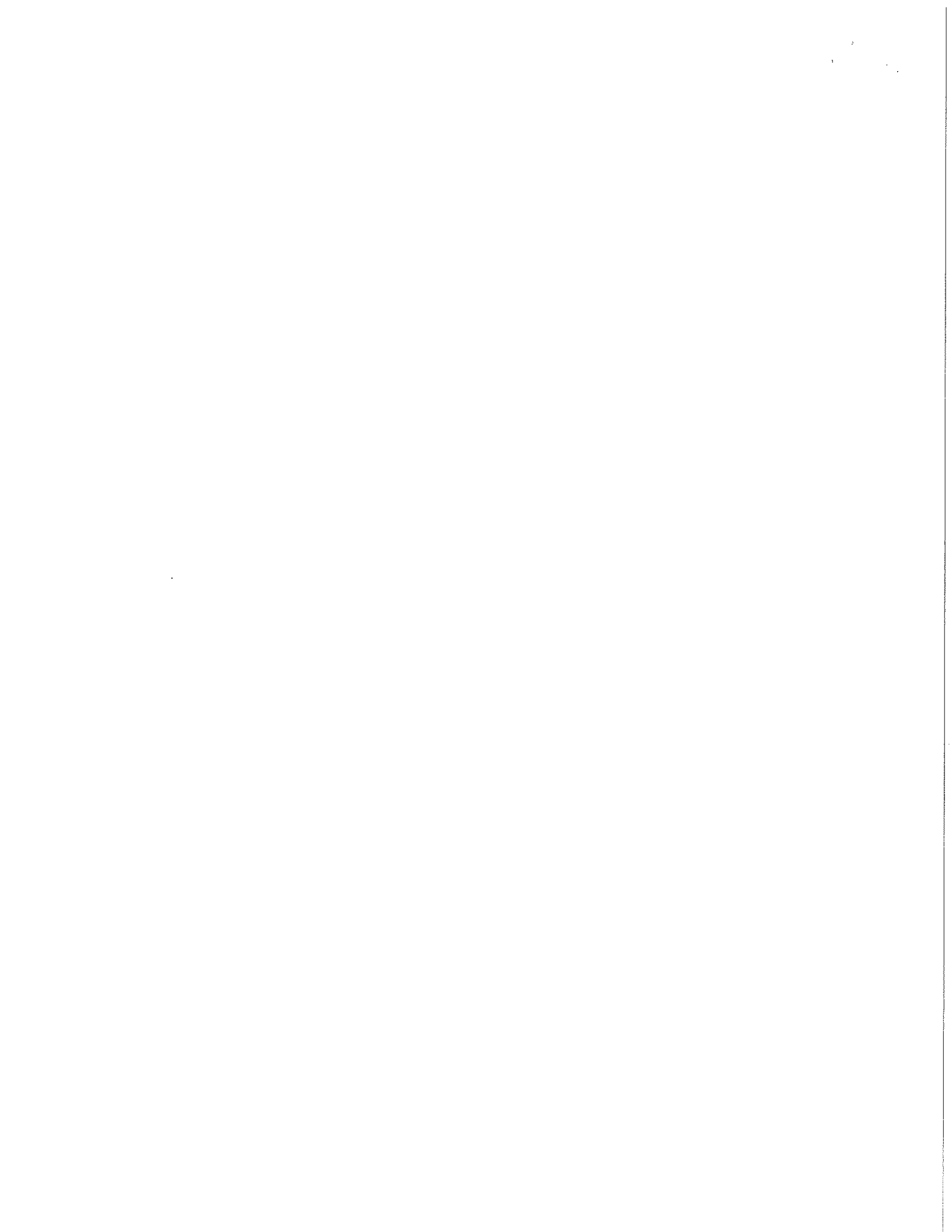
- h. **Lease.** The word "Lease" means an office lease of 2,747 square feet (Suite 700 in the Cotton Mill) between the Landlord/Owner of the Facility and Company, having an initial term of not less than five (5) years and with no termination rights in favor of the Lessee/Company in the initial term.
- i. **Lessee.** The word "Lessee" means *THE WERX IN MCKINNEY, INC.*, a Texas non-profit corporation (used interchangeably with Company).
- j. **MEDC.** The letters "MEDC" mean the McKinney Economic Development Corporation, a Texas non-profit corporation, its successors and assigns.
- k. **Operational Requirements.** The words "Operational Requirements" mean the standards, practices, purposes and processes which the MEDC requires of Company throughout the Grant, including the continuous implementation of the staffing and programs on Exhibit B attached hereto and made a part hereof for all purposes.
- l. **Related Documents.** The words "Related Documents" mean and include without limitation Exhibits A and B, and all instruments and documents, whether now or hereafter existing, executed in connection with the Grant.
- m. **Termination Date.** The word "Termination Date" means December 31, 2016.

SECTION 3. FUNDING AND OBLIGATIONS.

Company and the MEDC agree that, while this Agreement is in effect and so long as Company is not in Default, the parties shall comply with the following terms and conditions:

- a. **MEDC Obligations.**
 - 1) **Grant Funding and Conveyance of FFE.** Save and except a one-time payment to Company on January 23, 2015, the MEDC shall make the following monthly Grant payments to the Company on or before the fifteenth (15th) day of each month of the Term hereof:

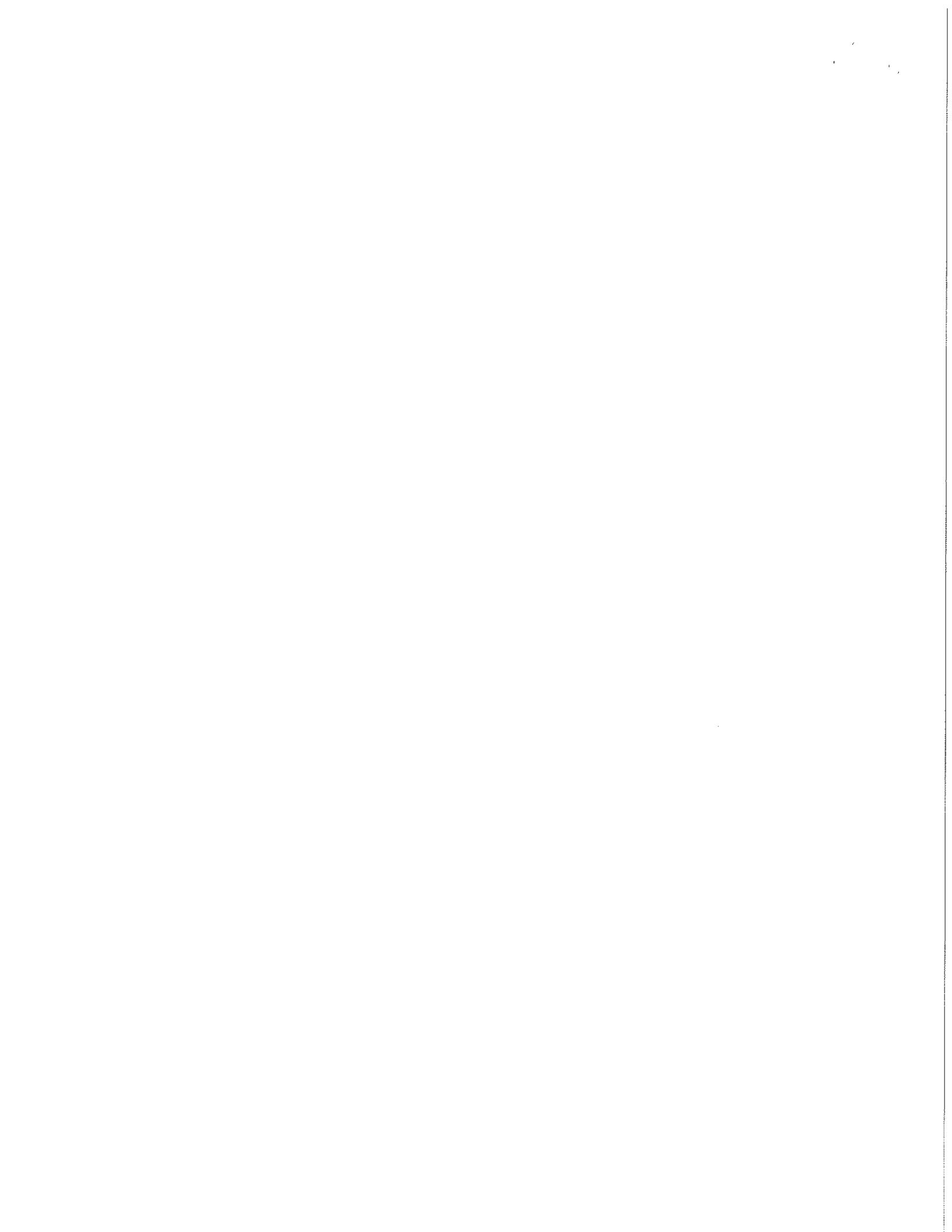
January 23, 2015	\$29,000
March 2015	\$14,500
April-June 2015	\$12,500
July-Dec. 2015	\$11,000
Jan.-June 2016	\$11,000
July 2016	\$10,000
Aug.-Nov. 2016	\$ 9,000
Dec. 2016	\$ 5,000



Upon the execution hereof, MEDC does hereby convey the FFE previously situated in Suite 800 to Company, subject to MEDC's rights under Section 6. Company shall not encumber or pledge the FFE to any third party during the Term of this Agreement.

b. **Company Obligations.**

- 1) **Certificate of Occupancy.** On or before January 5, 2015, Company shall deliver a copy of the Certificate of Occupancy for the Facility obtained from the Landlord.
- 2) **Board member Appointment.** The Company's bylaws shall provide that the MEDC shall have the right to appoint an ex-officio, non-voting board member who may attend all board meetings. The Company's bylaws shall provide that the MEDC may, but is not required to, appoint a voting board member to the Company's board of directors.
- 3) **Non-profit Status and Corporate Purpose.** The Company shall apply for non-profit status as an IRS Section 501(c)(6) entity on or before January 31, 2015 and obtain such status before December 31, 2015. Once obtained, the Company shall maintain its status throughout the end of the Term. The Company shall at all times have a purpose that promotes economic development within the City of McKinney, Texas.
- 4) **Company Bylaws.** The MEDC shall approve in advance Company's initial bylaws and any amendments thereto.
- 5) **Additional Assurances.** Company agrees to make, execute and deliver to the MEDC at the time of execution and delivery of this Agreement, such instruments, documents and other agreements as the MEDC or their attorneys may reasonably request to evidence the satisfaction of the conditions of the Grant.
- 6) **Compliance Certificates.** Beginning on July 1, 2015, Company shall provide the MEDC with a financial report on July 1 and January 1 of each year of this Agreement. In addition, Company shall provide compliance certificates when requested, such certificates specifying or reflecting satisfaction of the Company Obligations, including the Operational Requirements of the Grant.
- 7) **Performance.** Company agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement, **expressly including Financial Compliance and complying with the Operational Requirements**, and in all other instruments and agreements between Company, Landlord/Owner, and the MEDC.



SECTION 4. CESSATION OF FUNDING.

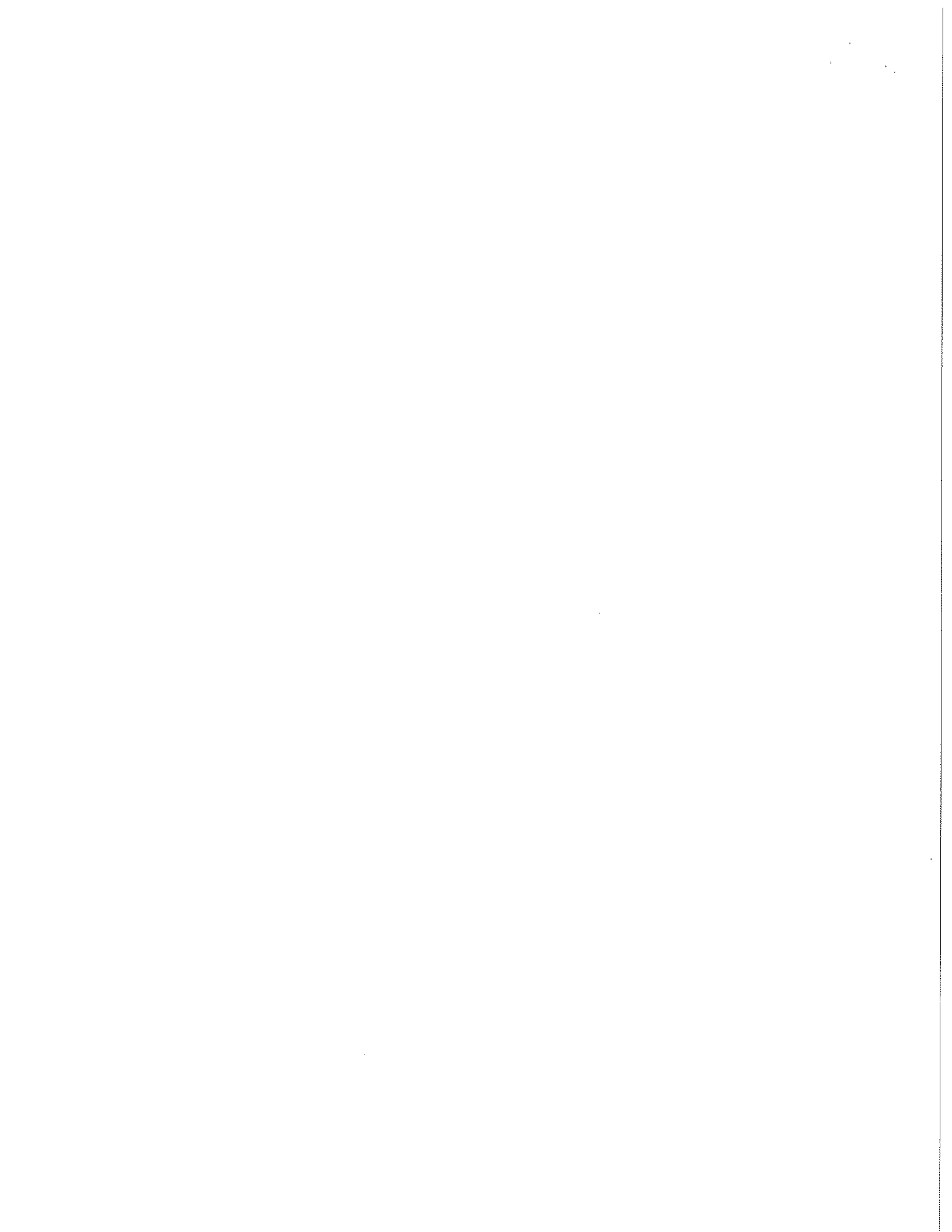
If the MEDC have made any commitment to make the Grant to Company, whether under this Agreement or under any other agreement, the MEDC shall have no obligation to disburse the Grant if:

- a. Company becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged bankrupt; or
- b. During the pendency of an Event of Default.

SECTION 5. EVENTS OF DEFAULT.

Each of the following shall constitute an Event of Default under this Agreement.

- a. **Failure to Perform Company's Obligation.** Failure of Company to perform under Section 3(b)(1-7) above.
- b. **False Statements.** Any warranty, representation or statement made or furnished to the MEDC by or on behalf of Company under this Agreement or the Related Documents that is false or misleading in any material respect, either now or at the time made or furnished.
- c. **Insolvency.** Company's insolvency, appointment of receiver for any part of Company's property, any assignment for the benefit of creditors of Company, any type of creditor workout for Company, or the commencement of any proceeding under any bankruptcy or insolvency laws by Company or against Company and not dismissed within sixty (60) days of filing thereof.
- d. **Ad Valorem Taxes.** Failure of Company to pay, prior to delinquency, all taxes and assessments levied or assessed upon Company's real property improvements or business personal property, unless such taxes and assessments are being properly contested.
- e. **Undocumented workers.** Company certifies that Company does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, Company is convicted of a violation under 8 U.S.C. § 1324a (f), Company shall be in default hereunder.
- f. **Subletting.** Failure of Company to obtain the MEDC' prior written consent to sublet or assign the Facility to any unrelated or unaffiliated entity.
- g. **Other Defaults.** Failure of Company after written notice and thirty (30) days opportunity to cure, to comply with or to perform any other term,



obligation, covenant or condition contained in this Agreement or in any of the Related Documents, or failure of Company to comply with or to perform any other term, obligation, covenant or condition contained in any other written agreement between the MEDC and Company.

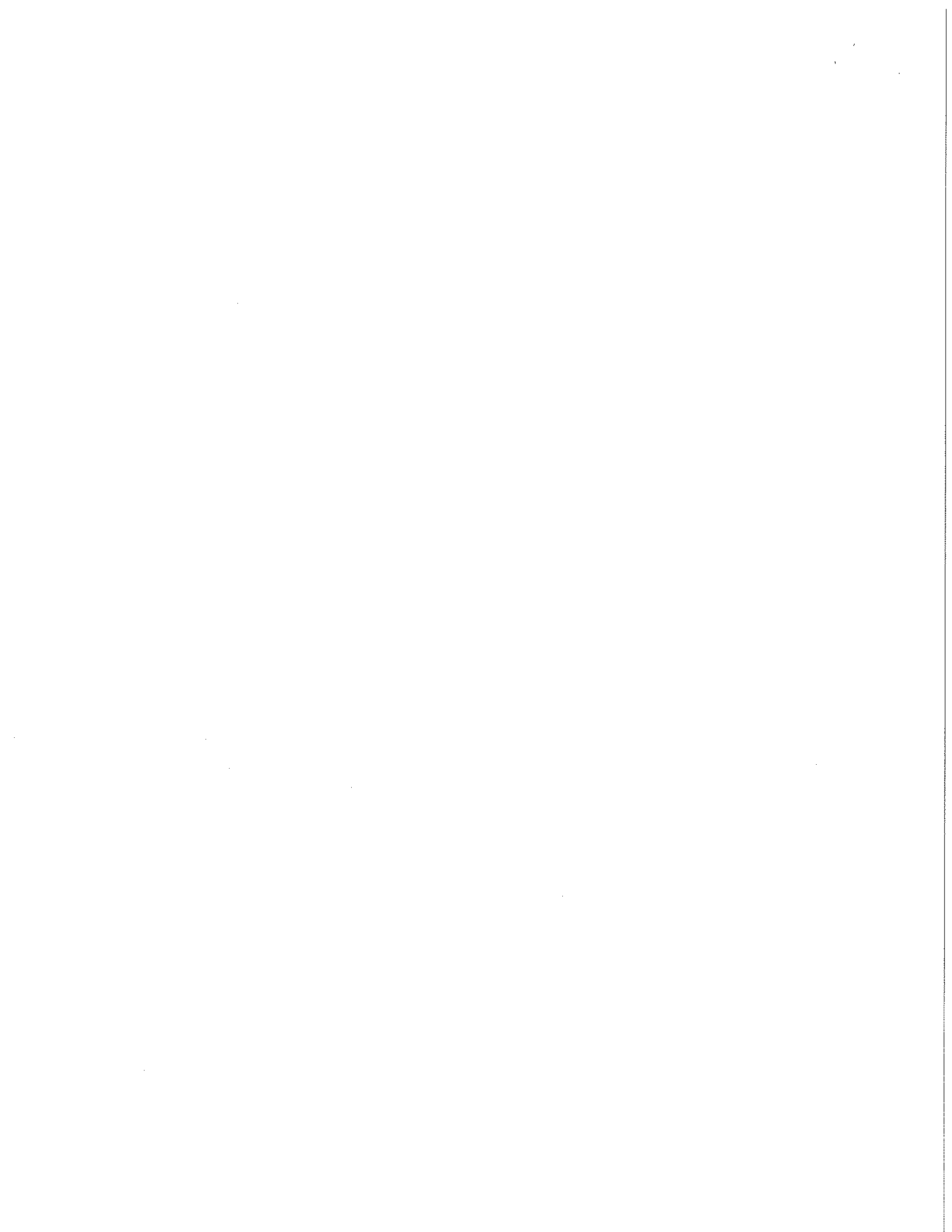
SECTION 6. EFFECT OF AN EVENT OF DEFAULT.

If any Event of Default shall occur and upon ten (10) days written notice and opportunity to cure Company has not cured such Event of Default within 10 days of written notice, then all commitments of the MEDC under this Agreement immediately shall terminate (including any obligation to make the Grant), all without notice of any kind to Company, at the option of the MEDC. Any Event of Default which may be cured by the payment of money shall not extend beyond the 10-day period referenced herein. In addition to the foregoing, should the MEDC terminate this Agreement prior to July 1, 2015, Company shall forfeit its possessory and ownership rights in the FFE and shall immediately convey said FFE to MEDC as damages for the breach of this Agreement.

SECTION 7. INDEMNIFICATION.

Company shall indemnify, save, and hold harmless the MEDC, its directors, officers, agents, attorneys, and employees (collectively, the "Indemnitees") from and against:

- a. any and all claims, demands, actions or causes of action that are asserted against any Indemnitee if the claim, demand, action or cause of action relates to tortious interference with contract or business interference, or wrongful or negligent use of the MEDC' grant payments by Company or its agents and employees;
- b. any administrative or investigative proceeding by any governmental authority related to a claim, demand, action or cause of action involving Company or in which the MEDC is a disinterested party;
- c. any claim, demand, action or cause of action which contests or challenges the legal authority of the MEDC or Company to enter into this Agreement; and
- d. any and all liabilities, losses, costs, or expenses (including reasonable attorneys' fees and disbursements) that any Indemnitee suffers or incurs as a result of any of the foregoing; provided, however, that Company shall have no obligation under this Section to the MEDC with respect to any of the foregoing to the extent that such claims or liabilities arise out of the negligence or willful misconduct of the MEDC or the breach by the MEDC of this Agreement.



If any claim, demand, action or cause of action is asserted against any Indemnatee, such Indemnatee shall promptly notify Company, but the failure to so promptly notify Company shall not affect Company's obligations under this Section unless such failure materially prejudices Company's right to participate in the contest of such claim, demand, action or cause of action, as hereinafter provided. If requested by Company in writing, as so long as no Event of Default shall have occurred and be continuing, beyond applicable notice and cure periods, such Indemnatee shall in good faith contest the validity, applicability and amount of such claim, demand, action or cause of action and shall permit Company to participate in such contest. Any Indemnatee that proposes to settle or compromise any claim, demand, action, cause of action or proceeding for which Company may be liable for payment of indemnity hereunder shall give Company written notice of the terms of such proposed settlement or compromise reasonably in advance of settling or compromising such claim or proceeding and shall obtain Company's concurrence thereto.

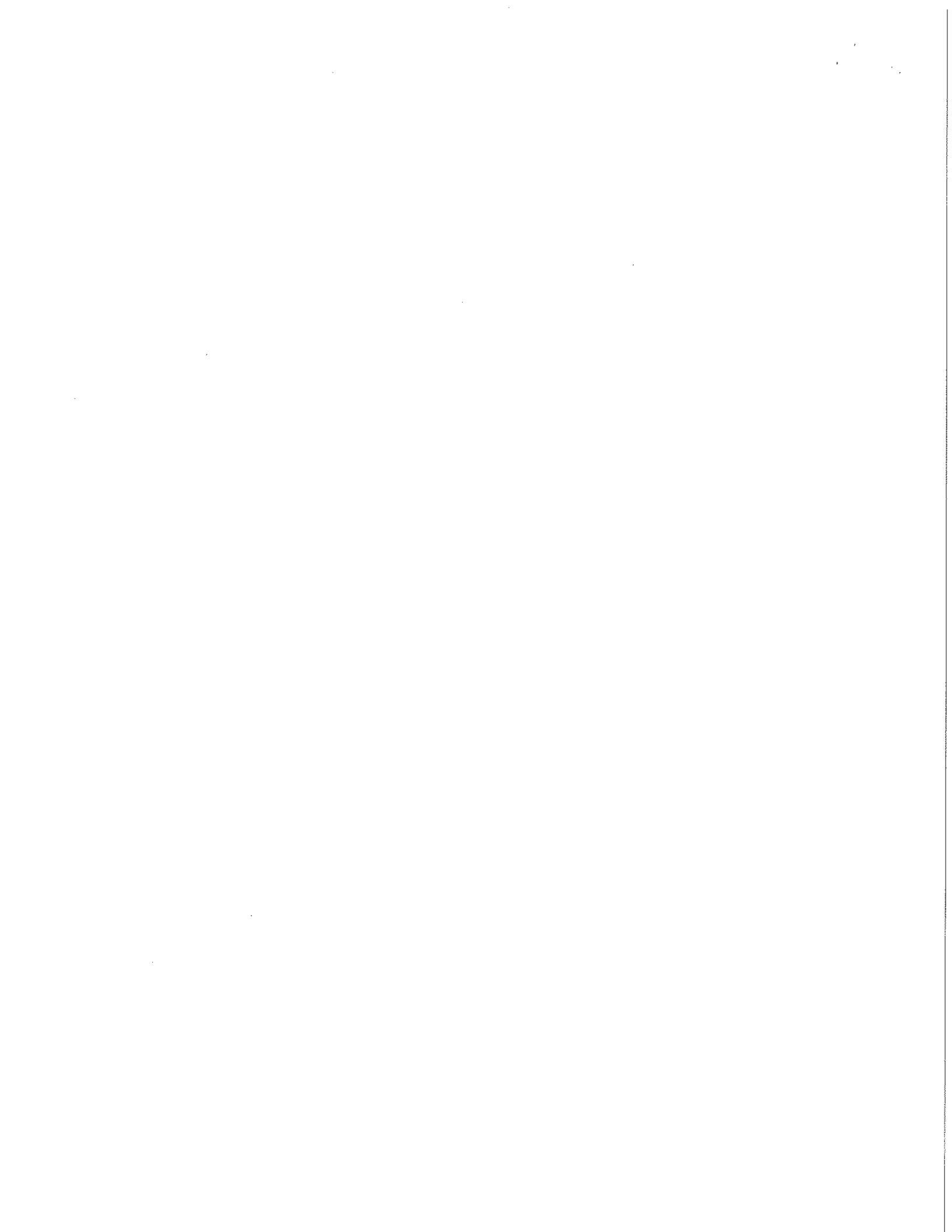
SECTION 8. COMPANY'S REPRESENTATIONS.

By execution hereof, the signatories warrant and represent that they have the requisite authority to execute this Agreement and the Related Documents and that the representations made herein, and in the Related Documents, are true and accurate in all respects.

SECTION 9. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this Agreement:

- a. **Amendments.** This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. In particular, this agreement supersedes the terms of any other written or oral proposals, agreements, arrangements, understandings, promises, representations, understandings and negotiations between the parties. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.
- b. **Applicable Law and Venue.** This Agreement has been delivered to the MEDC and accepted by the MEDC in the State of Texas. Company agrees to submit to the jurisdiction of the courts of Collin County, State of Texas, and that venue is proper in said County. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and applicable Federal laws.
- c. **Employee Hiring, Materials and Supplies Purchase.** Although not an Event of Default or a condition to any Grant funding, the MEDC request



that Company use good faith efforts to satisfy their needs for additional employees from McKinney residents and purchase of materials, supplies and services from McKinney merchants and businesses.

- d. **Community Involvement.** Although not an Event of Default or a condition to the Grant funding, Company agrees to use good faith efforts to actively participate in community and charitable organizations and/or activities, the purpose of which are to improve the quality of life in McKinney, and to actively encourage its McKinney employees to be involved in such organizations and/or activities.
- e. **Company Audit.** Company agrees to allow the MEDC, at a time mutually acceptable to the MEDC and Company, to audit at the MEDC' expense all of Company's records, documents, agreements and other instruments in furtherance of the following purposes: (i) to ensure Company's compliance with the affirmative covenants set forth in Section 3 herein; (ii) to determine the existence of an Event of Default set forth in Section 5 herein; and (iii) to ensure compliance with any other term or condition of this Agreement or any Related Document. Notwithstanding the foregoing, the MEDC shall only have the right to perform such audit twice in any twelve (12) month period.
- f. **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of the Agreement.
- g. **Notices.** All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the following address:

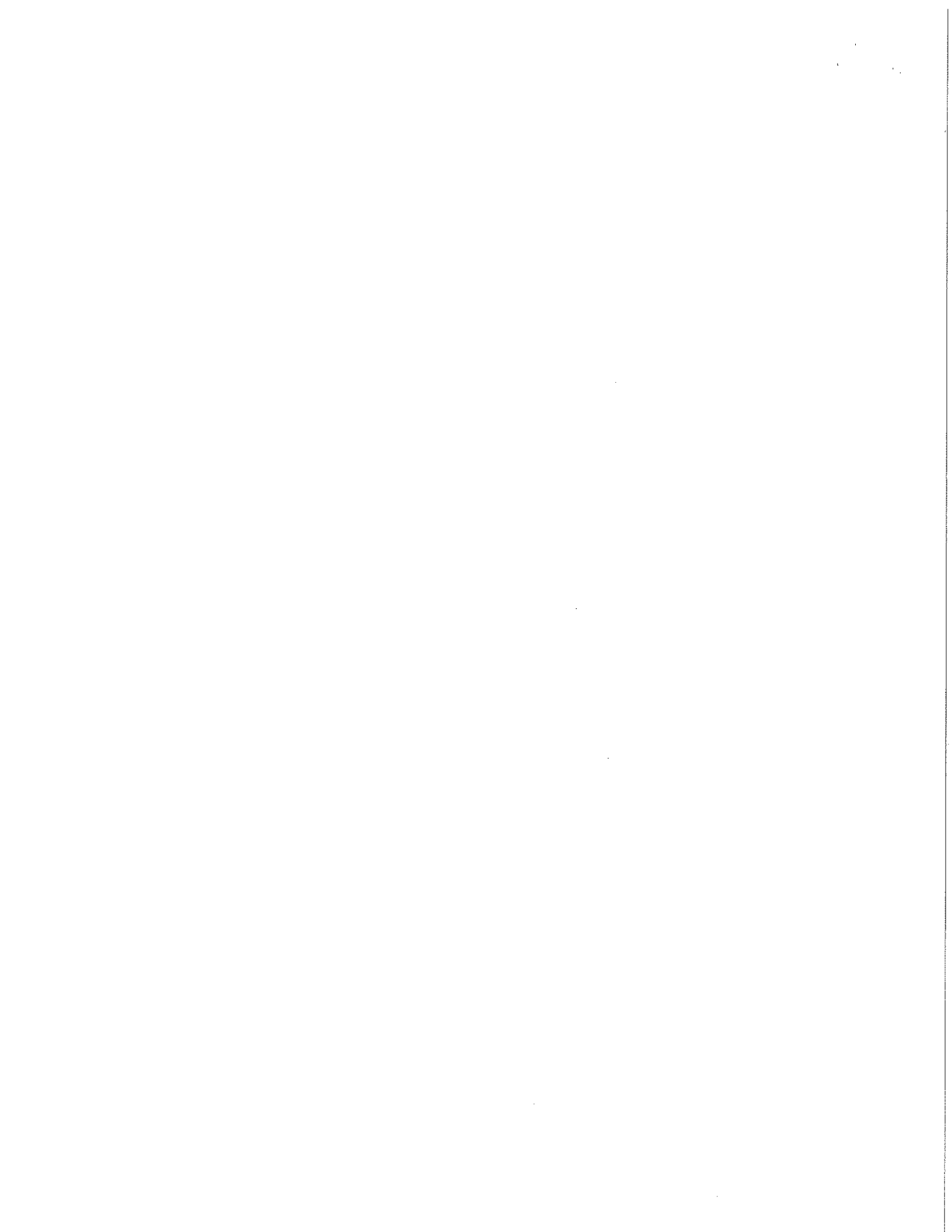
If to Company:

Christine Smith, Executive Director
610 Elm Street
McKinney, TX 75069

If to the MEDC:

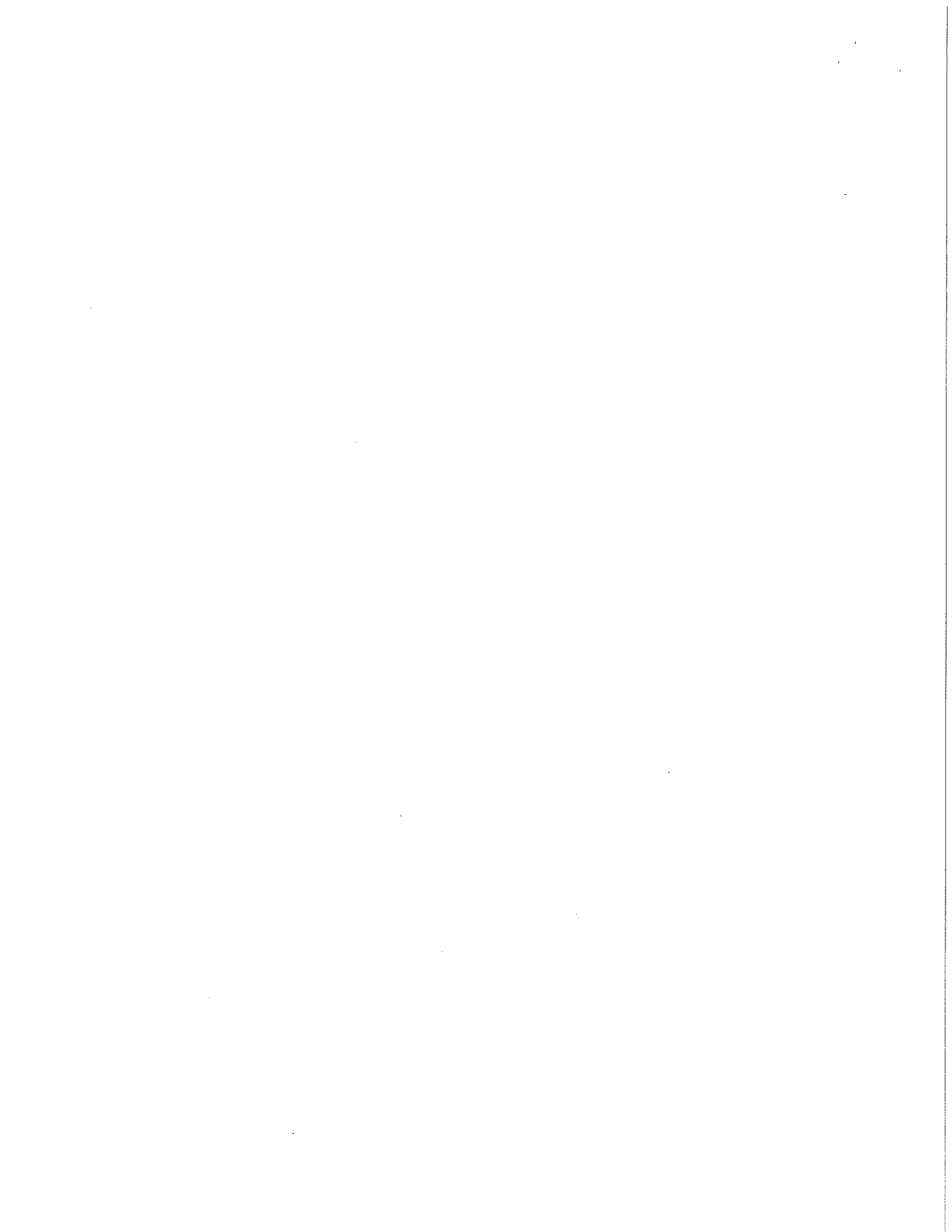
James J. Wehmeier, President
5900 S. Lake Forest Drive, Suite 110
McKinney, TX 75070

Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes,



Company agrees to keep the MEDC informed at all times of Company's current address.

- h. **Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.
- i. **Survival.** All warranties, representations, and covenants made by Company in this Agreement or in any certificate or other instrument delivered by Company to the MEDC under this Agreement shall be considered to have been relied upon by the MEDC and will survive the making of the Grant Agreement and delivery to the MEDC of the Related Documents, regardless of any investigation made by the MEDC or on the MEDC' behalf.
- j. **Attorneys' Fees and Costs.** In the event of any action at law or in equity between the parties to enforce any of the provisions hereof, to the extent allowed by law any unsuccessful party to such litigation shall pay to the successful party all costs and expenses, including reasonable attorneys' fees (including costs and expenses incurred in connection with all appeals) incurred by the successful party, and these costs, expenses and attorneys' fees may be included in and as part of the judgment. A successful party shall be any party who is entitled to recover its costs of suit, whether or not the suit proceeds to final judgment.
- k. **Time is of the Essence.** Except as expressly set forth herein, time is of the essence in the performance of this Agreement.
- l. **Counterparts.** This Agreement may be executed in counterparts, and such counterparts together shall constitute but one original of the Agreement. Each counterpart shall be equally admissible in evidence, and each original shall fully bind each party who has executed it.
- m. **Waiver.** No failure or delay by a party to insist upon the strict performance of any term, condition or covenant of this Agreement, or to exercise any right, power or remedy hereunder shall constitute a waiver of the same or any other term of this Agreement or preclude such party from enforcing or exercising the same or any such other term, conditions, covenant, right, power or remedy at any later time.




COMPANY AND THE MEDC ACKNOWLEDGE HAVING READ ALL OF THE PROVISIONS OF THIS GRANT AGREEMENT, AND COMPANY AND THE MEDC AGREE TO ITS TERMS. THIS AGREEMENT SHALL BE EFFECTIVE AS OF JANUARY 1, 2015.

COMPANY:

THE WERX IN MCKINNEY, INC.

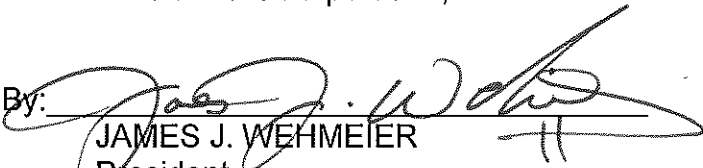
a Texas non-profit corporation

By: 
Its: Executive Director

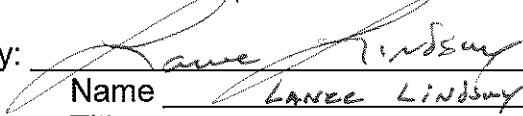
Date Signed: 1-7-2015

McKINNEY ECONOMIC DEVELOPMENT CORPORATION,

a Texas Non-Profit Corporation,

By: 
JAMES J. WEHMEIER
President

Date Signed: 1-7-15

By: 
Name Lance Lindsay
Title Vice Chair

Date Signed: 1-7-15

PREPARED IN THE OFFICES OF:

BROWN & HOFMEISTER, L.L.P.
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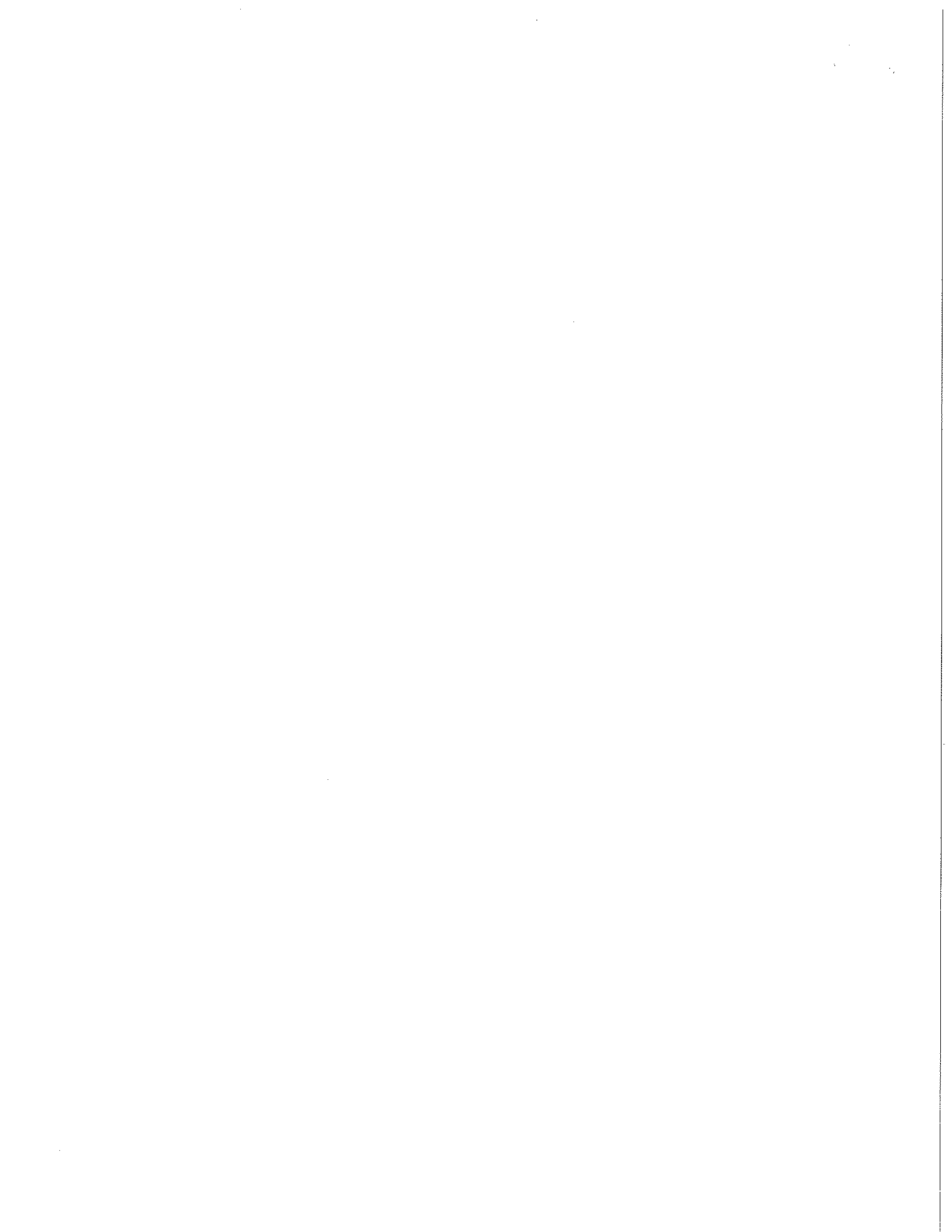
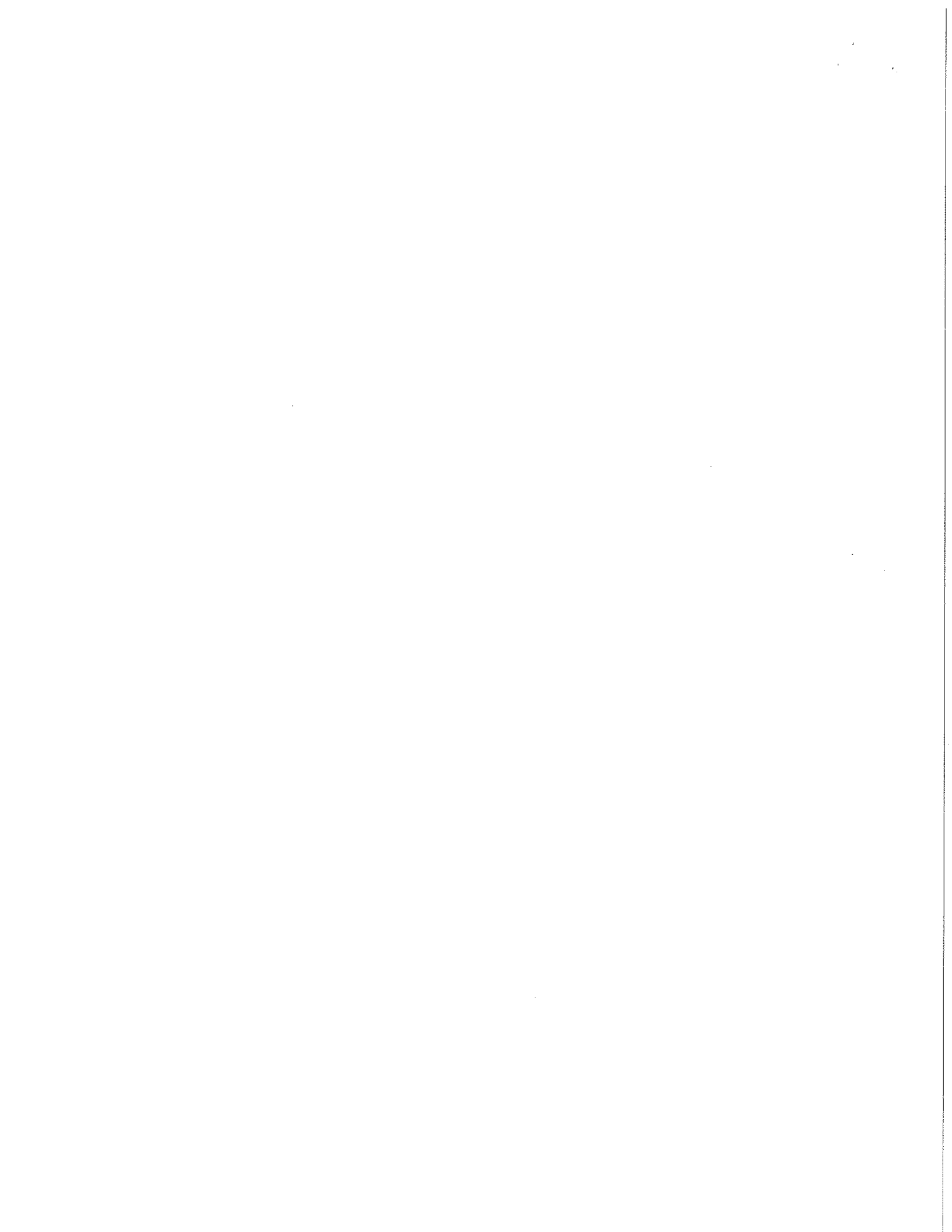


Exhibit A

Years One and Two Revenue Projections

MCKINNEY WERX - REVENUE PROJECTIONS													
YEAR ONE	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Total
Number of Units													
Corporate Sponsorship													
Platinum	0	0	0	0	0	0	0	0	0	0	0	0	1
Gold	0	0	0	0	0	0	0	1	1	1	1	1	1
Silver	0	0	0	0	0	1	1	1	1	2	2	2	2
Bronze	0	0	0	1	1	1	2	2	3	3	3	3	3
Total Corporate Sponsorship Units	0	0	0	1	1	2	3	4	5	6	6	6	7
Non Profit & Individual Sponsorship													
Platinum													
Gold													
Silver													
Bronze													
Total Non Profit & Individual Sponsorship Units	0	0	0	1	1	1	1	1	1	1	1	1	1
Total Corporate Revenue	\$0	\$0	\$0	\$1,000	\$1,000	\$3,000	\$4,000	\$7,000	\$8,000	\$10,000	\$10,000	\$15,000	\$59,000
Total Non Profit Revenue	\$0	\$0	\$0	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$4,500
Fundraising Events													
Furniture Donations	\$10,000												\$10,000
Misc.													\$0
Total Fundraising Revenue	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000
Grants (State & Federal)													\$0
Co Location Units													
One Desk	15	15	15	15	15	15	15	15	16	16	20	26	
Small office- 2 Desks	0	0	0	0	0	3	4	5	6	7	8	8	
Medium Office - 4-5 Desks	0	0	0	0	0	1	1	1	1	1	1	1	
Large Office - 6 Desks	0	0	0	0	0	1	1	1	1	1	1	1	
Total Co Location Units	15	15	15	15	15	20	21	21	23	24	29	36	
Total Co Location Revenue	\$2,250	\$2,250	\$2,250	\$2,250	\$2,250	\$6,800	\$7,400	\$8,150	\$8,750	\$9,950	\$11,450	\$66,000	
YEAR ONE Total Revenue	\$12,250	\$2,250	\$2,250	\$3,750	\$5,750	\$11,300	\$14,900	\$16,650	\$19,250	\$20,450	\$26,950	\$139,500	



YEAR TWO MCKINNEY WERX - REVENUE PROJECTION

Number of Units	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Total
Corporate Sponsorship													
Platinum	0	0	0	0	0	0	0	1	0	0	0	0	1
Gold	0	0	0	1	0	1	1	2	2	2	2	2	2
Silver	3	3	3	3	3	3	3	3	3	3	3	3	3
Bronze	3	3	3	3	3	3	3	3	3	3	3	3	3
Total Corporate Sponsorship Units	6	6	6	8	6	7	7	9	8	8	8	8	9
Non Profit & Individual Sponsorship													
Platinum	0	0	0	0	1	1	0	0	0	0	0	1	1
Gold	0	0	0	1	1	1	1	1	1	1	1	1	1
Silver	0	0	1	1	1	1	1	1	1	1	1	1	1
Bronze	1	1	1	1	1	1	1	1	1	1	1	1	1
Total Non Profit & Individual Sponsorship Units	1	1	2	2	3	3	3	3	3	3	3	4	4
Total Corporate Revenue	\$9,000	\$9,000	\$9,000	\$17,000	\$9,000	\$12,000	\$12,000	\$20,000	\$15,000	\$15,000	\$15,000	\$20,000	\$162,000
Total Non Profit Revenue	\$500	\$500	\$1,500	\$1,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$6,500	\$6,500	\$38,000
Fundraising Events													
Coffees	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400
Dinners				\$5,000									\$12,500
Total Fundraising Revenue	\$200	\$200	\$200	\$5,200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$14,900
Grants (State & Federal)													
													\$10,000
Co Location Units													
One Desk	26	26	26	26	26	26	26	26	26	26	26	26	26
Small office- 2 Desks	8	8	8	8	8	8	8	8	8	8	8	8	8
Medium Office - 4-5 Desks	1	1	1	1	1	1	1	1	1	1	1	1	1
Large Office - 6 Desks	1	1	1	1	1	1	1	1	1	1	1	1	1
Total Co Location Units	36	36	36	36	36	36	36	36	36	36	36	36	36
Total Co Location Revenue	\$12,100	\$12,100	\$12,100	\$12,100	\$12,100	\$12,100	\$12,100	\$12,100	\$12,100	\$12,100	\$12,100	\$12,100	\$145,200
YEAR TWO Total Revenue													
	\$21,800	\$21,800	\$22,800	\$35,800	\$24,800	\$27,800	\$27,800	\$35,800	\$30,800	\$30,800	\$33,800	\$46,300	\$360,100

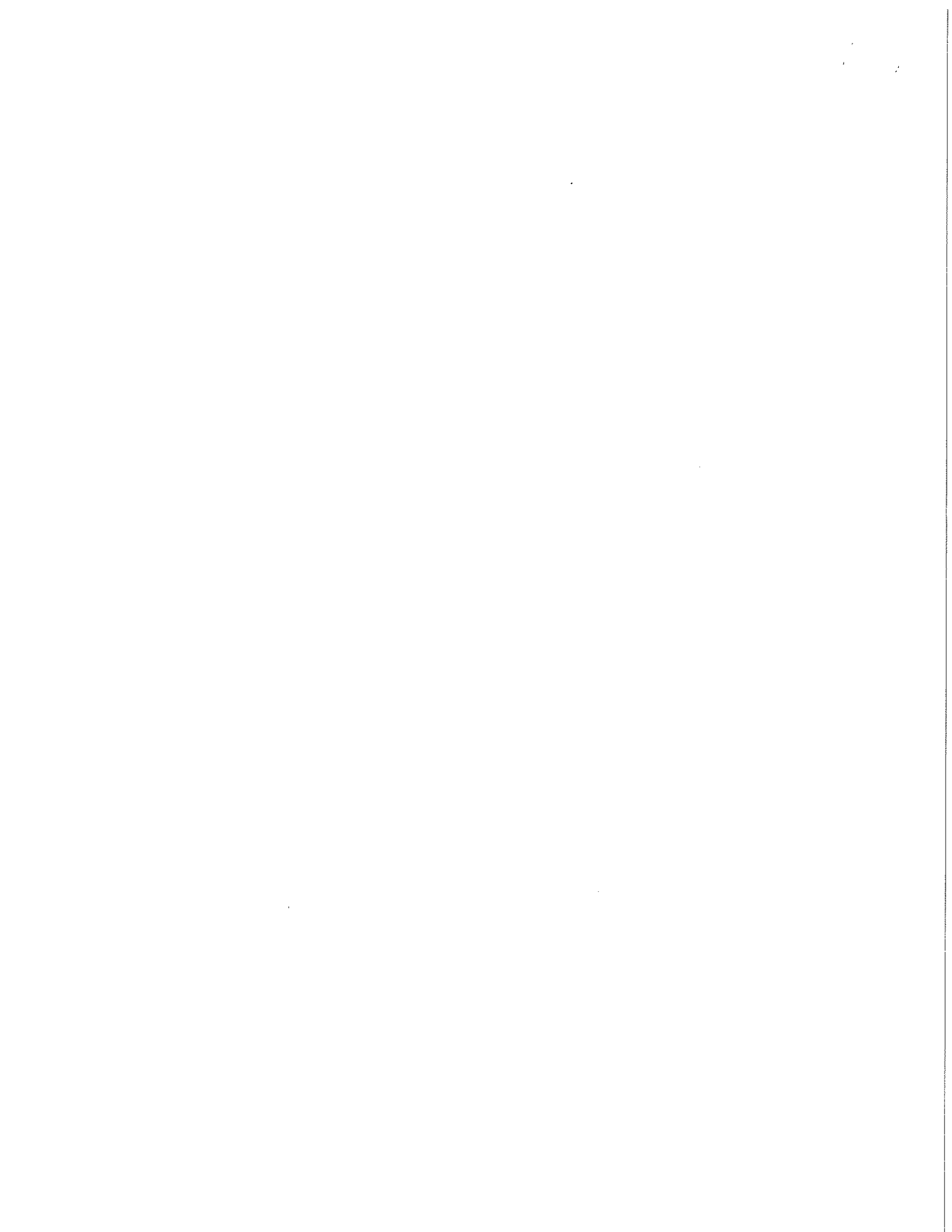


Exhibit B

Operational Requirements

WERX Staff (3-4 persons):

- Executive Director (salaried)
- 1 unpaid, part-time intern for year 1 (offset by scholarship program)
- 1-2 part-time volunteers, event coordination & culture event planner, social media

*All voting Board Members will be available on an in-and-out basis as time permits or as needed for assignments.

Facility (Suite @ the Cotton Mill):

- Regular business hours 9am-5pm, Monday-Friday
- Resident Extended hours 6am-12:00am, 7 days a week

Residents with dedicated desks are Encouraged to work AT LEAST 24hrs per week out of the center. We want our desks to be utilized otherwise we'd rather assign them to a company that will use them.

Each signed resident member will receive a key fob access card that is registered to them and will work during resident extended hours. \$10 Deposit will be paid for each card.

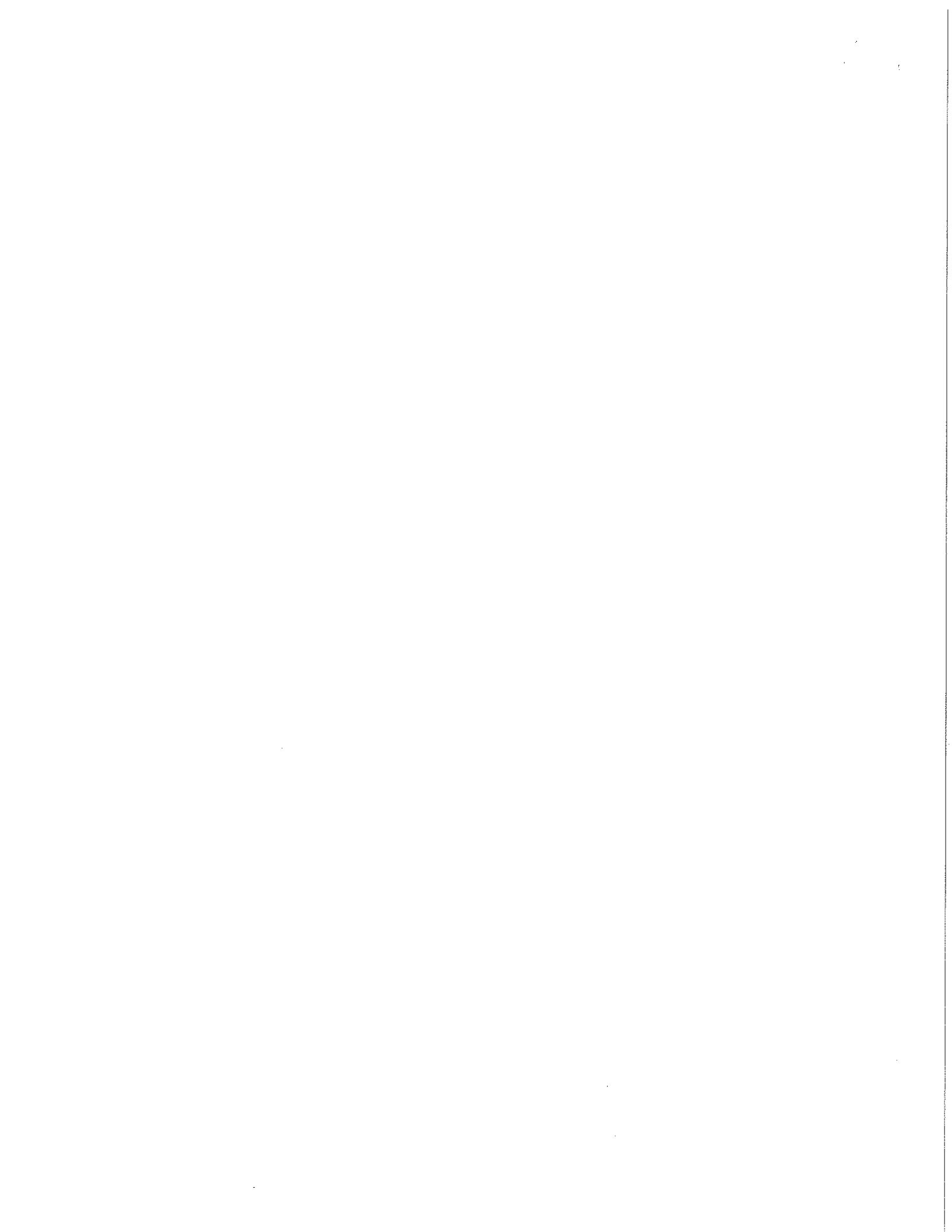
All guests or temporary workers must be accompanied by a resident member at all times while in center. Residents are held responsible for their guest's activities.

**Alarms are automatically set active from 12:01am-5:59am – if you are inside WERX during this time you will set off the silent alarm system, so please make every effort to be out of the center by midnight. Cameras are in place and recording activity within the center to ensure a secure environment.

***If you plan to work nights please request an additional key from Management for the outside wooden doors as they are locked by Cotton Mill personnel nightly around 8:30pm.

Fee Structure:

- **Open desk memberships:** \$75/mo. access (9am-5pm, Mon-Fri Only) Closed Holidays.
- **Dedicated Desk Memberships:** \$150/mo per desk – access (6am-12am, Mon-Sun) Keycard access.



Office use fee rate:

- 8'x12' office space - \$600/mo (up to 2 desks)
- 16'x12' office space - \$1250/mo (up to 4 desks)
- 20'x15' office space - \$1500/mo (up to 6 desks)

**# of available offices is scalable with growth.

Conference & Meeting Room Reservations:

Reservations for the conference room are made through LiquidSpace.com

Members receive an email invitation into the managed venue, and upon acceptance will be able to immediately view availability and schedule a reservation.

Conference room will be available to RENT by the hour to outside guests for an hourly rate of \$30, during regular business hours.

Speakers and Workshops:

The WERX provides a series of educational speakers & workshops and collaborative meetings geared at providing valuable education, information and networking to our resident companies.

Amenities:

WERX provides Coffee, Tea & Water regularly for its residents and guests. Occasionally we will provide other snacks or breakfast foods. Residents may contribute items to give back in kind to the center.

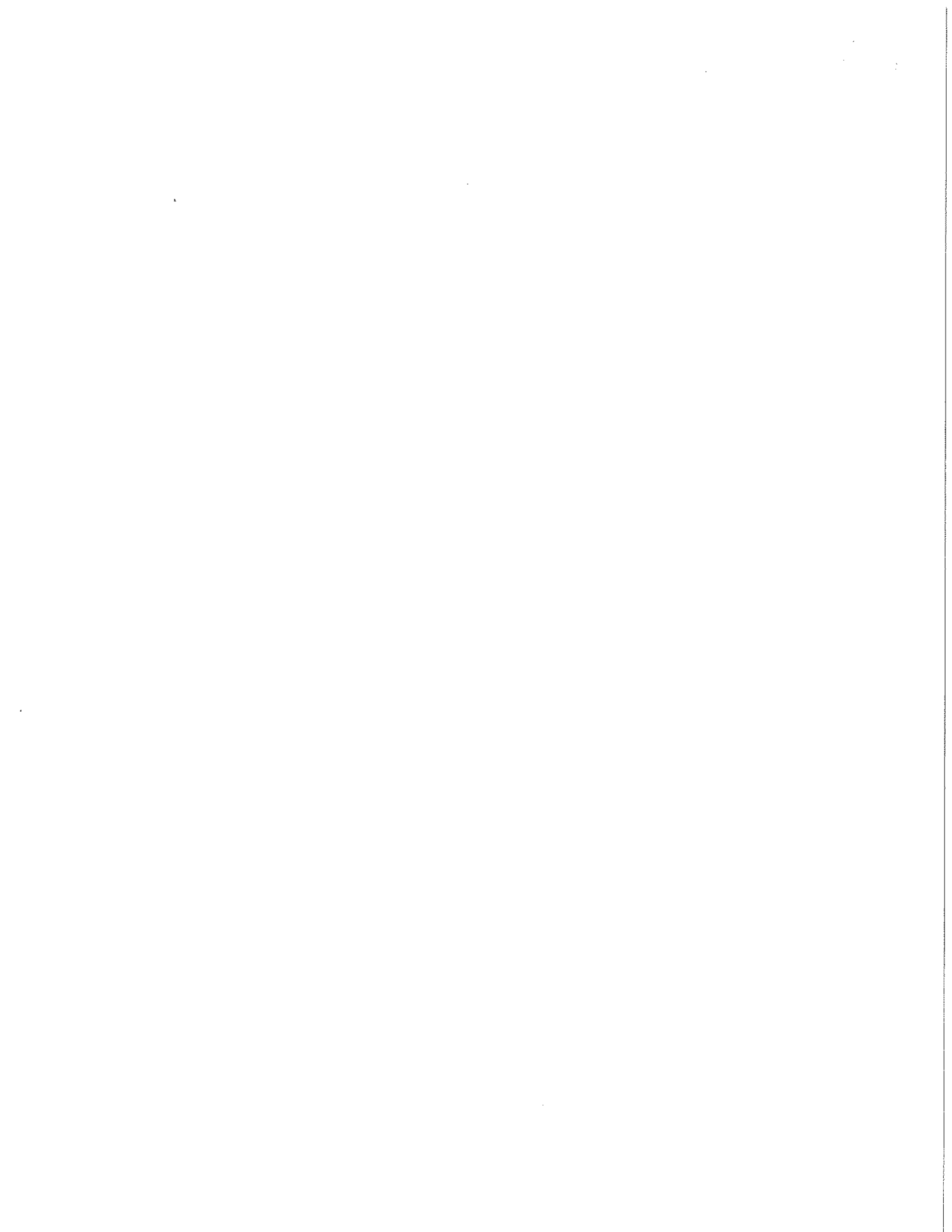
The WERX provides TWC Business Internet service.

A Wi Fi network will be available to all members and their guest to use, as well as the ability to plug into an Ethernet port.

The WERX provides Shared Wi Fi Printer/Copier.

A shared Printer/Copier will be available to all members to use, as well as ink and paper supplies.

Thursdays Mornings: 9:30am-10:30am – “WERX Open Coffee Hour” During this dedicated hour the McKinney WERX hosts an open invitation to residents, guests and the community to join us for a cup of coffee, light breakfast and conversation in the Lounge Area. Staff will be on hand to greet guests and share info on the center and network.



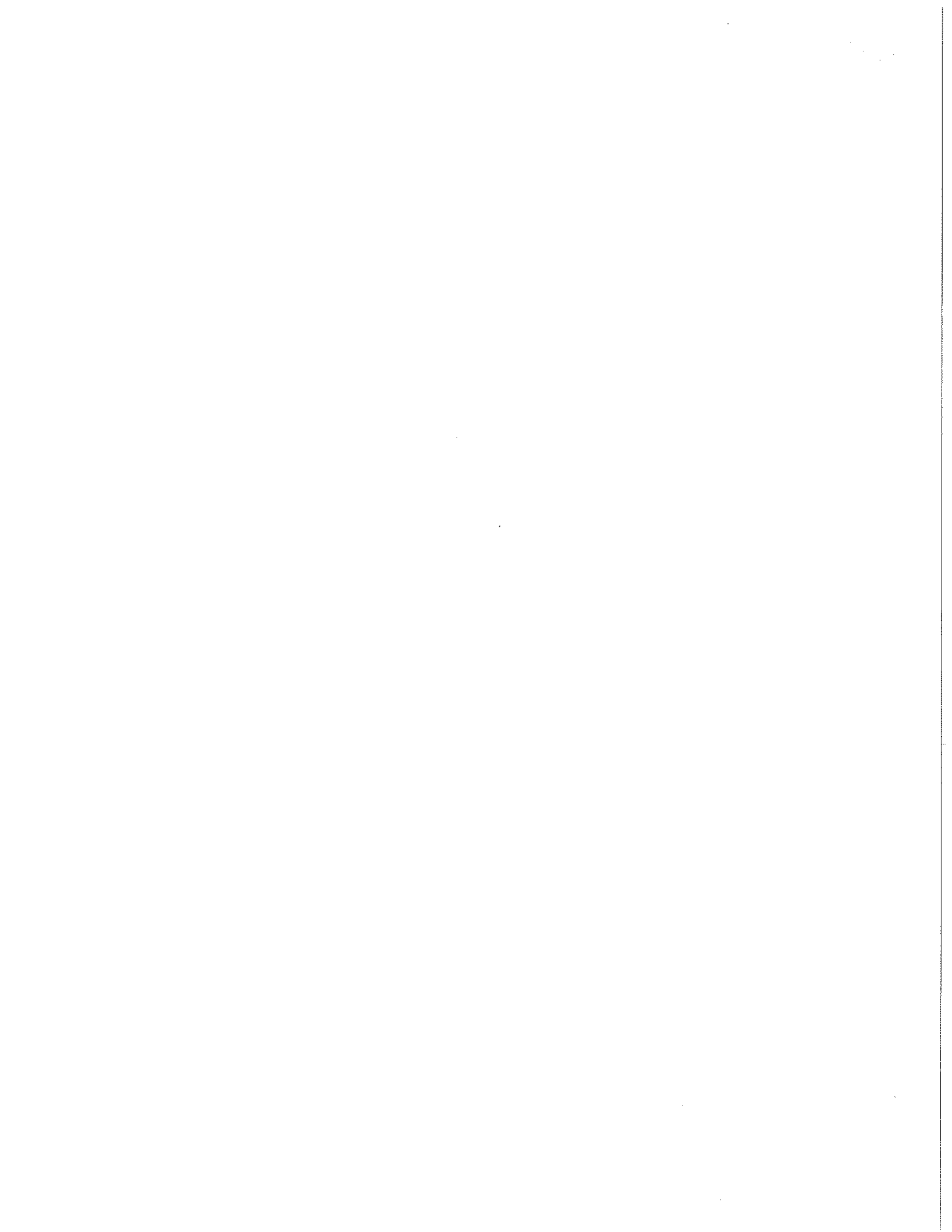
Meetups & Networking Groups:

WERX will host various network and meet-up groups for its members and the community. Fees may or may not be charged at these events, depending on the event.

WERX will have a Mentoring network comprised of Industry specific experts and seasoned entrepreneurs. We will have established Mentor Hours when Mentors will be onsite and available to work with residents.

WERX will have an Investor network comprised of Angels, VCs and Private investors who will receive first look opportunities of our startups at various events such as tech expos and pitch days.

The Werx Foundation will host a website for information and operations. Applications, Calendar, Information and More, will be accessible through the Company Website.





Certificate of Occupancy

This certifies that at the time of issuance this structure was in compliance with the various ordinances of the City regulating building construction or use for the following:

Business Name: The Wex in McKinney Permit No.: 14-10970

Address of Business: 610 Elm St. #700

Name of Occupant: The Wex in McKinney

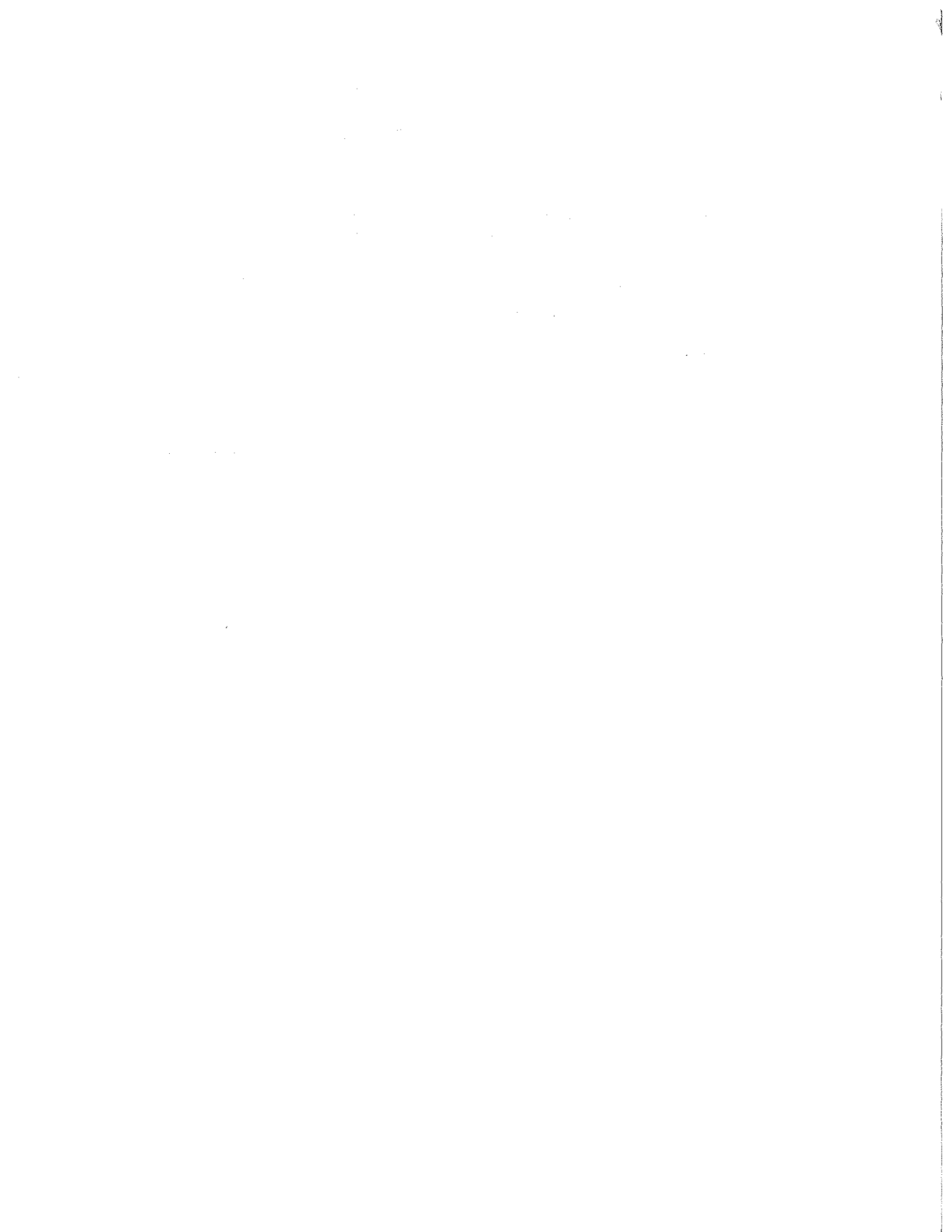
Occupant Load 27

Rick Hensberger
Building Official

Christie Smith
Owner/Agent

POST IN A CONSPICUOUS PLACE

12-16-14
Date



Request for Taxpayer Identification Number and Certification

Give Form to the
 requester. Do not
 send to the IRS.

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return) <i>The Werx in McKinney</i>	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input checked="" type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Other (see instructions) ▶ _____	
	Exemptions (see instructions): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____	
Address (number, street, and apt. or suite no.) <i>610 Elm St. ste #700</i>		Requester's name and address (optional)
City, state, and ZIP code <i>McKinney, TX 75069</i>		
List account number(s) here (optional) <i>3224120</i>		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number	
[] [] [] - [] [] - [] [] [] []	
Employer identification number	
4 7 - 2 4 9 4 8 9 2	

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here	Signature of U.S. person ▶ <i>Christie Smith</i>	Date ▶ <i>12/17/2014</i>
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.
Future developments. The IRS has created a page on IRS.gov for information about Form W-9, at www.irs.gov/w9. Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the

withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

