

Execution Version

**CHAPTER 380 ECONOMIC INCENTIVE AND
MASTER DEVELOPMENT AGREEMENT**

by and between

THE CITY OF MCKINNEY, TEXAS,
a municipal corporation

and

COLUMBUS REALTY PARTNERS, LTD.,
a Texas limited partnership

February 16, 2016

CHAPTER 380 ECONOMIC INCENTIVE AND MASTER DEVELOPMENT AGREEMENT

This Chapter 380 Economic Incentive and Master Development Agreement (this "**Agreement**") is entered into as of the 16th day of February, 2016 (the "**Effective Date**") by and among THE CITY OF MCKINNEY, TEXAS, a municipal corporation organized and existing pursuant to the laws of the State of Texas (the "**City**"), and COLUMBUS REALTY PARTNERS, LTD., a Texas limited partnership ("**Developer**").

RECITALS

A. The City and Developer previously executed a Letter of Intent ("**LOI**") effective January 7, 2016, the transactional portions of which were non-binding, whereby the City and Developer agreed to negotiate definitive agreements for the master development, construction and marketing of approximately 8.766 acres of office, ground floor retail, and Class A+ multi-family units (the "**Project**") to be created on land currently owned by the City. The legal description for the property (the "**Property**") constituting the Project is set forth on **Exhibit "A"**; provided, however, such legal description shall be subject to change if a subsequent survey of the Property reveals a discrepancy.

B. Of even date herewith, the City and the Developer have entered into a Purchase and Sale Agreement (the "**Phase One PSA**") whereby the Developer or an Affiliate of Developer shall purchase the Phase One Property from the City and a second Purchase and Sale Agreement (the "**Office PSA**"), whereby the Developer or an Affiliate of Developer shall purchase the Office Property from the City.

C. This Agreement shall govern the development of the Project following acquisition of the Property by a Developer or an Affiliate of Developer.

NOW, THEREFORE, pursuant to the authority granted to the City under all applicable laws, rules and regulations, and in consideration of the foregoing Recitals and the mutual covenants and promises of the parties herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Developer hereby agree as follows:

AGREEMENT

ARTICLE 1. DEFINITIONS

"**Affiliate**" means any person or entity directly or indirectly controlling, controlled by or under common control with another referenced person or entity.

"**Agreement**" has the meaning set forth in the Preamble.

“City” has the meaning set forth in the Preamble.

“City Parking Spaces” has the meaning set forth in Section 2.3

“Developer” has the meaning set forth in the Preamble.

“Developer Sponsored SPE” shall mean one or more limited partnerships formed for the single purpose of taking title to the Phase One Property and the Office Property and developing the Project hereunder, with the equity interests therein owned solely by Developer or Affiliates of Developer, as general partner and limited partner, and Affiliates of General Electric Pension Trust, as limited partner.

“Effective Date” has the meaning set forth in the Preamble.

“Force Majeure” means a delay in performance caused by: (i) war, terrorist acts, insurrection, strikes or other labor disturbances, walk-outs, riots, floods, earthquakes, fires, casualties, inability to obtain critically required labor or material, or acts of God; (ii) litigation relating to the Project; (iii) a delay in a governmental approval process, save and except City approvals in this Agreement not covered by municipal codes or ordinances and which are in the discretion of the City to approve or not approve, beyond the time period reasonably anticipated for such approval process; or (iv) other causes beyond the reasonable control of the party involved.

“Infrastructure Installation” has the meaning set forth in Section 2.3.

“LOI” has the meaning set forth in Recital A.

“Lot 1” means that portion of Phase One Property shown as Lot 1, Block A on Exhibit "B" hereto.

“Lot 2” means that portion of the Phase One Property shown as Lot 1, Block B on Exhibit "B" hereto.

“Office CC&Rs” has the meaning set forth in Section 5.2.

“Office Commencement” shall mean (a) the issuance of all permits necessary to commence the Office Improvements, (b) the commencement of visible construction, including the disturbance of the land surface of the Office Property (beyond demolition and site clearance), and (c) the delivery by the Developer to the City copies of (i) the GMAX Construction contract or contracts for completion of the Office Improvements, and (ii) evidence of commitments from lenders or equity providers to fund 100% of the costs payable under such contracts.

“Office Improvements” shall mean the improvements to be constructed on the Office Property of no less than 45,000 square feet of Class A office space, with surface parking of approximately 125 spaces with free public access between the hours of 5:30 p.m. and 7:30 a.m. weekdays, and all day on weekends as to be provided in the Office CC&Rs, and all necessary onsite, horizontal infrastructure therefor.

“Office Property” means that certain portion of the Property subject to the Office PSA.

“Office PSA” has the meaning set forth in Recital B.

“Office Purchase Note” has the meaning set forth in Section 4.1.

“Phase One CC&Rs” has the meaning set forth in Section 5.1.

“Phase One Commencement” shall mean (a) the issuance of all permits necessary to commence the Phase One Improvements, (b) the commencement of visible construction, including the disturbance of the land surface of the Phase One Land (beyond demolition and site clearance), and (c) the delivery by the Developer to the City of copies of (i) a GMAX Construction contract or contracts for completion of the Phase One Improvements, and (ii) evidence of commitments from lenders or equity providers to fund 100% of the costs payable under such contracts.

“Phase One Improvements” means the Infrastructure Installation, Residential/Retail Improvements and the Street Parking Spaces.

“Phase One Property” means that certain portion of the Property subject to the Phase One PSA.

“Phase One PSA” has the meaning set forth in Recital B.

“Phase One Purchase Note” has the meaning set forth in Section 2.1.

“Project” means the Phase One Improvements, the Office Improvements and other development and construction activities on the Property.

“Property” has the meaning set forth in Recital A.

“Representatives” has the meaning set forth in Section 6.2.

“Residential/Retail Improvements” has the meaning set forth in Section 2.3.

ARTICLE 2.
PHASE ONE DEVELOPMENT

2.1. Funding of Phase One Acquisition. The purchase price for the Phase One Property pursuant to the Phase One PSA shall be represented by Purchaser's promissory note in the principal amount of \$2,864,698.46 (being the City's appraised value of the Phase One Property) (the "**Phase One Purchase Note**"), secured by a first lien deed of trust against the Phase One Property, delivered to the City at the Closing under the Phase One PSA. The Phase One Purchase Note shall be non-recourse to Developer, except (1) to the extent of any penalty applicable under Section 2.5, or (2) in the event the owner of the Phase One Property files any petition for relief pursuant to the United States Bankruptcy Court which stays enforcement of the deed of trust securing payment of the Phase One Purchase Note.

2.2. Design and Platting. Developer shall prepare design plans for the Residential/Retail Improvements sufficient to enable public presentations to the City Council between March 1, 2016 and May 1, 2016. City, at Developer's expense, shall plat or replat the Phase One Property and the Office Property prior to Closing under the Phase One PSA.

2.3. Phase One Construction. No later than January 15, 2017, Developer or the Developer Sponsored SPE shall cause Phase One Commencement to occur and proceed with (i) the horizontal infrastructure work for all of the Project and the Property, e.g., streets, utilities (including new construction and relocation of existing public and franchise utilities), drainage, grading, landscaping, signage, signalization and lighting per the specifications set forth on Exhibit "E" hereto (the "**Infrastructure Installation**"), and (ii) the construction on the Phase One Property of (A) not less than 320 multi-family Class A+ residential units, (B) at least 20,000 square feet of ground floor retail space, (C) a structured parking garage located on Lot 1 containing (i) one (1) parking space for each bedroom in the multi-family units to be constructed on Lot 1, (ii) 50 parking spaces at street level and 50 spaces (each 9' x 18') on the second level to be conveyed as a condominium unit to the City (the "**City Parking Spaces**"), and (iii) an additional 50 spaces on the street level and 50 spaces (each 9' x 18') on the second level which will be owned by the Developer Sponsored SPE, but available for parking to the public at no charge (the "**Public Access Spaces**"), (A, B, and C collectively, the "**Residential/Retail Improvements**"), and (D) at least 119 public street parking spaces ("**Street Parking Spaces**"). The obligations of Developer to proceed and continue with construction shall be subject to the funding by the City of the economic incentive payments specified in Article 3 hereof. The Residential/Retail Improvements shall be consistent with the site plan and façade plan approved by the City.

2.4. Zoning and Site Plans Submittals. Any necessary rezoning of the Property and any necessary site plan and facade plan approvals for Residential/Retail Improvements shall be applied for by Developer in a timely manner so that such applications can be acted on by the City on or before September 1, 2016. In the event of the denial by the City of any such submittals, the Developer Sponsored SPE shall have the right, without approval of or action by the City, to reconvey the Phase One Property to the City by special warranty deed in satisfaction and cancellation of the Phase One Note, subject to no encumbrances other than those existing as of the conveyance of the Phase One Property from the City to the Developer Sponsored SPE and

those imposed in anticipation of development of the Phase One Improvements, upon thirty (30) days' prior written notice, at the sole cost of the Developer Sponsored SPE.

2.5. Failure to Commence Phase One Construction. In the event Developer Sponsored SPE does not exercise its rights under Section 2.4 above, but the Phase One Commencement nevertheless does not occur on or before January 15, 2017 (subject to Force Majeure), then the City shall have the right to reacquire the Phase One Property by special warranty deed from the Developer Sponsored SPE in satisfaction and cancellation of the Phase One Note except a portion thereof equal to the penalty described in this Section 2.5 below, subject to no encumbrances other than those existing as of the conveyance of the Phase One Property from the City to the Developer Sponsored SPE and those imposed in anticipation of development of the Phase One Improvements, upon thirty (30) days' prior written notice, at the sole cost of the Developer, and the Developer shall pay a penalty to the City in the amount of \$100,000.00 in satisfaction of the remainder of the Phase One Note.

2.6. Incentive Payment. Upon the conveyance by Developer Sponsored SPE of the City Parking Spaces to the City, but in no event sooner than the public components of the Infrastructure Installation are completed for public vehicular passage and parking and a final temporary certificate of occupancy is issued for all of the Residential/Retail Improvements on Lot 1, the City shall pay to the Developer Sponsored SPE the economic incentive payment described in Section 3.2.2 hereinafter.

2.7. Assignment of Design/Engineering Documents. In connection with any reconveyance of the Phase One Property to the City pursuant to Sections 2.4 or 2.5, Developer and the Developer Sponsored SPE shall assign and deliver to the City any construction and engineering drawings owned by the Developer or the Developer Sponsored SPE, for the Infrastructure Installation or the Residential/Retail Improvements, but the City shall not be required to assume any obligations thereunder.

2.8. Failure to Complete Phase One Construction. Subject to Force Majeure, if the Phase One Construction is not completed to the point that the public components of the Infrastructure Installation are accepted for maintenance by the City and a final temporary certificate of occupancy is issued for the Residential/Retail Improvements prior to January 15, 2019, or such longer period as may be agreed by the City, the incentive fees payable pursuant to Section 3.2.2 shall be reduced by a penalty equal to \$104,167 per full or partial month from January 15, 2019, until the completion of the Phase One Improvements or until such monthly amounts total \$1,250,000.00, whichever first occurs plus, if acceptance for maintenance by the City of the public components of the Infrastructure Installation and issuance of a final temporary certificate of occupancy for all of the Residential/Retail Improvements has not occurred on January 15, 2020, all roadway, water and sewer impact fees provisionally waived under Section 3.3 with respect to the Residential/Retail Construction shall become immediately due and payable. To the extent the Incentive Payment under Section 3.2.2 has already been made, such penalty shall be remitted by Developer to the City.

2.9. Lease Back of Annex B Prior to Commencement of Construction. The Developer shall lease the building and parking area required for Annex B back to the City for no

consideration under a Commercial Lease agreement attached hereto as Exhibit "C". The Commercial Lease shall terminate upon thirty (30) days written notice to City; however, in no event shall notice be given by Developer prior to Developer's submission of its initial application for a building/ground disturbance permit for the Phase One Improvements.

ARTICLE 3.
ECONOMIC INCENTIVE PAYMENTS

3.1. Purpose and Legal Authorization. Developer has represented to the City, and the City acknowledges that it has been informed, that the development and construction of the Infrastructure Installation and the Project, and specifically the structured public parking garage improvements, as described in this Agreement can only occur with the use of economic incentive payments in amounts equal to the Incentive Amounts. The Incentive Amounts shall be payable by the City for the implementation of Article III, Section 52-a of the Texas Constitution or any other economic development or financing programs by statute or the home rule powers of the City under the Texas Local Government Code and other applicable Texas law. The City hereby finds and affirms that the City has the authority under Chapter 380 of the Texas Local Government Code to provide economic development incentives in the form of loans or grants of public funds to support the expansion of local business activity, employment and development. Additionally, the City hereby finds and affirms that for the public purpose of promoting economic development and diversity, increasing employment, reducing unemployment and under employment, expanding commerce and stimulating business and commercial activity in the State of Texas, the County of Collin, and the City, the City desires to enter into this Chapter 380 Economic Development and Incentive Agreement program and agreement, which is hereby included and incorporated herein, through which the City shall offer the incentives and grants as are more particularly described in this Agreement.

3.2. Payment of Incentive Amounts. So long as the Developer's obligations are satisfied in accordance with this Agreement, the following Incentive Amounts shall be payable by the City to the Developer in the amounts and for the purposes set forth below:

3.2.1. Upon the occurrence of Phase One Commencement (with the exception that, for this purpose only, clause (b) in the definition of "Phase One Commencement" shall be disregarded), an amount sufficient to discharge the Phase One Purchase Note, except to the extent of any penalty payable pursuant to Section 2.5 above. Upon payment of the Phase One Purchase Note in full, the City shall release all liens securing payment thereof.

3.2.2. \$1,250,000.00 reduced by penalty, if any, payable under Section 2.8 upon completion of the public components of the Infrastructure Installation for public vehicular passage and parking and the issuance of a final temporary certificate of occupancy for all of the Residential/Retail Improvements on Lot 1.

3.2.3. If the Office Building Note is delivered at Closing under the PSA, then upon Office Commencement, an amount sufficient to discharge the Office Purchase Note, except to the extent of any penalty payable pursuant to Section 4.4 below. Alternatively if the purchase

price for the Office Property is paid in cash at the closing under the Office PSA, at the closing under the Office PSA, an equivalent amount.

3.2.4. \$250,000.00 reduced by any penalty payable under Section 4.5 upon the issuance of a final temporary certificate of occupancy for the Office Improvements.

3.3. Impact Fee Waiver. All roadway, water, and sewer impact fees due to the City under applicable ordinances to enable the Residential/Retail Improvements and the Office Improvements shall be provisionally waived as an additional economic incentive, subject to potential deferred collection under Section 2.8, in connection with the Residential/Retail Improvements and under Section 4.4, in connection with the Office Improvements.

ARTICLE 4. OFFICE BUILDING DEVELOPMENT

4.1. Funding of Office Acquisition. The purchase price for the Office Property pursuant to the Office PSA shall be, at Developer's option, paid in cash at the closing pursuant to the Office PSA or represented by Purchaser's promissory note in the principal amount of \$1,070,993.71, being the City's appraised value of the Office Property (the "Office Purchase Note"), secured by a first lien deed of trust against the Office Property, delivered to the City at the Closing under the Office PSA. The Office Purchase Note shall be non-recourse to Developer, except (1) to the extent of any penalty applicable under Section 4.4 or 4.5, or (2) in the event the owner of the Office Property files any petition for relief under the United States Bankruptcy Code which stays enforcement of the deed of trust securing payment of the Office Purchase Note.

4.2. Option to Purchase Office Property. For and in consideration of the agreements herein, the Developer or a Developer Sponsored SPE shall have the option to purchase the Office Property pursuant to the Office PSA so long as Developer is not in default under Article 2 above.

4.3. Office Improvements. Assuming the Office Property is acquired by the Development Sponsored SPE on or before August 1, 2017 pursuant to the Office PSA, but in any event not later than February 1, 2018, Developer or the Developer Sponsored SPE shall cause Office Commencement to occur.

4.4. Failure to Commence Office Improvements. If, following the acquisition of the Office Property pursuant to the Office PSA, the Office Commencement does not occur on or before February 1, 2018, subject to Force Majeure, then the City shall have the right to reacquire the Office Property from the Developer Sponsored SPE in satisfaction and cancellation of any indebtedness under the Office Purchase Note, but for no other consideration, subject to no encumbrances other than those existing as of the conveyance of the Office Property from the City to the Developer Sponsored SPE, upon 30 days' prior written notice, at the sole cost of Developer and/or the Developer Sponsored SPE and Developer shall pay a penalty to the City in the amount of \$15,000.00.

4.5. Failure to Complete Office Improvement. Subject to Force Majeure, following the acquisition of the Office Property pursuant to the Office PSA, if the Office Improvements are not completed to the point that a final temporary certificate of occupancy is issued for the Office Improvements prior to January 15, 2020, or such longer period as may be agreed by the City, the incentive fees payable pursuant to Section 3.2.4 shall be reduced by a penalty equal to \$20,833.00 per full or partial month from January 15, 2020, until the completion of the Office Building Construction or until such monthly amounts total \$250,000.00, whichever first occurs first plus, if the Office Building Construction is not completed on January 15, 2021, all road, water, and sewer impact fees provisionally waived under Section 2.3 with respect to the Office Construction shall become immediately due and payable.

4.6. Assignment of Design/Engineering Documents. In connection with any reconveyance of the Office Property to the City pursuant to Section 4.3, Developer and the Developer Sponsored SPE shall assign and deliver to the City construction and engineering drawings owned by the Developer of the Developer Sponsored SPE, for the Office Improvements, but the City shall not be required to assume any obligations thereunder.

ARTICLE 5. DESIGN AND CONSTRUCTION MATTERS

5.1. Phase One CC&Rs. Covenants, conditions and restrictions for the Public Access Spaces ("**Phase One CC&Rs**") will be prepared by Developer, approved by the City which require the public parking uses described in Section 2.3 above. The Phase One CC&Rs will be executed and delivered to the City at the time of the conveyance of the Phase One Property to Developer Sponsored SPE to be held by the City until the recordation of the condominium declaration to be placed on Lot 1 which creates the condominium regime in which the City Parking Spaces and the Public Access Spaces will be condominium units. During the term of this Agreement, the Phase One CC&Rs shall not be further amended or restated without the prior mutual written consent of Developer Sponsored SPE and the City.

5.2. Office CC&Rs. Covenants, conditions and restrictions for the surface parking lot which is intended to be a portion of the Office Improvements (the "**Office CC&Rs**") will be prepared by Developer, approved by the City and filed on the conveyance of the Office Property to the Developer Sponsored SPE, which will require the public parking uses described in the definition of Office Improvements.

5.3. Building Height. Unless express written consent from the City is granted, all buildings on Lot 1 shall have a minimum height of four (4) floors and all buildings on Lot 2 shall have a minimum height of three (3) floors.

5.4. Development Review. The City shall provide expedited development review of the Project, consistent with its review of development under other economic incentive development agreements.

5.5. Marketing. Developer Sponsored SPE will aggressively market all phases of the Project owned by Developer Sponsored SPE for lease to secure appropriate residential, retail, restaurant, and office tenants.

ARTICLE 6. PROJECT OPERATIONS

6.1. Owners Association and Project Maintenance. Developer or an Affiliate shall organize, operate and manage the Condominium Association established for Lot 1. For and in consideration of the incentive payments described above, the Condominium Unit comprising the City Parking Spaces shall be conveyed to the City upon the issuance of a certificate of occupancy for the Residential/Retail Improvements. For a period of five (5) years thereafter, the owners of all other units in the condominium regime shall pay the costs of electric service to and maintenance of the City Parking Spaces. The City or its successor owners of the City Parking Spaces shall have no responsibility for condominium assessments prior to conveyance of the City Parking Spaces to the City and the costs of electric service and maintenance provided above shall not be passed through to the unit comprising the City Park Spaces as assessments.

6.2. Representatives of the Party Groups. Each of the parties, i.e., (i) the City and (ii) Developer and its Affiliates, shall designate and maintain one or more representatives (the "Representatives") who shall be deemed to be authorized by their respective groups to grant consents or approvals, to make elections, to modify or extend time deadlines, or to take other action on behalf of their respective party as may be necessary or appropriate; however, subject to the requirements of state law and any corporate bylaws requiring the action of a party. The Representatives may be changed or supplemented by either party by written notice to the other party. The initial Representative(s) for the City shall be Tom Muehlenbeck, Interim City Manager and the initial Representative(s) for Developer and its Affiliates shall be either Robert Shaw or Richard Reupke.

ARTICLE 7. REPRESENTATIONS AND WARRANTIES

7.1. City Representations and Warranties. In order to induce Developer to develop the Project, the City makes the following representations and warranties, each of which shall survive the execution of this Agreement:

7.1.1. Corporate Authority. The City represents and warrants that:

7.1.2. The City is a municipal corporation duly organized, validly existing and in good standing under the laws of the State of Texas.

7.1.3. The City has all necessary power and authority to own, use and transfer its properties (including the Project), as applicable, and to transact the business in which it is engaged, and has full power and authority to enter into this Agreement, to execute and deliver the documents required of the City herein, and to perform its obligations hereunder.

7.1.3.1. The City is duly authorized to execute, deliver and perform this Agreement and all documents and instruments and transactions contemplated hereby or incidental thereof.

7.1.3.2. The individuals executing this Agreement on behalf of the City are authorized to do so and, upon executing this Agreement, this Agreement shall be binding and enforceable upon the City in accordance with its terms.

7.1.4. Commissions. The City has not dealt with any broker, finder or any other person in connection with the Project in a manner that might give rise to any claim for commission against the Property, Developer or an Affiliate.

7.1.5. Litigation. To the City's actual knowledge, there are no claims, actions, suits, condemnation actions or other proceedings pending or threatened against the City which affect the Property or the Project.

7.1.6. No Violations of Laws. To the City's actual knowledge, there are no current violations of any applicable law affecting the Property or the Project.

7.1.7. No Option. The City has not granted any options or rights of first refusal to lease or purchase with respect to the Property.

7.1.8. Tenancies. There are no tenancies or occupancies affecting the Property or persons in possession of any part thereof which will not be terminated on or before closing of any sale, save and except the Lease Back described in Section 2.10 above. There are no persons or entities with whom the City or its agents have negotiated with regard to prospective leases of the Property that in any manner might give rise to a claim by such persons or entities against the City or the Property.

7.1.9. Operating Agreements. There are no service, supply, maintenance, leasing or management agreements affecting the Property or the operation of any part thereof which will be binding after the conveyance thereof to the Developer Sponsored SPE.

7.1.10. Real Estate Taxes. Real estate taxes are not and shall not be assessed against the Property during any period that any City is the owner of the Property.

7.1.11. Environmental. To the City's actual knowledge, the Property has been and is in compliance in all material respects with all applicable Environmental Laws (as hereinafter defined), and there has been no Release (as hereinafter defined) of Hazardous Materials (as hereinafter defined) at the Property.

7.2. Knowledge. As used herein and throughout this Agreement, references to the "knowledge" of the City shall refer to the actual knowledge of the Interim City Manager, and shall not be construed, by imputation or otherwise, to refer to the knowledge of the City, or any council member, to any current or former employee of the City or any affiliate thereof, or to impose upon the Interim City Manager any duty to investigate the matter to which such actual knowledge, or the absence thereof, pertains.

7.3. Developer Representations and Warranties. In order to induce the City to convey the Property, Developer makes the following representations and warranties, each of which is true and correct on the date hereof and will be true and correct on (and restated as of) the date of each closing, and each of which shall survive the execution of this Agreement:

7.3.1. Developer is a limited partnership duly organized, validly existing and in good standing under the laws of its state of organization, and is authorized to transact business in the State of Texas, and Developer is duly authorized to execute, deliver and perform this Agreement and all documents and instruments and transactions contemplated hereby or incidental hereto.

7.3.2. Developer's general partner is a Texas limited liability company, duly organized, validly existing and in good standing under the laws of its state of organization and is authorized to transact business in the state of Texas and is authorized to bind Developer to this Agreement.

7.3.3. Developer has dealt with no broker, finder or any other person in connection with the Project in a manner that might give rise to any claim for commission against the Property or the City.

ARTICLE 8. NOTICES

8.1. Delivery of Notices. All notices, statements, demands, consents and other communications ("**Notices**") required or permitted to be given by any party to another party pursuant to this Agreement or pursuant to any applicable law or requirement of public authority shall be properly given only if the Notice is (a) made in writing (whether or not so stated elsewhere in this Agreement); (b) given by one of the methods prescribed in Section 8.2; and (c) sent to the party to which it is addressed at the address set forth below or at such other address as such party may hereafter specify by at least five (5) calendar days prior written notice:

If to the City:

City of McKinney
222 N. Tennessee Street
McKinney, Texas 75069
Attention: Tom Muehlenbeck, Interim City
Manager

With a copy to:

Brown & Hofmeister, LLP
740 E. Campbell Road, Suite 800
Richardson, Texas 75081
Attention: Mark Houser, Esq.

If to Developer or
Developer Sponsored SPE:

Columbus Realty Partners, Ltd.
8343 Douglas, Suite 360
Dallas, Texas 75225
Attention: Robert Shaw

With copies to:

Winstead PC
500 Winstead Building
2728 N. Harwood St.
Dallas, Texas 75201
Attention: Mike C. McWilliams, Esq.

and

Stutzman, Bromberg, Esserman & Plifka
2323 Bryan St., Suite 2200
Dallas TX 75201-2689
Attention: John E. Bromberg, Esq.

8.2. Methods of Delivery. All Notices required or permitted to be given hereunder shall be deemed to be duly given: (a) at the time of delivery, if such Notice is personally delivered; or (b) on the third business day after mailing, if such Notice is deposited with the United States Postal Service, postage prepaid, for mailing via certified mail, return receipt requested; or (c) on the next business day, if such Notice is sent by a nationally recognized overnight courier which maintains evidence of receipt. If any Notice is not received or cannot be delivered due to a change in address of the receiving Party, of which notice was not properly given to the sending Party, or due to a refusal to accept by the receiving Party, such Notice shall be effective on the date delivery is attempted.

ARTICLE 9. GENERAL PROVISIONS

9.1. Negation of Partnership. The parties specifically acknowledge that no party is acting as the agent of any other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the parties in the business of Developer, the affairs of the City, or otherwise, or cause them to be considered joint venturers or members of any joint enterprise. This Agreement is not intended and shall not be construed to create any third party beneficiary rights in any person or entity who is not a party or a transferee except as may be expressly stated herein; and nothing in this Agreement shall limit or waive any rights Developer may have or acquire against any third party with respect to the terms, covenants or conditions of this Agreement.

9.2. Not a Public Dedication. Except as shown on any approved final or record plat of the Property or in the Condominium Declaration, nothing herein contained shall be deemed to be a gift or dedication of the Property or any buildings or improvements constructed in the Project,

to the general public, for the general public, or for any public use or purpose whatsoever (except those public benefits described in Article 3 which accrue to the City through the conveyance of the parking garage condominium unit, development of local business activity, employment and development, none of which in any way entitle the City or any other governmental or quasi-governmental entity to any gift or dedication of the Property as private property), it being the intention and understanding of the parties that this Agreement be strictly limited to and for the purposes herein expressed for the development of the Property as private property.

9.3. Severability. Invalidation of any of the provisions contained in this Agreement, or of the application thereof to any person or entity, by judgment or court order, shall in no way affect any of the other provisions hereof or the application thereof to any other person or entity or circumstance and the same shall remain in full force and effect, unless enforcement of this Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement.

9.4. Exhibits. The Exhibits to which reference is made herein are attached hereto and deemed incorporated into this Agreement in their entirety.

9.5. Amendment and Termination. Except as expressly provided in this Agreement, this Agreement may be terminated, modified or amended only by the written consent of the parties. Upon the issuance of a certificate of occupancy for the Residential/Retail Improvements, this Agreement shall terminate as to the Phase One Property. Upon the issuance of a certificate of occupancy for the Office Improvements, this Agreement shall terminate in its entirety. This Agreement shall automatically terminate upon the reconveyance of the Phase One Property from Developer Sponsored SPE to the City pursuant to Section 2.4.

9.6. Entire Agreement. This Agreement contains all the representations and the entire agreement among the parties with respect to the subject matter hereof. Upon execution of this Agreement, any prior or contemporaneous correspondence, memoranda, agreements, warranties or representations, including without limitation the LOI, are superseded in total by this Agreement. Neither the conduct nor actions of the parties, nor the course of dealing or other custom or practice between the parties, shall constitute a waiver or modification of any term or provision of this Agreement. This Agreement may be modified or amended only in the manner specified in this Agreement.

9.7. Construction of Agreement. All of the provisions of this Agreement have been negotiated at arms-length among the parties and after advice by counsel and other representatives chosen by each party, and the parties are fully informed with respect thereto. Therefore, this Agreement shall not be construed for or against any party by reason of the authorship or alleged authorship of any provisions hereof, or by reason of the status of any party. The provisions of this Agreement shall be construed as a whole according to their common meaning and not strictly for or against any party and consistent with the provisions hereof, in order to achieve the objectives and purpose of the parties hereunder. The captions preceding the text of each Article and Section are included only for convenience of reference and shall be disregarded in the construction and interpretation of this Agreement.

9.8. Further Assurances; Covenant to Sign Documents. Each party shall take all reasonable actions and do all reasonable things, and execute, with acknowledgment or affidavit if required, any and all reasonable documents and writings, which may be necessary or proper to achieve the purposes and objectives of this Agreement.

9.9. Governing Law. This Agreement, and the rights and obligations of the parties, shall be governed by and interpreted in accordance with the laws of the State of Texas.

9.10. Signature Pages. For convenience, the signatures of the parties to this Agreement may be executed and acknowledged on separate pages which, when attached to this Agreement, shall constitute this as one complete Agreement.

9.11. Recording. The parties agree that this Agreement shall not be recorded. In lieu thereof, the parties shall prepare a separate Memorandum of Agreement, a form of which is attached hereto as Exhibit "D", to be recorded in the Land Records of Collin County, Texas. The parties agree to execute a release of such Memorandum of Agreement to be recorded in the Land Records of Collin County, Texas, upon termination of this Agreement.

9.12. Time. Time is of the essence of this Agreement and of each and every term and condition hereof.

9.13. No Personal Liability. No member, officer, director or employee of Developer, Developer Sponsored SPE or any of their Affiliates shall have any personal liability, directly or indirectly, under or in connection with this Agreement or any agreement made or entered into under or pursuant to the provisions of this Agreement. The City shall look solely to the assets of Developer, the Developer Sponsored SPE, and any Affiliate which has assumed the obligations under this Agreement for the payment of any claim against Developer and any such Affiliate under this Agreement.

9.14. Performance on Business Days. If any date for the occurrence of an event or act under this Agreement falls on a Saturday or Sunday or legal holiday in the State of Texas, then the time for the occurrence of such event or act shall be extended to the next succeeding business day.

9.15. Estoppel. Upon the request of Developer, a Developer Sponsored SPE or a lender providing financing for any portion of the Project, the City shall, at Developer's expense not to exceed \$500.00, within fifteen (15) days after request, provide an estoppel certificate confirming the status of matters relating to this Agreement including (i) that the Agreement is in full force and effect, or if not, indicating the date of termination, (ii) indicating that neither Developer or a Developer Sponsored SPE is in compliance with their obligations pursuant to this Agreement, or specifying specific instances of non-compliance, or (iii) confirming or negating the existence of any amendments of this Agreement.

9.16. Assumption and Release. Upon the acquisition of the Phase One Property by an Affiliate of Developer and/or by a Developer Sponsored SPE and the assumption by such Affiliate and/or a Developer Sponsored SPE of the rights and obligations of Developer pursuant

to this Agreement with respect to the Phase One Property, Developer will have no further liability pursuant to this Agreement with respect to the Phase One Property. Upon the acquisition of the Office Property by the Developer Sponsored SPE and the assumption by an Affiliate of Developer and/or a Developer Sponsored SPE of the rights and obligations of Developer pursuant to this Agreement with respect to the Office Property, Developer will have no further liability pursuant to this Agreement.

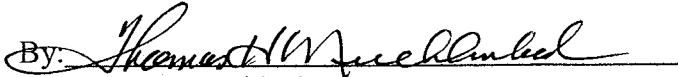
9.17. Permitted Assignments. Developer's rights under this Agreement with respect to either the Phase One Property or the Office Property or both may be assigned to an Affiliate of Developer or a Developer Sponsored SPE as referenced in Section 9.16 above and may be collaterally assigned to a lender providing financing for the Phase One Improvements or the Office Improvements or both.

[Signatures Appear on Next Pages]

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

CITY:

THE CITY OF MCKINNEY, TEXAS,
a municipal corporation

By: 
Name: Tom Muehlenbeck
Title: Interim City Manager

DEVELOPER:

COLUMBUS REALTY PARTNERS, LTD.,
a Texas limited partnership

By: Columbus G.P., LLC,
a Texas limited liability company,
General Partner

By: _____
Name: _____
Title: _____

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

CITY:

THE CITY OF MCKINNEY, TEXAS,
a municipal corporation

By: _____
Name: Tom Muehlenbeck
Title: Interim City Manager

DEVELOPER:

COLUMBUS REALTY PARTNERS, LTD.,
a Texas limited partnership

By: Columbus G.P., LLC,
a Texas limited liability company,
General Partner

By: _____
Name: ROBERT SHAW
Title: PRESIDENT

EXHIBIT "A"

Lot 1, Block A, Lot 1, Block B and Lot 1, Block C of the Downtown McKinney Mixed Use Addition, an addition to the City of McKinney, Collin County, Texas, according to the map or plat thereof recorded under File No. 20160422010001580 in the Plat Records of Collin County, Texas.

MASTER DEVELOPMENT AGREEMENT, EXHIBIT "A"

i_6470709v.12

EXHIBIT "B" -

Depiction of Lot 1, Lot 2 and Office Property

[See Attached]

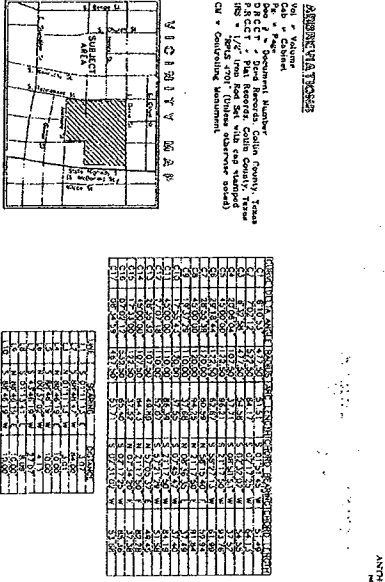
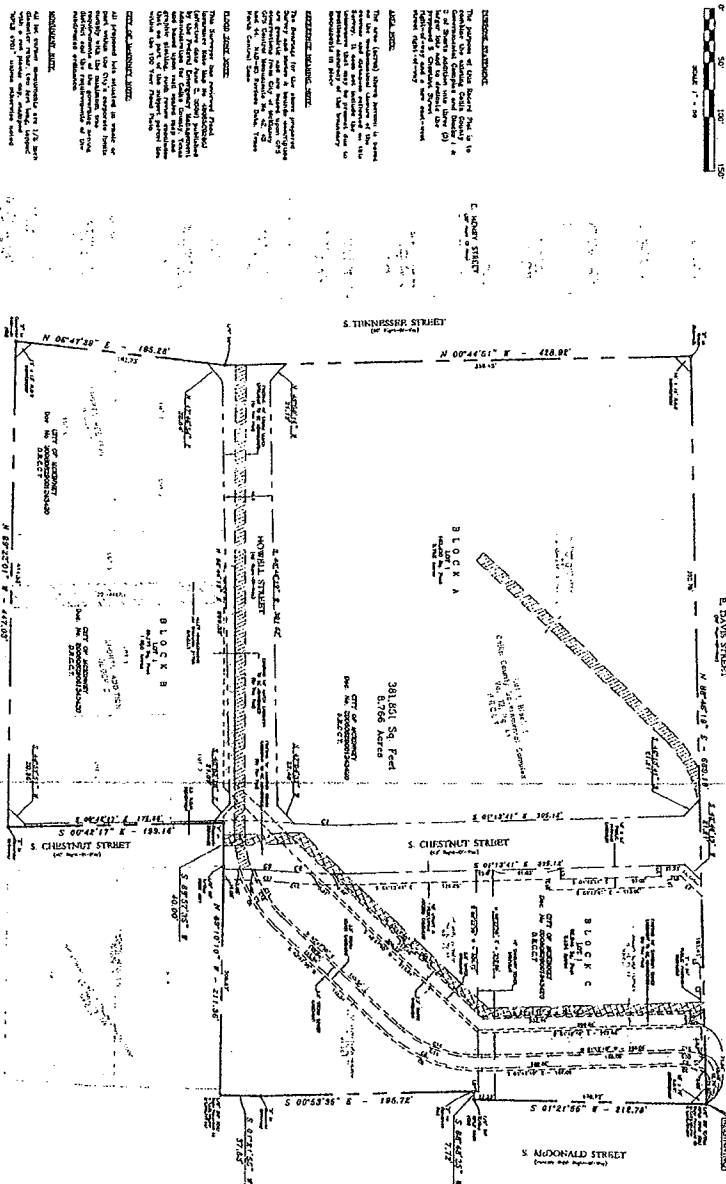


Table with 10 columns: Lot No., Area, and other lot details.

APPROVED BY THE CITY OF MCKINNEY, TEXAS

OWNER: CITY OF MCKINNEY, 222 CITY OF MCKINNEY, McKinney, Texas 75069

APPROVED & ACCEPTED: [Signature]

RECORD PLAT: DOWNTOWN MCKINNEY MIXED USE ADDITION, LOT 1, BLOCK 1 OF THE QUINN COMMERCIAL DEVELOPMENT

PLAT INFORMATION: RINGLET & ASSOCIATES, INC., 1701 W. STATE ST., DALLAS, TEXAS 75202

COUNTY OF COLLIN X
ORDERS CERTIFICATE
WITNESSES MY HAND & SEAL OF SAID COUNTY, TEXAS, THIS 22nd DAY OF APRIL, 2018

STATE OF TEXAS X
COUNTY OF COLLIN X
WITNESSES MY HAND & SEAL OF SAID COUNTY, TEXAS, THIS 22nd DAY OF APRIL, 2018

STATE OF TEXAS X
COUNTY OF COLLIN X
WITNESSES MY HAND & SEAL OF SAID COUNTY, TEXAS, THIS 22nd DAY OF APRIL, 2018

EXHIBIT "C"

Commercial Lease

[See attached]

**EXHIBIT C
TO MASTER DEVELOPMENT AGREEMENT**

COMMERCIAL LEASE AGREEMENT

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

THIS COMMERCIAL LEASE AGREEMENT is made and entered into this the ____ day of _____, 2016, by and between COLUMBUS REALTY PARTNERS, LTD., a Texas limited partnership ("Landlord"), and THE CITY OF MCKINNEY, TEXAS, a municipal corporation ("Tenant").

This Lease is made upon the following terms and conditions:

**ARTICLE 1.
Lease of Premises**

Landlord hereby leases to Tenant, and Tenant hereby takes from Landlord the premises (the "Premises") located in Collin County, Texas, subject to the matters of record and any state of facts a current survey would show consisting of the building (the "Building") operated by Tenant as "Courthouse Annex B," the land on which such building is situated, and the parking areas associated therewith, as outlined on Exhibit "A", attached hereto and incorporated herein by reference, together with all rights, privileges, easements and appurtenances, belonging or in any way pertaining to the Premises.

**ARTICLE 2.
Term**

The initial term of this Lease shall be two (2) years commencing _____, 2016, and ending on the last day of the 24th full calendar month thereafter, or sooner, on a date specified in a written notice given by Landlord to Tenant (but no earlier than 30 days after the date such notice is given) subsequent to Landlord's submission to Tenant of an initial application for a building/ground disturbance permit for the Phase One Improvements as defined in that certain Chapter 380 Economic Incentive and Master Development Agreement of even date herewith, by and between Landlord and Tenant.

**ARTICLE 3.
Rent**

Prepayment of rental consideration for the full term of the Lease is herein acknowledged by Landlord.

charges of any kind and nature whatsoever (hereinafter collectively referred to as the "taxes"), levied or assessed against the Premises or any part thereof.

ARTICLE 5.
Repairs and Maintenance

5.1 **Tenant's Obligations to Repair and Maintain.** Unless otherwise provided above, Tenant shall at its own cost and expense keep, maintain and take good care of the Premises, and make all necessary repairs and replacements thereto, interior and exterior, structural and non-structural, ordinary and extraordinary, except that Tenant shall not be responsible for any damage thereto caused by the willful or negligent actions of Landlord or Landlord's agents or employees and shall suffer no waste or nuisance. At the end of the term or other termination of this Lease, Tenant shall deliver the Premises with all improvements thereon in their then current condition. Tenant shall at its own cost and expense care for the grounds around the improvements on the Premises, including the regular mowing of grass, care of shrubs and general landscaping, and maintenance of parking areas, driveways, alleys and shall maintain the whole of the Premises in clean, safe and sanitary condition, and in full compliance with all health, safety, environmental and police regulations.

5.2 **No Landlord Maintenance.** Landlord shall have no obligations whatsoever with respect to the maintenance of the Premises.

ARTICLE 6.
Alterations, Additions and Improvements

6.1 **Fixtures and Equipment.** Tenant may place or install on and/or in the Building such fixtures and equipment as it shall deem desirable for the conduct of business therein. Personal property, fixtures and equipment used in the conduct of Tenant's business (as distinguished from fixtures and equipment used in connection with the operation and maintenance of the improvements on the Premises) placed by Tenant on or in said Premises (even though placed prior to the commencement of this Lease), shall not become a part of the realty, even if nailed or screwed or otherwise fastened to the Premises, but shall retain their status as personalty and may be removed by Tenant at any time. Any damage caused to the Premises by the removal of such property shall be immediately repaired by Tenant at its expense, and if Tenant fails to promptly repair the same, Tenant shall compensate Landlord for the cost to repair such damage.

6.2 **Alterations and Additions.** Tenant agrees that Landlord shall be under no obligation to rebuild, replace, maintain or make any repairs to the Premises or to the improvements thereon during the term of this Lease. Tenant shall make no material alterations, additions, substitutions, changes or improvements to the Premises or to the exterior of the Building without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. All alterations shall be made at the sole cost, risk, expense and liability of Tenant.

At the expiration or termination of this Lease, Tenant shall leave the Premises in its then

current condition, and Tenant shall not be required to restore the Premises to the condition in which the Premises are in as of the commencement of this Lease, it being agreed that Landlord shall accept the Premises with such alterations, remodeling, additions, or new construction, as may have been made pursuant to the authorization contained in this article.

Tenant agrees that it will not permit any mechanic's materialmen's, or other liens to stand against the Premises for work or materials furnished Tenant in connection with any such alterations, remodeling, additions or new construction, it being provided, however, that Tenant shall have the right to contest the validity of any such lien or claim upon the posting of a monetary deposit or bond reasonably satisfactory to the title company insuring any mortgage on the Premises and to Landlord's mortgagee (the "Mortgagee"), but upon a final determination of the validity thereof; Tenant shall immediately pay any judgment or decree rendered against Tenant, with all proper costs and charges, and shall cause any such lien to be released of record without cost to Landlord.

ARTICLE 7.

Insurance, Fire and Casualty Damage

7.1 **Insurance to be Maintained by Tenant.** Tenant agrees that it will, during the term hereof, at its expense, keep in effect upon the Premises for the benefit of itself, Landlord and Mortgagee, (a) comprehensive general liability insurance, including umbrella liability insurance, covering all claims for bodily injury, including death, and property damage occurring on, in or about the Premises in amounts consistent with the Tenant's past practices regarding the Premises, the limits of such insurance to be increased from time to time if and as necessary to reflect what a reasonably prudent owner or tenant of buildings or improvements similar in type and locality to the Premises would carry, as reasonably required by the Landlord, (b) physical damage insurance covering the Premises for loss or damages resulting from the perils of fire, lightning and such other risks and hazards as are provided under the current standard "Extended Coverage Endorsement" and vandalism and malicious mischief coverage in an amount consistent with the Tenant's past practices regarding the Premises; and (c) insurance against such other risks of damage, hazards, casualties and contingencies in such amounts as Landlord shall from time to time reasonably require, provided that insurance against such other risks, hazards, casualties or contingencies shall then be commonly carried by prudent owners or tenants (of similar character and financial strength) of buildings or improvements in the locality similar in character, construction, use and occupancy to the Premises.

All insurance required herein shall be evidenced by valid and enforceable policies, in form and substance, and issued by and distributed among insurers of recognized responsibility having a Best's rating of B+ or better, as shall be reasonably required by Landlord from time to time. Such insurers shall be authorized to do business in Texas and in all other respects shall be reasonably satisfactory to Landlord. The originals of all such policies, or duplicate copies or certificates thereof, and all renewal or replacement policies, or duplicate copies or certificates thereof, shall be delivered to Landlord, in each case accompanied by evidence reasonably satisfactory to Landlord that all premiums currently payable with respect to such policies have been paid in full by or at the direction of Tenant.

All such insurance policies shall (i) except for any liability policy required hereunder, contain a standard property payable clause naming the Mortgagee, Landlord and Tenant as loss payees as their interests may appear, as well as a standard mutual waiver of subrogation endorsement, all to be in form and substance reasonably satisfactory to Landlord; (ii) provide, to the extent obtainable, that such policies may not be canceled or amended without at least fifteen (15) days' prior written notice to the Landlord and the Mortgagee; and (iii) provide that no act, omission or negligence of the Tenant, or its agents, servants or employees, which might otherwise result in a forfeiture of such insurance or any part thereof, shall in any way affect the validity or enforceability of such insurance.

The insurance to be maintained shall be that reflected on the Certificate of Insurance attached hereto as Exhibit B and Landlord shall be named as an additional insured.

7.2 **Casualty Loss.** If the Premises shall be rendered unusable for Tenant's operations by fire or other casualty and such damage cannot be fully restored within thirty (30) days after the occurrence thereof, either party hereto may terminate this Lease by written notice to the other.

In the event of such damage or destruction, Landlord and Tenant shall proceed with due diligence to collect the proceeds of any available insurance which pertains to the Premises (the "Proceeds"). No settlement of any claim for loss and damage covered by said insurance policies shall be made by Landlord or Tenant with any insurance company without the written consent of both parties hereto.

7.3 **Liability.** Tenant agrees that it will assume the risk of any and all liability, damage, expense, cause of action, suits, claims, or judgments arising from injury to person or property arising out of Tenant's use and occupancy of the Premises, except such as may arise out of the willful or negligent act of Landlord, or Landlord's agents or employees. In case any action or proceeding shall be brought against Landlord by reason of such claim, Tenant upon notice from Landlord shall defend same at Tenant's sole expense other than claims based upon the willful or negligent actions of Landlord or Landlord's agents or employees.

ARTICLE 8.

Utilities

Tenant agrees that it will pay when due all charges for electricity, water, sewer, gas, telephone and all other utility services used on the Premises.

ARTICLE 9.

Assignment and Subletting

Tenant may not assign this Lease or sublet the Premises to any person or entity without the prior written consent of Landlord.

Notwithstanding the granting of such consent or the occurrence of any permitted assignment or subletting hereunder, Tenant shall continue to remain liable for the performance of

all of their respective obligations and duties under the terms of this Lease.

**ARTICLE 10.
Condemnation**

Landlord reserves all rights to any damages paid because of any partial or entire taking of the Premises, and Tenant assigns to Landlord any right Tenant may have to the damages or award provided that the foregoing shall not prevent Tenant from recovering any such portion of the damages or award made for Tenant's loss of business, loss of leasehold interest and the cost of removal of fixtures.

**ARTICLE 11.
Default by Tenant**

The following shall be deemed events of default by Tenant under this Lease:

(a) Failure of Tenant to comply in all material respects with any term, condition or covenant of this Lease, and such failure shall not be cured within thirty (30) days after written notice thereof from Landlord to Tenant.

**ARTICLE 12.
Remedies of Landlord**

Upon the occurrence of any of the events of default above, Landlord shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

(a) Terminate this Lease, in which event Tenant shall promptly surrender the Premises to Landlord. If Tenant fails to so surrender such Premises, Landlord may, without prejudice to any other remedy which it may have for possession of the Premises, enter upon and take possession of the Premises and expel or remove Tenant or any other person who may be occupying such Premises or any part thereof, by force if necessary, and remove all property from the Premises (so long as such removal complies in all respects with the version of the Uniform Commercial Code enacted in Texas, as amended from time to time), without being liable for prosecution or any claim for damages therefor except damage caused by the willful or negligent action of Landlord or Landlord's agents or employees. Tenant shall pay to Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the Premises on satisfactory terms or otherwise.

(b) Enter upon and take possession of the Premises, by force if necessary, without terminating this Lease and without being liable for prosecution or for any claim for damages therefor except damage caused by the willful or negligent action of Landlord or Landlord's agents or employees, and expel or remove Tenant and any other person who may be occupying such premises or any part thereof and remove all property from the Premises (so long as such removal complies in all respects with the version of the

Uniform Commercial Code enacted in Texas, as amended from time to time). Landlord may relet the Premises and receive the rent therefor.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies therein provided or any other remedies provided by law, nor shall pursuit of any remedy therein provided constitute a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, conditions and covenants herein contained.

ARTICLE 13. Miscellaneous Provisions

13.1 **Compliance with Law.** Tenant agrees to comply with all federal, state, and local statutes, rules, laws, ordinances, and regulations now or hereafter applicable to the use of the Premises, all at Tenant's sole expense.

13.2 **Holding Over.** If Tenant holds over or remains in possession of the Premises after the expiration or termination of this Lease, without any new lease of said Premises being entered into between the parties hereto, such holding over or continued possession shall, if rent is paid by Tenant, and accepted by Landlord for or during the time Tenant holds over or remains in possession, create a tenancy from month to month at a rental equal to \$15,000 per month and upon the terms herein specified, which may at any time be terminated by either party upon thirty (30) days written notice given to the other party.

13.3 **Attorneys' Fees.** If, on account of any breach or default by Landlord or Tenant of their respective obligations under this Lease, it shall become necessary for the other to employ an attorney to enforce or defend any of its rights or remedies hereunder, and should such party prevail, it shall be entitled to any reasonable attorneys' fees incurred in connection therewith.

13.4 **Quiet Enjoyment.** Landlord warrants that it has full right and power to execute and perform this Lease and to grant the estate demised herein and that Tenant, upon paying the rents herein provided and performing all of its covenants and agreements herein contained shall peaceably and quietly have, hold and enjoy the Premises during the full term hereof.

13.5 **No Waiver.** No waiver by the parties hereto of any default or breach of any term, condition or covenant of this Lease shall be deemed to be waiver of any subsequent default or breach of the same or any other term, condition or covenant contained herein.

13.6 **Force Majeure.** In the event performance by Landlord or Tenant of any term, condition or covenant in this Lease is delayed or prevented by any Act of God, strike, lockout, shortage of material or labor restriction by any government authority, civil riot, flood, and any other cause not within the control of such party, the period of performance of such term, condition or covenant shall be extended for a period equal to the period such party is so delayed or hindered.

13.7 **Access to Premises.** Upon notice to Tenant given a reasonable time prior thereto, Landlord shall have access to the Premises at all reasonable times for the purposes of examining and inspecting same; provided, however, Landlord shall not enter the Premises at a time which is not within Tenant's normal business hours except in the event of an emergency threatening life or property, or upon the prior approval of Tenant.

13.8 **Estoppel Certificates.** Within ten (10) days following any written request which Landlord or Tenant may make from time to time, the other party shall execute and deliver to it a statement certifying: (a) the date of commencement of this Lease; (b) the fact that this Lease is unmodified and in full force and effect (or, if there have been modifications hereto, that this Lease is in full force and effect, and stating the date and nature of such modifications); (c) the date to which the rental and other sums payable under this Lease have been paid; (d) that there are no current defaults known to exist under this Lease by either Landlord or Tenant, except as specified therein; and (e) such other matters as may be reasonably requested.

13.9 **Subordination and Attornment and Nondisturbance.** This Lease shall be subject and subordinate to any mortgage, deed of trust, or any other hypothecation or security now or hereafter placed upon the Premises and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. In the event of the conveyance of the Premises, or in the event of the exercise of any power of sale under any deed of trust affecting the Premises, Tenant shall attorn to the purchaser (the "Purchaser") and recognize such Purchaser as landlord hereunder, provided that and on the condition that such Purchaser agrees to be bound by and to perform the covenants of the Landlord under this Lease and, provided, further, that the subordination and attornment provisions set forth above are in all cases subject to the condition that any such mortgagee or other person shall have executed a written non-disturbance agreement in form reasonably acceptable Tenant which shall provide that so long as an event of default has not occurred, such mortgagee or other party shall recognize this Lease, and in the event of any default under such mortgage or any foreclosure action, forced sale, or other proceeding in connection therewith, the rights of Tenant under this Lease and Tenant's possession of the Premises shall not be disturbed, and in the event the holder of such mortgage becomes the owner of the Premises, such holder shall accept Tenant as tenant under this Lease .

13.10 **Hazardous and Toxic Materials.** Tenant shall have the absolute responsibility (as between Tenant and Landlord) to cause, and shall cause, all materials and substances which now or hereafter are designated as hazardous or toxic substances under the laws and regulations of any governmental body or regulatory authority having jurisdiction ("Hazardous Substances") that are transported to or from, used, stored or handled at, or disposed of from the Premises during the term of this Lease, to be transported, used, stored, handled and disposed of in compliance with all applicable laws and regulations. The covenants contained in this paragraph shall expressly survive the expiration or earlier termination of the term of this Lease. Tenant assumes the risk of any and all claims, liability, damages, cost and expenses, including reasonable attorney's fees, arising out of or relating to Tenant's breach of the covenants contained in this paragraph. Nothing contained herein shall place any greater burden for clean-up of any "Hazardous Substances" upon Tenant other than required by law.

13.11 **Gender.** Words of any gender used in this Lease shall be held and construed to include any other gender and words in the singular shall be held to include the plural, unless the context otherwise requires.

13.12 **Captions.** The captions or headings of paragraphs of this Lease are inserted for convenience only, and shall not be considered in construing the provisions hereof if any question of intent should arise.

13.13 **Successors.** The terms, conditions and covenants contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto and their respective successors in interest and legal representatives except as otherwise herein expressly provided.

13.14 **Severability.** If any provision in this Lease should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby.

13.15 **Notices.** Any notice provided or permitted to be given hereunder by either party to the other must be in writing. Notice may, unless otherwise provided herein, be given or served (a) by depositing the same in the United States mail, postage paid, certified mail, and addressed to the party to be notified, with return receipt requested, (b) by delivering the same to such party, by overnight courier or (c) when appropriate, by sending a telegram, wire or facsimile addressed to the party to be notified. Notice deposited in the mail in the manner hereinabove described shall be effective from and after such deposit. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties shall, until changed be as follows:

Landlord: Columbus Realty Partners, Ltd.
8343 Douglas, Suite 360
Dallas, Texas 75225

Tenant: City of McKinney
222 N. Tennessee Street
McKinney, Texas 75069

Either party may change these persons or addresses by giving written notice, as provided above, of such change. If Tenant shall assign this Lease or sublet the Premises, or any part thereof in accordance with Article 9, then no written notice of default from Landlord shall be deemed complete unless a copy of such notice is mailed to Tenant as well as Tenant's assignee or sublessee in the manner prescribed above.

13.16 **Governing Law.** This Lease shall be governed by and construed according to the laws of the State of Texas and the applicable laws of the United States of America.

13.17 **Brokers.** Landlord and Tenant each represent that it has not dealt with any broker in connection with the negotiation, execution, or delivery of this Lease. Landlord and Tenant each will indemnify and defend the other from any and all claims, actual or threatened,

for compensation by any such third person by reason of such party's breach of its representation or warranty contained in this paragraph.

13.18 **Use.** Tenant may use and occupy the Premises for any lawful use.

13.19 **Amendment and Modification.** This Lease, including all Exhibits hereto, each of which is incorporated in this Lease, contains the entire agreement between the parties hereto. All prior oral or written negotiations have been merged herein and the prior lease between the parties is null and void. This Lease shall not be amended, modified or supplements unless by agreement in writing signed by Landlord, Tenant, and any assignee or transferee who is then the holder of Tenant's interest under this Lease.

EXECUTED this 3rd day of May, 2016.

LANDLORD:

**COLUMBUS REALTY PARTNERS, LTD.,
a Texas limited partnership**

By: Columbus G.P., LLC,
a Texas limited liability company,
General Partner

By: _____
Robert Shaw, President

TENANT:

**THE CITY OF MCKINNEY, TEXAS,
a municipal corporation**

By: _____
Tom Muehlenbeck, Interim City
Manager

EXHIBIT A

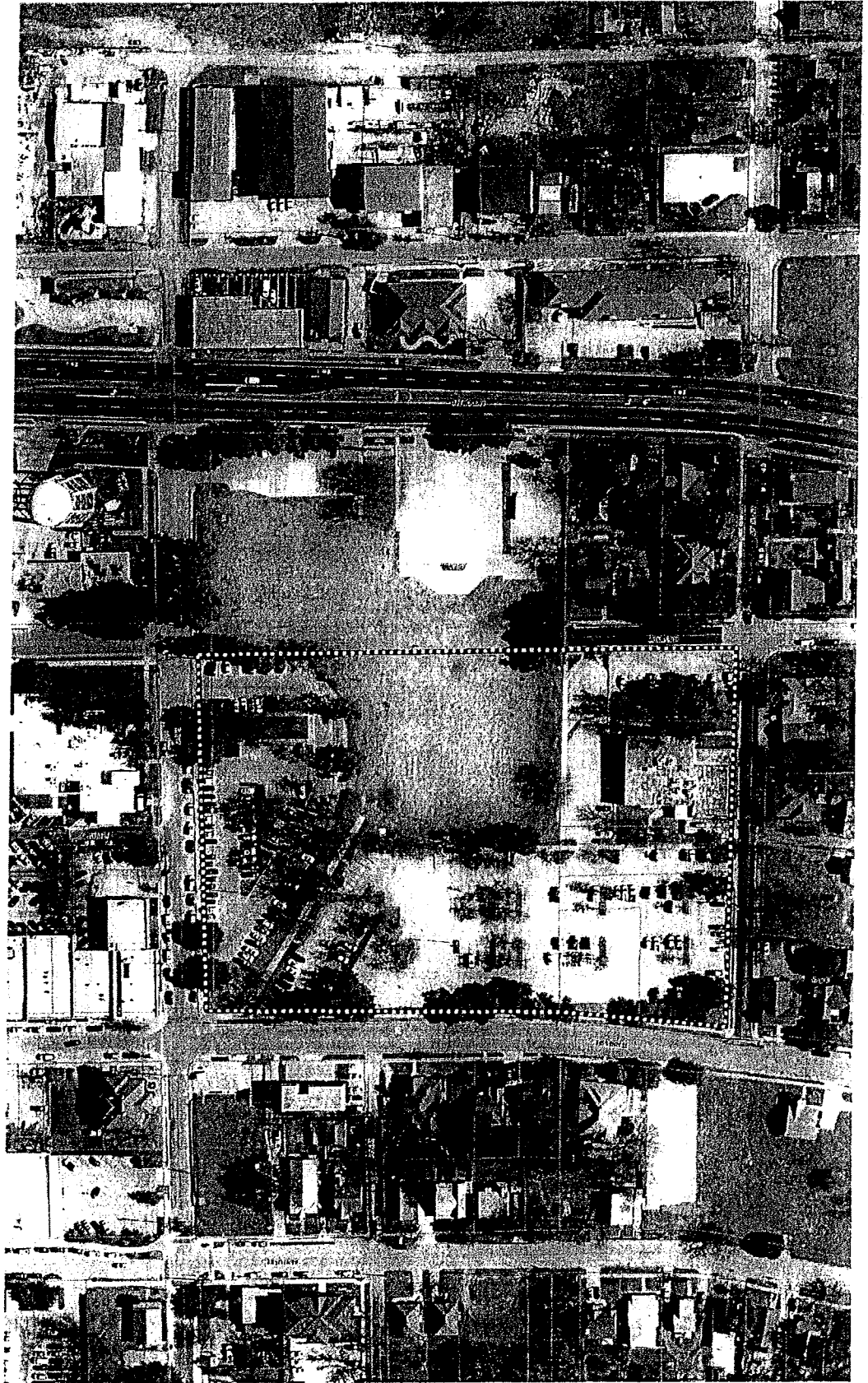
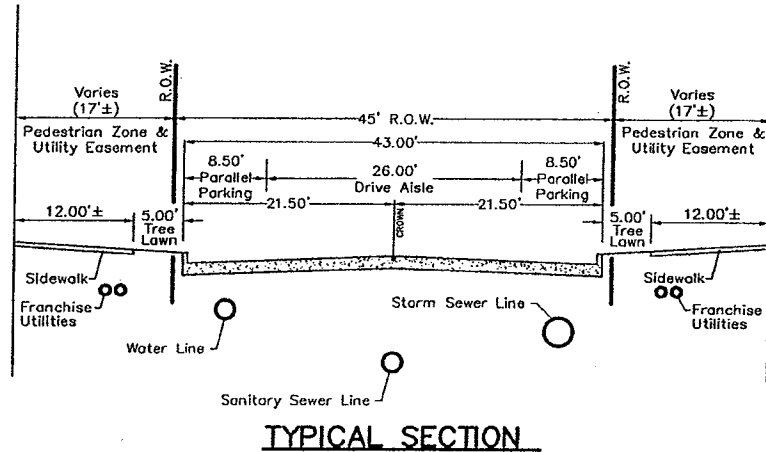


EXHIBIT "E"

Infrastructure Specifications

DOWNTOWN MCKINNEY MIXED USE ADDITION: TYPICAL STREET SECTION



TYPICAL SECTION

A: Chestnut & Howell – Infrastructure Elements

Street

1. 6" lime stabilized subgrade compacted to 95% maximum dry density at a moisture content between 0 to +4 percentage points of optimum moisture. Required plasticity index of less than 12.
2. 8" 4,000 PSI reinforced concrete with #4 bars at 24" on center each way.
3. 6" monolithic concrete curb
4. Texas Accessibility Standards (TAS) curb ramps at intersections.
5. Paver Enhancements as noted in amenity elements

Drainage

1. Reinforced concrete storm pipe (RCP) in Street "A" and Chestnut Street ranging from 18" RCP to 30" RCP.
2. Curb inlets located at intersections as needed
3. Junction boxes located as per City requirements.

Water & Sewer

1. 12" water line in Street "A" and Chestnut Street
2. Fire Hydrants located as per City requirements.
3. Water services located along Street "A" and Chestnut Street.
4. Water valves located along 12" water lines and 6" fire hydrant leads and per City requirements.
5. 8" sanitary sewer in Street "A" and Chestnut Street
6. 4' sanitary sewer manholes located per City requirements.
7. Sewer laterals and cleanouts installed for lot services as per City requirement

Franchise Utilities

1. Relocate existing franchise utilities as needed.

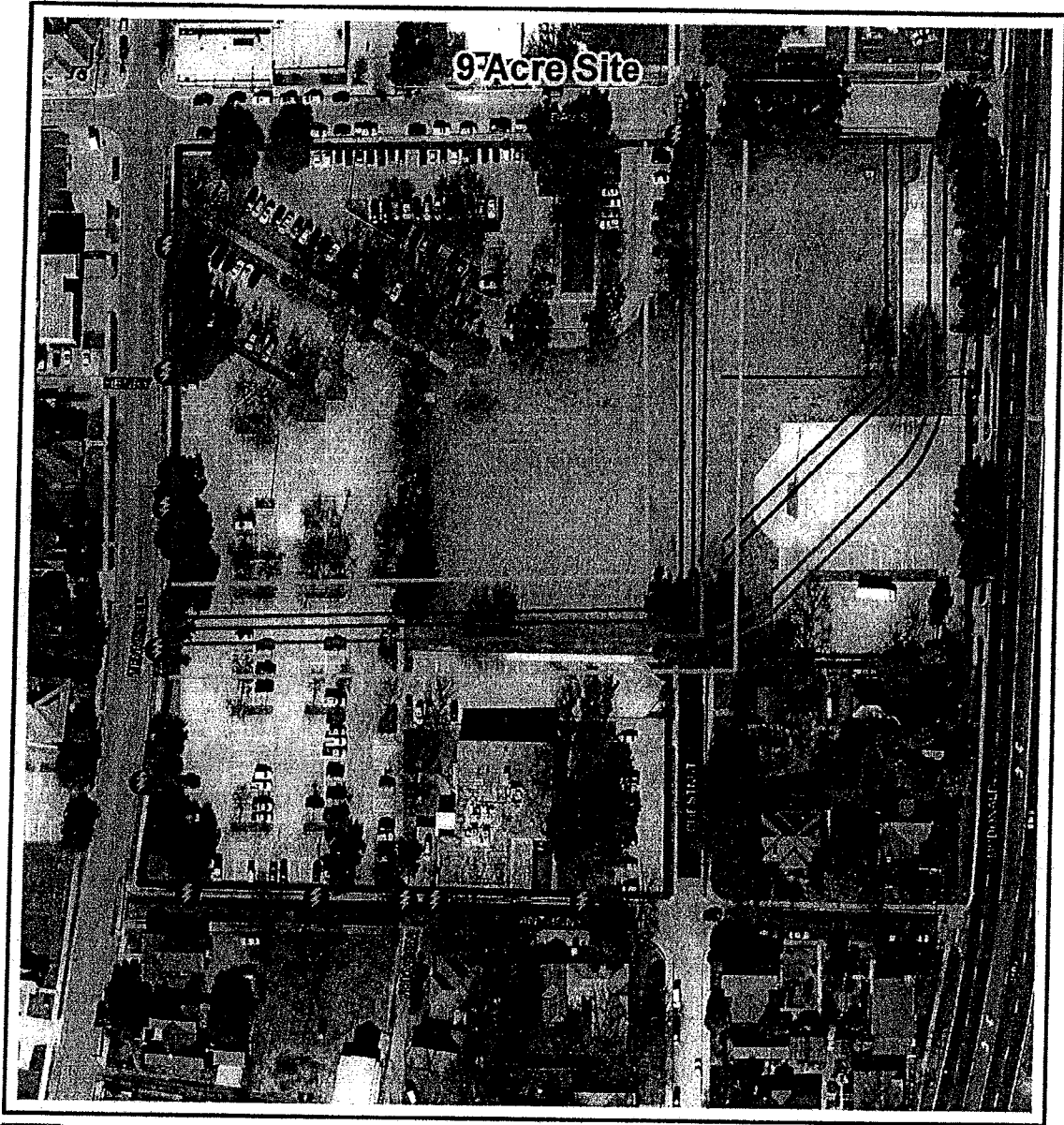
B: Tennessee, Davis, Anthony, Chestnut & Howell – Amenity Elements







Parkway (Both Sides of Street)

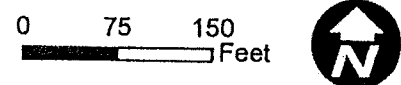
1. Street trees at 30' o.c. max spacing; 4" caliper; planted in open tree wells 5' x 5' min. at retail, 5' wide turf planted tree-lawn along residential frontages, 5' x 5' metal or paver tree grates only where clearance requires to maintain 6' clear sidewalk pathway.
2. Pedestrian Scaled Street Light 90'-120' o.c. spacing
3. Pedestrian Bench; 2 per block, placed either in tree zone or adjacent to building
4. Trash receptacles; 2 per block
5. Bike Racks; 1 per block
6. Sidewalks; 6' min. clear; 4" reinforced concrete with saw cut pattern or brick pavers on flex-base
7. Irrigation for planting within tree wells and tree lawns; bubbler at all trees
8. ADA pavers at pedestrian crosswalk locations
9. Up-Lights or waterproof duplex outlets at each tree are allowed.
10. Signage to complement existing downtown signage.

Street Intersection

1. Concrete vehicular paver – pedestrian crosswalks
2. ADA Mobility Access



-  Nine Acre Boundary
-  Franchise
-  Sewer
-  Storm
-  Water
-  FranchisePoles



DISCLAIMER: This map and information contained in it were developed exclusively for use by the City of McKinney. Any use or reliance on this map by anyone else is at that party's risk and without liability to the City of McKinney, its officials or employees for any discrepancies, errors, or variances which may exist.

MASTER DEVELOPMENT AGREEMENT, EXHIBIT "E"