

August 25, 2011

Mr. Jason Gray
City Manager
City of McKinney
222 N. Tennessee St.
McKinney, Texas 75069

Dear Mr. Gray:

Matthews Southwest (“MSW”) agrees to provide the following services to the City of McKinney (“City”) at no charge for a period of up to six (6) months (the “Term”) commencing on the date of signing of this Letter of Intent (the “Effective Date”):

Within sixty (60) days after the Effective Date, MSW shall provide the following services to the City:

- The parties agree that the specific goal to complete in the first sixty (60) days is to develop, in close coordination with the City, a specific move-forward plan for the Hotel-Event Center which plan may commence prior to December 31, 2011, upon the mutual Agreement of the City and MSW.
- Provide written advice, options, and recommendations regarding the scope of the Hotel-Event Center including room number, size and scope of meeting space, hotel amenities and rating (3-4 star) and the efficacy of utilizing the existing structure and the proposed budgets already submitted to the City;
- Provide a written analysis of the best three (3) options for financing the construction of the Hotel-Event Center including sources of third party equity, hotel equity, public funding, developer sources, financing, etc.
- Provide written advice, options, and a recommendation for selection of a Hotel flag;
- Manage and direct a hotel-specific consultant if the City requires;
- Meet with any commercial prospects that have shown development interest in the overall Gateway site;
- Work with any planned office user(s) for location on the Gateway site, and;
- Commence development planning for the overall Gateway site.

By the end of the Term:

- Provide written options to any commercial prospects regarding the

- development of their corporate campus at the Gateway site;
- Ascertain the best available options for additional development on the overall Gateway site including commercial, office, retail, restaurant, entertainment, residential and public space;
- Develop written options and a recommended plan for phasing of development;
- Present a written proposal of who would be part of the development team (i.e. General Contractor, Architect, etc.)
- Identify potential construction funding sources for the overall Gateway site, including third-party equity, public funding, developer sources, financing, etc.

The above services will be provided without charge with the understanding that if the City is satisfied with our work product, advice and direction, subsequent agreements, if any, will provide MSW with full, partial or no consideration for time spent. MSW acknowledges and agrees that City has no obligation to enter into subsequent agreements. Any documents produced under this agreement shall be the property of the City.

If this arrangement meets with your approval, please provide a counter-signed copy of this letter agreement with a date which date shall be the Effective Date.

Sincerely,

Jack Matthews
President

Agreed to:

CITY OF MCKINNEY
Jason Gray
City Manager

Date

DRAFT