

## Term Sheet – Development Agreement

**This term sheet summarizes the parties intentions regarding the Developer Facilities Annexation Agreement. This term sheet is not binding on either party.**

The “Parties”	<p>PROVIDENT REALTY ADVISORS, INC., a Texas Corporation and/or its assigns (the “Developer”)</p> <p>City of McKinney, a Texas home rule municipality (“City”)</p>
The “Property”	<p>The Property is the +/- 65.15-acres (the “Property”) currently under contract by the Developer and which is more fully described as:</p> <p>+/- 65.15-acres as shown on <u>Exhibit A</u> and which is wholly located in the City of McKinney’s extraterritorial jurisdiction (the “Industrial Tract”).</p>
Agreement:	<p>Developer Facilities Annexation Agreement for annexation and zoning of the Property pursuant to Section 212.172 Texas Local Government Code including Public Improvements pursuant to Chapter 212, Subchapter C, of the Texas Local Government Code.</p>
Terms:	<ol style="list-style-type: none"><li>1. Developer intends to acquire and develop the Property for industrial and warehouse uses (the “Development”) generally as depicted in <u>Exhibit B</u>.</li><li>2. Developer will complete all necessary actions for the full voluntarily annexation and zoning of the Property per this Term Sheet on or before August 18, 2026 subject to an approved development and facilities agreement including certain land use rights and infrastructure obligations by Developer and City (the “Development Facilities Annexation Agreement” or “DFA”), which shall be approved on or before June 16, 2026 and executed thereafter with an effective date of the approval date.</li><li>3. The land uses shown on <u>Exhibit B</u> are the foundation for the proposed Development, which shall be for industrial and warehouse uses generally</li></ol>

as provided for in the Light Industrial Zoning District (I1 district). Multi-family residential uses shall be prohibited on the Property. The Parties acknowledge and agree that engineering has not been performed for the project and, as such, it is anticipated that final layout has not been determined.

4. Developer shall provide architectural design requirements for the uses within the DFA and provide for zoning as follows:

For Industrial Uses in Industrial Districts, the Exterior Finishing Materials shall be:

a. One hundred percent of each building elevation facing a public right-of-way shall be finished with brick, stone, synthetic stone, stucco, EIFS, architecturally finished CMU, or painted concrete tilt-wall finished with architectural reveals.

b. Other exterior walls may be finished with metal or any other building material that is allowed by the International Building Code.

c. The exterior wall area shall be calculated exclusive of doors and windows.

d. Building entry corners that face public ROW shall have at least 1,000 square feet of glazing.

5. Developer shall be responsible for the design, installation and construction of all improvements necessary to serve the Development, including utilities, drainage structures and easements, roadways, sidewalks, hike and bike trails, street lighting, street signage, rights-of-ways, and all other required improvements and dedications, at no cost to the City in accordance with the ordinances in effect at the time of development.

6. The County Road 339 right-of-way alignment (the "MTP ROW") as depicted in Exhibit C are conceptually agreed upon by the Parties. County

Road 339 is a M4D Minor Arterial (Midblock) roadway type and Fannin Road is a C2U Collector (Intersection/Midblock) type roadway in the City Engineering Design Manual. The Parties acknowledge and agree that engineering has not been performed for the MTP ROW and, as such, it is anticipated that the final MTP ROW layout has not been determined.

7. In compliance with Texas Local Government Code 272.001, Developer shall convey, in fee simple, exchange of approximately 2.19 acres of land to the City in exchange for the City conveying, in fee simple, approximately 0.83 acres of City owned land (the "Land Exchange") as depicted in Exhibit E. Parties agree that any roadway right-of-way dedication for the M4D arterial is not eligible for future impact fee credits because the Land Exchange is roughly equal; roadway construction for the M4D arterial may be eligible for roadway impact fee credits under Article III, Section 130 of the McKinney City Code of Ordinances.

8. The City agrees, if needed, to pursue a City of Melissa ("Melissa") Master Thoroughfare Plan amendment (the "Melissa MTP Amendment") to allow for the MTP ROW. Developer shall be responsible, at its cost, for the acquisition of any right-of-way required within Melissa to construct the MTP ROW. The Parties acknowledge and agree that engineering has not been performed for the MTP ROW and, as such, it is anticipated that the final MTP ROW has not been determined.

9. The offsite utility alignments for water and wastewater (the "Utility Public Improvements") as depicted in Exhibit D are conceptually agreed upon by the Parties. It is understood by both parties that an aerial creek crossing will likely be required for the proposed wastewater alignment. The Parties acknowledge and agree that engineering has not been performed for the Utility Public Improvements and, as such, it is anticipated that the final size and layout of the Utility Public Improvements have not been determined.

10. The City agrees to pursue a wholesale sewer agreement (the "Sewer Agreement") between City and Melissa on behalf of the Development. The

Parties acknowledge and agree that engineering has not been performed for the sewer mains and all potential users and, as such, it is anticipated that final Sewer Agreement terms have not been determined.

11. The Developer shall construct certain on-site and off-site public improvements and the City shall participate in their cost for the Industrial Tract as depicted in Exhibit B, Exhibit C, and Exhibit D attached hereto. The public improvements to be constructed by the Developer are the 12” sanitary sewer line, the 12” waterlines, the 16” waterlines, the CR 339 roadway improvements, and the Fannin Road roadway improvements as depicted in Exhibit B, Exhibit C, and Exhibit D (the “Public Improvements”) The City agrees to participate only for City’s proportionate share up to and not to exceed a lump sum amount of 30% of the total contract cost (the “McKinney Share”). The final McKinney share shall be less a \$200,000 deduction to cover five (5) years of water and sewer maintenance.

Notwithstanding the foregoing, in no event shall the McKinney Share exceed 30% of the total contract cost for the Public Improvements. City shall have the right to reasonably request, from time to time, to evidence the lump sum amount of the McKinney Public Improvements, including, but not limited to, its books and records relating to all expenditures related to the Public Improvements.

Prior to the commencement of construction of the Public Improvements, the Developer shall execute a performance bond for the construction of the Public Improvement to ensure completion of the Public Improvements. The bond must be executed by a corporate surety in accordance with Chapter 2253 of the Texas Local Government Code. The performance bond shall be maintained by the Developer until the completion of the Public Improvements. Developer shall cause General Contractor to provide a two-year maintenance bond in the amount of the cost of the Public Improvements.

12. Developer shall use commercially reasonable good faith efforts to secure offsite road rights of way, water, wastewater, drainage, slope, and temporary construction easements (“Easements”). If Developer

is unable to secure and obtain such Easements through voluntary sales after making an offer in writing, based on fair market value of the property interest to the property owner from whom the property interest is being acquired 180 days, the City agrees to consider acquiring the same through its power of eminent domain at Developer's expense. The Developer must provide the City with a metes and bounds description of the property to be acquired and pay the City for all costs of obtaining the Easements. The Developer must reimburse the City in full for any costs incurred to acquire the Easements, including but not limited to, City staff time, appraisals, title surveys, acquisition costs, relocation costs, and City resources.

Assignability:

13. Subject to the terms of this section, the Developer Facilities Annexation Agreement may be assigned to a Developer-related entity which is controlled by, controls, or is under common control with Developer upon written notice to the City.

Further, and subject to City review and approval, Developer may assign the Developer Facilities Annexation Agreement to Core5.

Agreed and Accepted:

Provident Realty Advisors, Inc.

By: Cheryl M. [Signature]

Title: Market Officer

Date: 2/24/2026

City of McKinney:

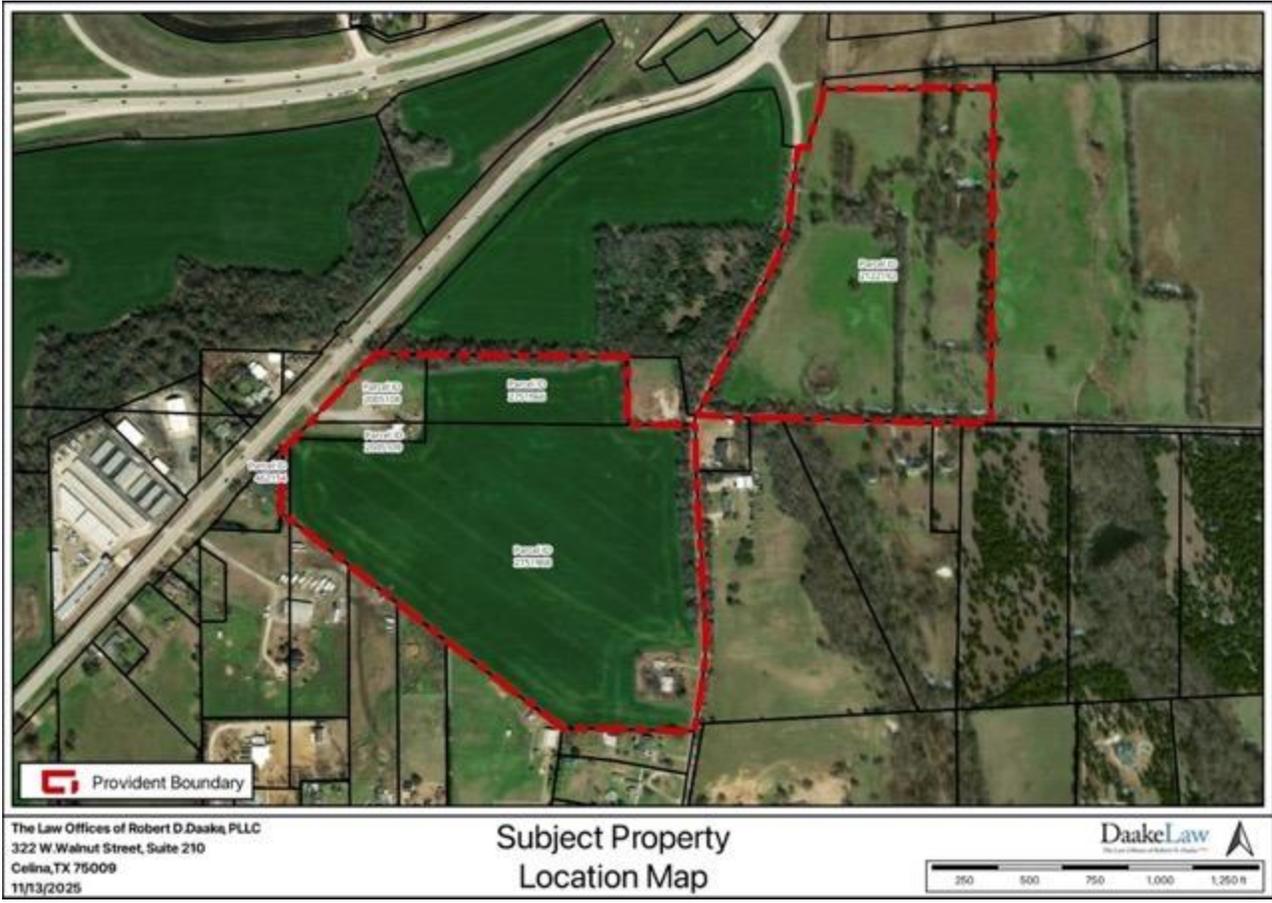
By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT "A"**

**The Property**



The Law Offices of Robert D. Daake, PLLC  
322 W. Walnut Street, Suite 210  
Celina, TX 75009  
11/13/2025

Subject Property  
Location Map

DaakeLaw  
REAL ESTATE ATTORNEYS AT LAW

250 500 750 1,000 1,250 ft

**EXHIBIT "A"**  
Legal Description

SITUATED in the Andrew Thomas Survey, Abstract No. 894 in Collin County, Texas, and being part of a 144.90 acre tract of land that was conveyed to Lawrence Miller by J. M. Miller et ux in deed recorded in Volume 193, page 548 of the Deed Records of Collin County, Texas, being more particularly described by metes and bounds, to-wit:

BEGINNING at an iron pin found in the south line of said tract, pin bears North 88 deg. 40 min. West 1074.2 feet from the southeast corner of said tract;

THENCE North 87 deg. 53 min. West with the centerline of County Road 339 a distance of 1135.9 feet to an iron pin found in the centerline of County Road 338;

THENCE North 28 deg. 38 min. East with the centerline of County Road 338 a distance of 758.75 feet to an iron pin found;

THENCE North 06 deg. 12 min East with said road 585 feet to an iron pin set;

THENCE North 89 deg. 44 min. 11 sec. East 723.11 feet to an iron pin set;

THENCE South 00 deg. 39 min. 13 sec. West 1292.9 feet to the place of beginning, and containing 25.25 acres of land.

NOTE: COMPANY DOES NOT REPRESENT THAT THE ABOVE ACREAGE AND/OR SQUARE FOOTAGE CALCULATIONS ARE CORRECT.

SAVE AND EXCEPT that portion of subject property conveyed to the State of Texas, described in Deed filed of record December 27, 2022, recorded under Clerk's File No(s). 2022000180795, Real Property Records, Collin County, Texas.

NOTE: COMPANY DOES NOT REPRESENT THAT THE ABOVE ACREAGE AND/OR SQUARE FOOTAGE CALCULATIONS ARE CORRECT.

**EXHIBIT "A"**  
Legal Description

**TRACT 1:**

Being a tract of land, situated in Collin County, Texas, and being in the Andrew Thomas Survey, Abstract No. 894, and in the Polly Ann Boon Survey, Abstract No. 1048, and also in the Simpson M. Pulliam Survey Abstract No. 706, said tract being all of that called 3.0 acre tract of land, described by deed to Joe L. Sullivan, as recorded in Volume 5666, Page 2715, of the Deed Records, Collin County, Texas (D.R.C.C.T.), said tract being more particularly described as follows:

BEGINNING at a 1/2" iron rod found for the northwesterly corner of said 3.0 acre tract, same being the most southerly southwest corner of that called 33.487 acre tract, described by deed to Melissa 121-5 Partnership, as recorded under Document No. 20091015001274350, of the Official Public Records, Collin County, Texas (O.P.R.C.C.T.), said corner also being in the southeasterly monumented line of McDonald Street (State Highway No. 5);

THENCE South 88°11'38" East, along the common line between said 33.487 and 3.0 acre tracts, a distance of 240.17' to a point for corner, being the northeasterly corner of said 3.0 acre tract, same being the most northerly northwest corner of that called 34.976 acre tract, as described in Exhibit "A", by deed to Ross Orenduff, Jr., as recorded in Volume 3561, Page 210, D.R.C.C.T., from which a 1/2" iron rod with a plastic cap stamped "COLLIS" found bears, South 13°45'0" East, a distance of 0.67';

THENCE along the common line between said 3.0 and 34.976 acre tracts, the following courses and distances:

South 01°47'27" West, a distance of 333.96' to a 1/2" iron rod found for the southeasterly corner of said 3.0 acre tract;

North 88°11'38" West, a distance of 542.54' to a point for corner, being the southwesterly corner of said 3.0 acre tract, same being the most westerly northwest corner of said 34.976 acre tract, same also being the most northerly corner of a tract of land, described by deed to Thomas Randall Burns, as recorded under Document No. 20131127001591390 O.P.R.C.C.T., said point for corner also being in the aforementioned southeasterly monumented line of McDonald Street (State Highway No. 5), from which a 3/8" iron rod found bears, South 20°16'19" West, a distance of 1.79';

THENCE North 43°57'21" East, along the northwesterly line of said 3.0 acre tract, same being the southeasterly monumented line of McDonald Street (State Highway No. 5), a distance of 450.45' to the POINT OF BEGINNING and containing 3.00 acres of land, more or less.

SAVE AND EXCEPT that portion thereof conveyed from Innout Investments, LLC to The State of Texas recorded under Clerk's File No. 2023-2023000036013, Real Property Records, Collin County, Texas.

NOTE: COMPANY DOES NOT REPRESENT THAT THE ABOVE ACREAGE AND/OR SQUARE FOOTAGE CALCULATIONS ARE CORRECT.

**TRACT 2:**

Situated in the County of Collin, State of Texas, being a part of the Polly Ann Boon Survey, Abstract No. 1048, the Andrew Thomas Survey, Abstract No. 894, and the Simpson M. Pulliam Survey, Abstract No. 706, and being a part of the same tract of land described as 34.976 acres conveyed to Ross Orenduff, Jr. by Partition Deed dated May 16, 1991, recorded in Volume 3561, Page 210, Deed Records, Collin County, Texas, and also being a remaining portion of the same tract of land described as 80 acres, from which said 34.976 acre tract was severed, conveyed by Ross Orenduff, Sr. to Rodd Orenduff, Jr. et ux by deed dated January 25, 1960, recorded in Volume 562, Page 17, said Deed Records, and being more particularly described by metes and bounds as follows:

Beginning at a 1/2" steel rod found maintaining the Southwest corner of the said 34.976 acre tract and the Northerly angle corner of the same tract of land described as 8.551 acres and referred to as Tract 2 as conveyed by Kenneth Gracy and Karen Gracy to Steve Furlong and Judy Furlong by deed dated January 3, 2006, recorded in Volume 6084, Page 5006, Official Public Records, Collin County, Texas, in the East line of the same tract of land described as 1.300 acres conveyed by Thomas Randall Burns, as Independent Executor to Thomas Randall Burns and Glenda Jo Smith by deed dated November 26, 2013, recorded in Document No. 20131127001591390, said Official Public Records;

Thence North 01°49'33" East a distance of 296.57 feet to a metal corner post maintaining an angle point in the West line

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Legal Description

**TRACT 1:**

Being a tract of land, situated in Collin County, Texas, and being in the Andrew Thomas Survey, Abstract No. 894, and in the Polly Ann Boon Survey, Abstract No. 1048, and also in the Simpson M. Pulliam Survey Abstract No. 706, said tract being all of that called 3.0 acre tract of land, described by deed to Joe L. Sullivan, as recorded in Volume 5666, Page 2715, of the Deed Records, Collin County, Texas (D.R.C.C.T.), said tract being more particularly described as follows:

BEGINNING at a 1/2" iron rod found for the northwesterly corner of said 3.0 acre tract, same being the most southerly southwest corner of that called 33.487 acre tract, described by deed to Melissa 121-5 Partnership, as recorded under Document No. 20091015001274350, of the Official Public Records, Collin County, Texas (O.P.R.C.C.T.), said corner also being in the southeasterly monumented line of McDonald Street (State Highway No. 5);

THENCE South 88°11'38" East, along the common line between said 33.487 and 3.0 acre tracts, a distance of 240.17' to a point for corner, being the northeasterly corner of said 3.0 acre tract, same being the most northerly northwest corner of that called 34.976 acre tract, as described in Exhibit "A", by deed to Ross Orenduff, Jr., as recorded in Volume 3561, Page 210, D.R.C.C.T., from which a 1/2" iron rod with a plastic cap stamped "COLLIS" found bears, South 13°45'0" East, a distance of 0.67';

THENCE along the common line between said 3.0 and 34.976 acre tracts, the following courses and distances:

South 01°47'27" West, a distance of 333.96' to a 1/2" iron rod found for the southeasterly corner of said 3.0 acre tract;

North 88°11'38" West, a distance of 542.54' to a point for corner, being the southwesterly corner of said 3.0 acre tract, same being the most westerly northwest corner of said 34.976 acre tract, same also being the most northerly corner of a tract of land, described by deed to Thomas Randall Burns, as recorded under Document No. 20131127001591390 O.P.R.C.C.T., said point for corner also being in the aforementioned southeasterly monumented line of McDonald Street (State Highway No. 5), from which a 3/8" iron rod found bears, South 20°16'19" West, a distance of 1.79';

THENCE North 43°57'21" East, along the northwesterly line of said 3.0 acre tract, same being the southeasterly monumented line of McDonald Street (State Highway No. 5), a distance of 450.45' to the POINT OF BEGINNING and containing 3.00 acres of land, more or less.

SAVE AND EXCEPT that portion thereof conveyed from Innout Investments, LLC to The State of Texas recorded under Clerk's File No. 2023-2023000036013, Real Property Records, Collin County, Texas.

NOTE: COMPANY DOES NOT REPRESENT THAT THE ABOVE ACREAGE AND/OR SQUARE FOOTAGE CALCULATIONS ARE CORRECT.

**TRACT 2:**

Situated in the County of Collin, State of Texas, being a part of the Polly Ann Boon Survey, Abstract No. 1048, the Andrew Thomas Survey, Abstract No. 894, and the Simpson M. Pulliam Survey, Abstract No. 706, and being a part of the same tract of land described as 34.976 acres conveyed to Ross Orenduff, Jr. by Partition Deed dated May 16, 1991, recorded in Volume 3561, Page 210, Deed Records, Collin County, Texas, and also being a remaining portion of the same tract of land described as 80 acres, from which said 34.976 acre tract was severed, conveyed by Ross Orenduff, Sr. to Rodd Orenduff, Jr. et ux by deed dated January 25, 1960, recorded in Volume 562, Page 17, said Deed Records, and being more particularly described by metes and bounds as follows:

Beginning at a 1/2" steel rod found maintaining the Southwest corner of the said 34.976 acre tract and the Northerly angle corner of the same tract of land described as 8.551 acres and referred to as Tract 2 as conveyed by Kenneth Gracy and Karen Gracy to Steve Furlong and Judy Furlong by deed dated January 3, 2006, recorded in Volume 6084, Page 5006, Official Public Records, Collin County, Texas, in the East line of the same tract of land described as 1.300 acres conveyed by Thomas Randall Burns, as Independent Executor to Thomas Randall Burns and Glenda Jo Smith by deed dated November 26, 2013, recorded in Document No. 20131127001591390, said Official Public Records;

Thence North 01°49'33" East a distance of 296.57 feet to a metal corner post maintaining an angle point in the West line

**EXHIBIT "A"**  
Legal Description

of the said 34.976 acre tract and the most Northerly corner of the said 1.300 acre tract in the East right-of-way line of State Highway No. 5, said post also being the Southwest corner of the same tract of land described as 3.0 acres previously severed from said 34.976 acre tract and subsequently conveyed by Andrea Lynette Peel and Keith Ernest Peel to Joe L. Sullivan by deed dated April 26, 2004, recorded in Volume 5666, Page 2715, said Official Public Records;

Thence North 88°59'22" East a distance of 543.50 feet to a 1/2" steel rod found maintaining the Southeast corner of the said Sullivan tract;

Thence North 00°58'42" East a distance of 333.96 feet to a 1/2" steel rod found maintaining the Northeast corner of the said Sullivan tract in the North line of the said 34.976 acre tract and South line of the same tract of land described as 33.487 acres conveyed by Trination Creative Investments to Melissa 121-5 Partnership by deed dated October 15, 2009, recorded in Document No. 20091015001274350, said Official Public Records;

Thence South 88°59'22" East with the South line of the said 33.487 acre tract a distance of 766.12 feet to a 1/2" steel rod found maintaining the most Northerly Northeast corner of the said 34.976 acre tract and the Northwest corner of the same tract of land described as 1.30 acres conveyed by Indo-American Investments - II to the City of McKinney, Texas by deed dated August 2, 1989, recorded in Volume 3103, Page 466, said Deed Records;

Thence South 00°28'48" East a distance of 261.43 feet to a 1/2" steel rod found maintaining the Southwest corner of the said 1.30 acre tract and an inside "L" corner to the said 34.976 acre tract;

Thence North 89°33'06" East a distance of 253.91 feet to a 1/2" steel rod found maintaining the most Easterly Northeast corner of the said 34.976 acre tract and the Southeast corner of the said 1.30 acre tract in County Road No. 388 and the West line of the same tract of land described as one acre conveyed by Dorothy L. Aycock to R&D Aycock, Ltd by deed dated December 18, 2001, recorded in Volume 5071, Page 3433, said Official Public Records;

Thence South 03°20'17" East entering and continuing with the general center of said road, passing the Southwest corner of the said one acre tract and the most Westerly Northwest corner of the same tract of land described as 14.735 acres conveyed by Bill A. Daniel et ux to Billy A. Daniel and Patricia R. Daniel, Trustees by deed dated October 29, 2010, recorded in Document No. 20101101001187740, said Official Public Records, and continuing for a total distance of 801.49 feet to an angle point;

Thence South 01°35'03" West continuing with said center of road a distance of 96.84 feet to an angle point;

Thence South 07°14'37" West continuing with said center of road a distance of 107.86 feet to an angle point;

Thence South 09°18'31" West departing the center of pavement of said road and continuing for a total distance of 176.61 feet to a P.K. nail found maintaining the Northeast corner of the same tract of land described as 1.474 acres conveyed by Shari L. Degan to Frank Rose et ux by deed dated December 14, 2012, recorded in Document No. 20121219001614540, said Official Public Records;

Thence North 89°02'45" West, passing a 1/2" steel rod found in the West line of said road at 24.87 feet and continuing for a total distance of 501.78 feet to a 1/2" steel rod found maintaining the most Southerly Southwest corner of the said 34.976 acre tract, the Northwest corner of the said Rose tract, and the Northeast corner of the same tract of land described as 7.019 acres conveyed by Erin Smoyer and Daniel Smoyer to Floy William Spaulding et ux by deed dated December 22, 2011, recorded in Document No. 20111229001405400, said Official Public Records;

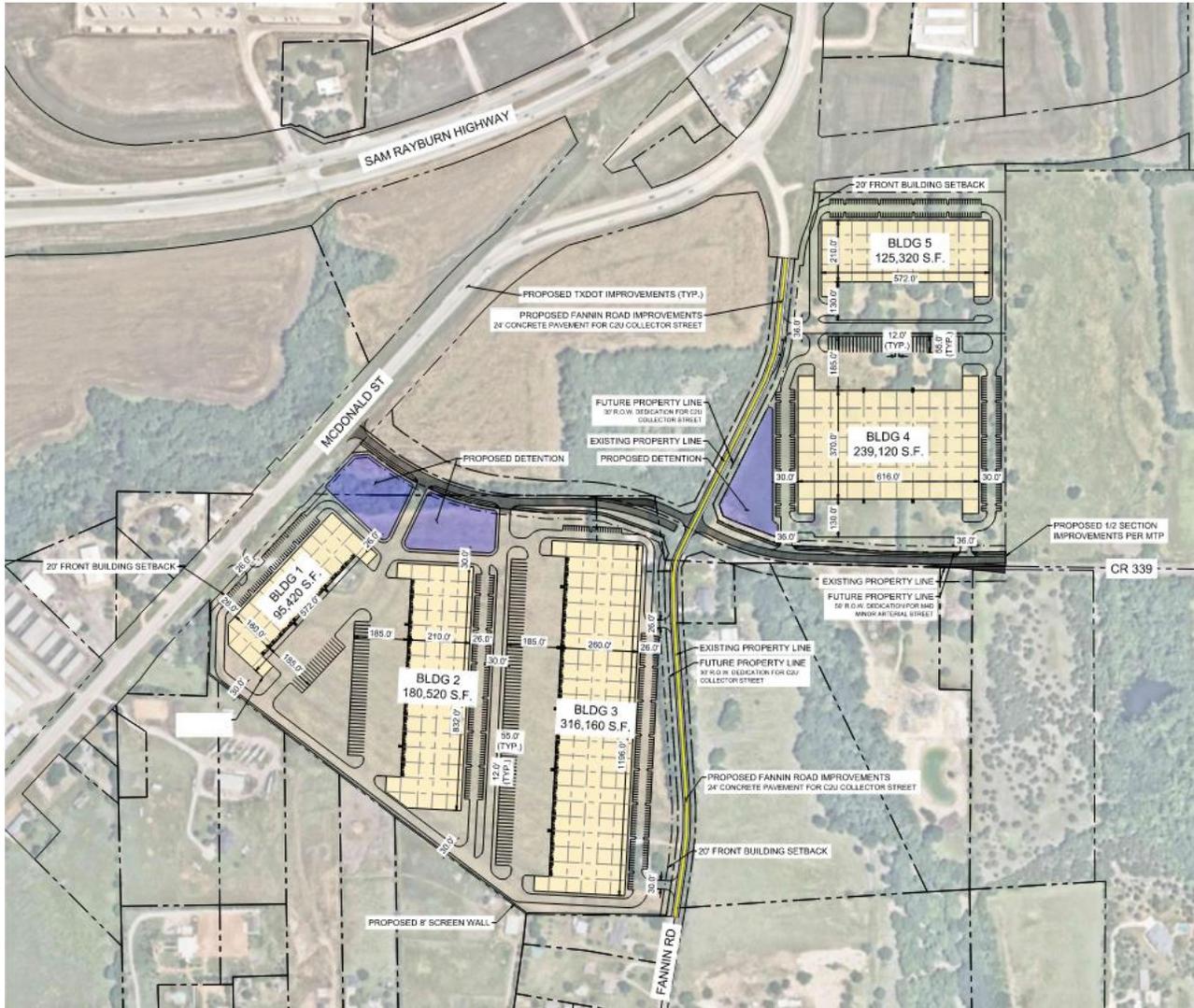
Thence North 52°44'33" West with the Southwest line of the said 34.976 acre tract and the North line of the said Spaulding tract, the North line of the same tract of land described as 4.255 acres conveyed by Craig W. Fanner et ux to Joan K. Norwood et vir by deed dated July 26, 2007, recorded in Document No. 20070809001108810, said Official Public Records, the North line of the same tract of land described as 4.86 acres conveyed by Roger A. McCranie et ux to Kathleen K. Baird by deed dated August 18, 2006, recorded in Document No. 20060823001211160, said Official Public Records, and the North line of the said Furlong tract for a total distance of 1357.89 feet to the Point-of-Beginning and containing 36.9 acres of land, more or less.

SAVE AND EXCEPT that portion thereof conveyed from Innout Investments, LLC to The State of Texas recorded under Clerk's File No. 2023-2023000036010, Real Property Records, Collin County, Texas.

**EXHIBIT "A"**  
Legal Description

NOTE: COMPANY DOES NOT REPRESENT THAT THE ABOVE ACREAGE AND/OR SQUARE FOOTAGE CALCULATIONS ARE CORRECT.

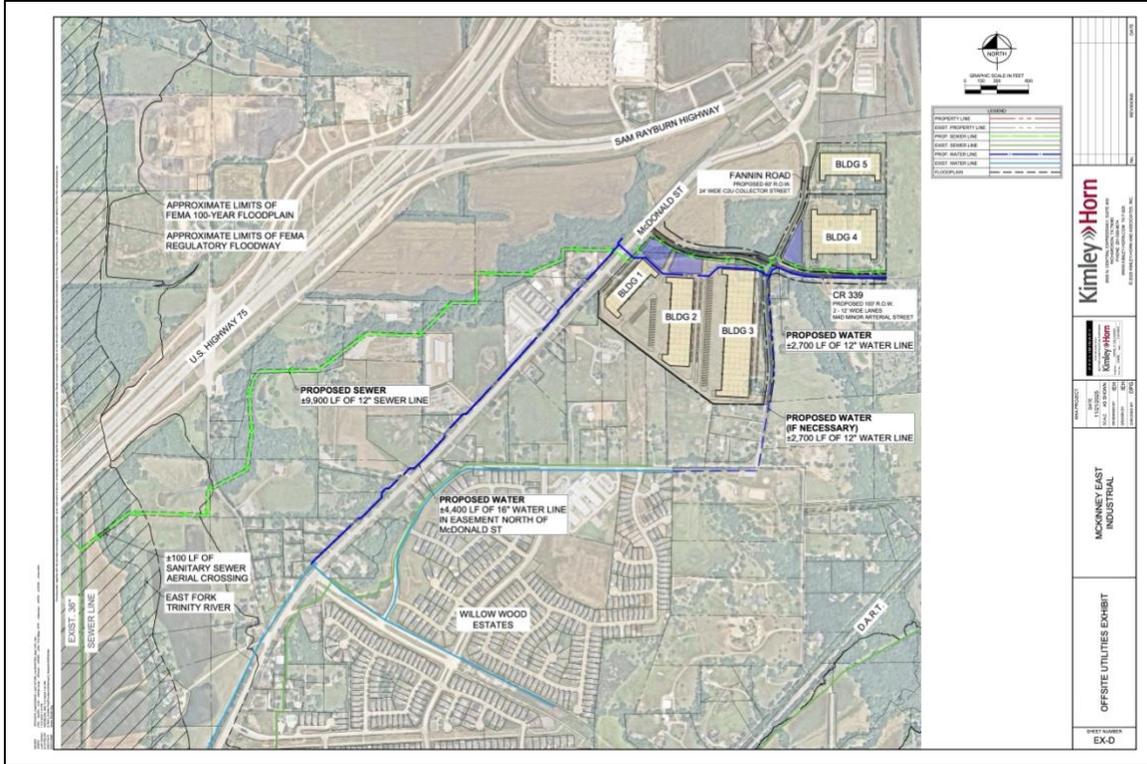
**EXHIBIT "B"**  
**Concept Plan**





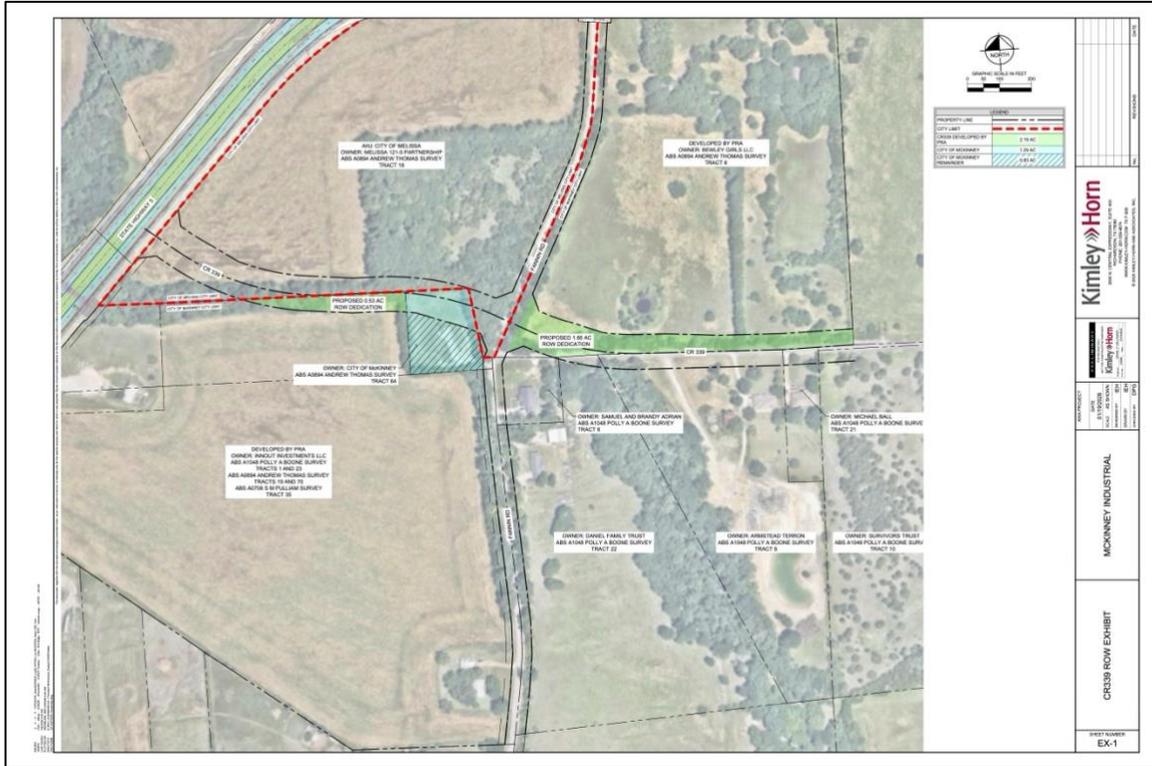
# Exhibit "D"

## Offsite Utilities



# Exhibit "E"

## Land Exchange



# Exhibit "F"

## Phasing

