

CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM AND AGREEMENT

This Agreement (this “Agreement”) is entered into as of June 3, 2025, to be effective as of the Effective Date (as defined in Section 10(p) below), by and between the **CITY OF MCKINNEY, TEXAS**, a Texas home rule municipality (the “City”), and **CRAIG RANCH LUXURY HOTEL SPE OWNER LP**, a Delaware limited partnership (“Developer”).

RECITALS:

WHEREAS, Developer intends to construct and operate a JW Marriott resort hotel with 290 guest rooms, a conference center containing at least 51,575 square feet of hotel conference space, a resort-style pool with “lazy river”, a fitness center, a three-meal restaurant and specialty restaurant, a lounge with terrace/pool seating and food/beverage service, pickleball courts, structured parking, valet and self-parking, a gift/sundries shop, a business center (the “Hotel”). In addition, above the Hotel structure shall be constructed at least forty-five (45) for-sale condominiums served by a separate amenity deck (the “Condominiums”). The Hotel and Condominiums shall be located on an 8.011 acre parcel at the northeast corner of Collin McKinney Parkway and Van Tuyl Parkway as more particularly described on **Exhibit A** attached hereto (the “Property”), and shall also include guest access to the golf course at TPC Craig Ranch (the “TPC”), and the Lifetime Fitness and Spa facility at Craig Ranch (collectively, the “Project”) ; and

WHEREAS, Developer has requested that the City authorize and provide certain economic development grants as provided herein; and

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code and for the public purpose of promoting economic development and diversity, increasing employment, reducing unemployment and underemployment, expanding commerce, and stimulating business and commercial activity in the State of Texas, Collin County, and the City, the City desires to offer certain economic development grants to Developer as more particularly described in this Agreement.

NOW, THEREFORE, for and in consideration of the promises, covenants, and agreements set forth herein, the receipt and sufficiency of which are hereby acknowledged, the City and Developer agree as follows:

1. **Subject of this Agreement.** Developer shall construct and operate the Hotel, as further described in the submittals filed with the City in order to obtain such permits as may be required under applicable City ordinances, and generally in accordance with the Site Plan attached hereto as **Exhibit B** (the “Site Plan”), as such Site Plan may be modified during the approval process with the City.

2. **Economic Development Grants.** Subject to the terms and conditions of this Agreement, and specifically the satisfaction of the conditions for qualifying in Section 3 below, the City shall provide economic development grants to Developer as follows:

a. Reimbursement to Developer each quarter of (i) seventy-five percent (75%) of the Sales Tax Receipts (hereinafter defined) for a twelve (12) year period commencing on the first day of the first month following the month in which a Final Certificate of

Occupancy (“CO”) is issued for the Hotel (the “Sales Tax Grant”). A temporary Certificate of Occupancy shall not satisfy any conditions under this Agreement.

b. Reimbursement to Developer each year of an amount equal to (i) seventy-five percent (75%) of the real property improvement and business personal property ad valorem taxes assessed against the Hotel and actually received by the City for the applicable Tax Year, exclusive of ad valorem taxes assessed against the value of the land, the Condominiums, and assessments by other taxing entities, for a period of twelve (12) years commencing on January 1 of the first year after the year in which a Final CO is issued for the Hotel (the “Ad Valorem Tax Grant”).

c. Reimbursement to Developer each quarter of an amount equal to (i) seventy-five percent (75%) of the local Hotel Occupancy Taxes assessed by the City under Sec. 98-115, Code of Ordinances, City of McKinney, Texas, as amended (the “City HOT”) received by the City for room-night transactions at the Hotel for a period of twelve (12) years commencing on the first day of the first month following the month in which a Final CO is issued for the Hotel (the “City HOT Grant”).

d. The cumulative reimbursements to Developer pursuant to 2(a)-(c) above shall not be less than Thirteen Million and No/100 Dollars (\$13,000,000.00) (the “Incentive Floor”) nor shall it exceed Eighteen Million and No/100 Dollars (\$18,000,000.00). A pro rata decrease in the cumulative reimbursements shall be made on the date of issuance of a permanent CO should the aggregate Final Project Costs (acquisition, construction, financing, and soft costs) be less than \$324,000,000.00 for the Hotel and Condominiums, but in no event shall the cumulative reimbursements be less than the Incentive Floor. If the Incentive Floor is not reached during the twelve (12) year period, the cumulative reimbursements shall extend annually thereafter until the Incentive Floor is earned. The term “Final Project Costs” shall be determined by the computing the aggregate total of all line-item components contained on the March 13, 2025 Ground-Up Hotel Budget submitted to the City by Ashford Inc.

e. “Sales Tax Receipts” shall mean and include net receipts actually received by the City from the Texas Comptroller of Public Accounts (the “Texas Comptroller”) for sales of Taxable Items at the Hotel during the periods of time set forth above, but shall not include net receipts allocated to the McKinney Economic Development Corporation or McKinney Community Development Corporation. “Taxable Items” shall have the same meaning assigned by Chapter 151, TEX. TAX CODE, as amended from time to time. The Sales Tax Grant, Ad Valorem Tax Grant, City HOT Grant and State Tax Grant are each referred to individually under this Agreement as a “Grant” and collectively as the “Grants.”

f. The City shall simultaneously reimburse the Developer an amount equal the then current Park Development Fee assessed and paid by Developer for the Condominiums.

g. The Developer shall fund (through its periodic payment of invoices under the City’s consultant agreement) the cost of a consultant, selected by the City and Developer and engaged jointly by the City and Developer, to make application to the Texas Comptroller for funding under Chapters 351, 321, and 183 of the Texas Tax Code to enable

the City to provide, if approved by the Texas Comptroller, additional incentives to the Developer, or an approved assignee, (the “State Tax Grants”) to include the following:

(i) A quarterly operations grant to the Developer in an amount equal to one hundred percent (100%) of the of the amount of revenue from the hotel occupancy tax lawfully assessed and collected by the State of Texas pursuant to Chapter 156 of the Texas Tax Code and actually refunded to the City by operation of Sections 351.102 and 151.429(h) of the Texas Tax Code, and that is derived from or attributable to the Hotel for room-night transactions, for a period of ten (10) years, commencing on the first day of the first month following the month in which a Final CO is issued for the Hotel (the “State HOT Grant”); and

(ii) A quarterly operations grant to the Developer in an amount equal to one hundred percent (100%) of the amount of revenue from a sales tax lawfully assessed and collected by the State of Texas pursuant to Chapter 151 of the Texas Tax Code that is derived from or attributable to sales transacted on the Property, save and except within the Condominiums, whether by Developer or another person or entity, for goods physically located on the Property, and actually refunded to the City by operation of Sections 351.102 and 151.429(h) of the Texas Tax Code, for a period of ten (10) years, commencing on the first day of the first month following the month in which a Final CO is issued for the Hotel; and

(iii) A quarterly operations grant to the Developer in an amount equal to one hundred percent (100%) of the amount of the revenue collected by the State of Texas and actually paid to and received by the City from permittees in the City as described in Section 183.051(b) of the Texas Tax Code from the mixed beverage sales taxes and mixed beverages gross receipts taxes lawfully assessed and collected by the State of Texas pursuant to Subchapters B and B-1 of Chapter 183 of the Texas Tax Code that are derived from or attributable to mixed beverage sales transacted on the Property, whether by Developer or another person or entity, for a period of ten (10) years commencing on the first day of the first month following the month in which a Final CO is issued for the Hotel.

Developer and City shall work together and with the consultant to submit, within sixty (60) days after the date of this Agreement, a request to the Texas Comptroller for a Private Letter Ruling (the “PLR”), affirming that the Project is eligible for the incentives in this Section 2(g).

h. The City shall have no obligation to provide additional incentives under this Paragraph 2(g)(i)-(iii) if funding is not approved by the Texas Comptroller. Failure of Developer to receive State Tax Grant funding shall not modify the obligations of any party under this this Agreement. The City and Developer shall share equally (50%/50%) all funding received under Paragraph 2(g)(i-iii) in excess of \$31,000,000.00, in aggregate, beginning in the month following Developer’s receipt of such aggregate amount. In addition, Developer shall indemnify and hold harmless the City for any recapture payment(s), attributable to Developer’s receipt of grant payments hereunder, owed to the

Comptroller at the end of 20 years pursuant to the Texas Tax Code, including a subordinate lien on the Property for any unpaid amounts.

3. **Conditions to Qualify for Grants.** The following conditions shall be satisfied by Developer for the entire term of this Agreement in order to qualify for the Grants:

a. Receipt by the City by June 30, 2025 of an updated hotel market feasibility study, which contains an economic impacts analysis of the Project, (the “Market Study”) from HVS Consulting & Valuation, having an effective date of April 1, 2025, or later, that includes the projected IRR for the Hotel.

b. Receipt and approval by the City of conditional letters of financing approval for the Project from all lender and equity partners prior to December 31, 2025.

c. Receipt and written approval by the City of Developer’s lender and equity partner final financing terms and construction requirements containing all items contained in Section 3(f) below.

d. Commencement of construction of the Hotel by December 31, 2026 (the “Commencement Date”), and completion of construction (as hereinafter defined) of the Hotel shall occur by April 30, 2029 (the “Completion Deadline”), as such Completion Deadline may be extended, pro tanto, by delays caused by Force Majeure (as defined in Section 8 below). So long as Developer i) has paid and the City has verified at least \$100,000,000.00 of construction costs under its “Construction Contract”, as such term is defined in the McKinney Community Development Corporation Loan Agreement executed in conjunction with this Agreement, by April 30, 2029, ii) the Project remains under continuous construction, iii) no default is continuing under this Agreement or in the agreements described in Section 10(p) below, and, iv) Developer is using commercially reasonable efforts to complete the Project, the Completion Deadline shall be extended up to April 30, 2030. “Completion of Construction” shall mean that a Final CO for the Hotel has been issued to Developer and the Hotel has opened to the public for overnight guest stays. The City shall exercise its customary practices in issuing the Final CO and other approvals necessary for Developer to achieve Completion of Construction.

e. The Hotel shall be branded “JW MARRIOTT RESORT MCKINNEY CRAIG RANCH” hotel, and the JW Marriott franchise therefor shall be maintained for the Hotel for the entire term of this Agreement.

f. The Hotel shall be constructed on approximately 8.011 acres located on the northeast corner of Collin McKinney Parkway and Van Tuyl Parkway as more particularly described on **Exhibit A** attached hereto, and shall contain at least 290 guest rooms and approximately 51,575 square feet of conference space consisting of:

(i) a main ballroom of at least a 12,000 square feet with movable partitions to create 4 separate spaces;

(ii) a junior ballroom of at least a 5,000 square feet with movable partitions to create 3 separate spaces;

- (iii) breakout rooms of at least 4,500 square feet with movable partitions to create 3 separate spaces;
- (iv) boardrooms of an estimated 1,000 square feet;
- (v) pre-function space of an estimated 12,825 square feet;
- (vi) banquet preparation and service space of an estimated 11,750 square feet; and
- (vii) outdoor event space of an estimated 6,750 square feet.

g. The Hotel's on-site amenities shall include a resort style pool with "lazy river," fitness center, concierge, three-meal restaurant and specialty restaurant, pickleball courts, lounge with terrace/pool seating and food/beverage service, structured parking, valet and self-parking, gift/sundries shop, and business center. Day passes to the hotel's recreational amenities shall be available to non-guests on a "daily fee" basis, subject to agreed rules and blackout periods. The Hotel shall have a marketing program that specifically promotes tourism as a primary business purpose and goal.

h. The Hotel's off-site amenities shall include guest access to the golf course at TPC Craig Ranch and the Lifetime Fitness and Spa facility.

i. JW Marriott-specified finishes throughout the Hotel.

j. At the time of payment of any portion of the Grants, Developer shall not be delinquent in the payment of any ad valorem taxes then owed by Developer on the Hotel (provided, however, Developer retains the right to timely and properly protest and contest any such ad valorem taxes).

k. At the time of payment of any portion of the Grants, Developer shall be in continuous compliance under the covenants or obligations of any related McKinney Community Development Corporation and McKinney Economic Development Corporation grant or loan agreement made incident to the Hotel.

If the requirements and qualifications set forth in subsections (a), (c)-(j) have not been met by the Completion Deadline, it shall not constitute a default, but this Agreement shall automatically terminate and be null and void. If, after all of the conditions set forth in subsections (a)-(j) above have been initially satisfied, any of the conditions set forth in subsections (a)-(j) above are thereafter not satisfied during any period of time (quarterly for the Sales Tax Grant and City HOT Grant; and annually for the Ad Valorem Tax Grant) for which a Grant is calculated, then if such failure of a condition is not cured within thirty (30) days after written notice from the City to Developer of such failure, the City shall be relieved of its obligation to pay the portion of the Grant related to such calendar quarter or year; provided, however, that the subsequent failure of any of the conditions set forth in subsections (a)-(j) above (after such conditions have been initially satisfied) shall not constitute a default hereunder, except that failure of the condition set forth in subsection (k) above that is not cured prior to the expiration of the notice and cure period set forth in Section 7(b) below shall constitute an Event of Default hereunder. Notwithstanding anything to

the contrary herein, Developer's failure satisfy Section 3(b) above shall constitute a default, and this Agreement shall automatically terminate on January 1, 2027, without notice and cure. Furthermore, in the event the City pays any portion of the Grant to Developer for a particular period based upon a statement or information provided by Developer to the City that is incorrect and which, if corrected, would have resulted in Developer not being entitled to the portion of the Grant related to the applicable period for which the statement or information was provided, then Developer shall refund to the City the portion of the Grant which Developer received based upon such statement or information within thirty (30) days after receipt of written demand by the City and determination of the inaccuracy of such statement or information. If Developer fails to refund such portions of the Grant as provided above, the City shall have the right to bring an action against Developer for the payment of such refund.

4. **Effective Date; Term of this Agreement.** The Effective Date of this Agreement shall be the date of Completion of Construction as defined in Section 3(d) above. The term of this Agreement shall commence on the Effective Date and shall continue until the date that the Sales Tax Grant, Ad Valorem Tax Grant, City HOT Grant, and the State Tax Grants have been fully disbursed in accordance with the terms of this Agreement, unless sooner terminated under the last full paragraph of Section 3 above, Section 7(b), 7(c), 9(d), 9(e) or 10(p) (the "**Term**").

5. **Calculation and Payment of Sales Tax Grants.** The parties agree that the dollar amount of Sales Tax Receipts eligible for the Grants payable to Developer shall be derived from the sale of Taxable Items at the Hotel or Property, as described above, and the sales and use tax information furnished by Developer and the Texas Comptroller or any successor agency charged with collecting such information and preparing such reports. In order to obtain the Grants, Developer shall provide the City with a Sales Tax Certificate (the "**Sales Tax Certificate**") in the form attached hereto as **Exhibit C** for each applicable calendar quarter, or portion thereof, during the term of this Agreement. The Sales Tax Certificate shall at a minimum contain, include, or be accompanied by the following:

a. A schedule detailing the amount of sales and use tax collected by Developer (or its Affiliates, lessees, sublessees, or licensees) at the Hotel and the Property and paid to the Texas Comptroller for the previous calendar quarter;

b. A copy of all sales and use tax returns and reports, sales and use tax prepayment returns, direct payment permits and reports, including amended sales and use tax returns or reports, filed by Developer (or its Affiliates, lessees, sublessees, or licensees) with the Texas Comptroller for the previous calendar quarter period showing the sales and use tax collected and paid to the Texas Comptroller for the Hotel and the Property;

c. A copy of all direct payment and self-assessment returns, including amended returns, filed by Developer (or its Affiliates, lessees, sublessees, or licensees) with the Texas Comptroller for the previous calendar quarter period showing the sales and use tax collected at the Hotel;

d. Information concerning any refund or credit received by Developer (or its Affiliates, lessees, sublessees, or licensees) from the Texas Comptroller of sales and use tax paid or collected at the Hotel and the Property which has been reported by Developer

in a Sales Tax Certificate for a previous calendar quarter and for which an installment of the Sales Tax Grant has been paid by the City; and

e. A schedule detailing the total sale of Taxable Items at the Hotel and the Property for the previous calendar quarter.

Developer's failure to provide the City with a Sales Tax Certificate for an applicable calendar quarter within ninety (90) days after the end of such calendar quarter shall not constitute a default under this Agreement, but shall relieve the City of its obligation to pay that portion of the applicable Grant that relates to such calendar quarter. The City shall pay Developer an installment of the applicable Grant from the Sales Tax Receipts received for each quarter of the calendar year within sixty (60) days of receipt of the Sales Tax Certificate and accompanying information required above, and the City's portion of the Sales Tax Receipts from the Texas Comptroller's Report indicating the sales tax collection reported to the Texas Comptroller for the Hotel and the Property.

6. **Confidentiality.** Developer, its successors and assigns, shall sign and submit to the City and the Texas Comptroller, the Waiver of Sales Tax Confidentiality form attached hereto as **Exhibit D.** Developer and the City acknowledge that the information regarding sales taxes generated by the Hotel and the Property is commercial or financial information which is proprietary and confidential, the disclosure of which could cause competitive harm to Developer. To the maximum extent permitted by law and in conformity with the Texas Public Information Act (the "**TPIA**"), the City shall maintain the confidentiality of the information contained in the Sales Tax Certificates or similar reporting forms filed by Developer with the Texas Comptroller and the sales tax revenue generated by the Hotel and the Property (collectively, the "**Sales Information**"), but shall be permitted to disclose the Sales Information to such employees and consultants of the City as the City, in its reasonable discretion, deems appropriate in furtherance of the purposes set forth herein. If the City receives any TPIA requests for public information or court orders to release any of the Sales Information, then prior to responding to the same, the City shall provide Developer with at least ten business days prior written notice in accordance with the provisions of Section 11(h) below (or such longer notice as required under applicable law or such shorter notice as practicable, so as to allow the City to comply with the TPIA and such court order).

7. **Default.**

a. The following shall constitute an "**Event of Default**" under this Agreement:

(i) Upon the expiration of the notice and cure period set forth in the first sentence of Section 7(b) below, the City's failure to process any portion of the Grants owing to Developer in accordance with this Agreement.

(ii) Upon the expiration of the notice and cure period set forth in the first sentence of Section 7(b) below, a failure of Completion of Construction to occur on or before the Completion Deadline (as the same may have been extended by Force Majeure).

(iii) Upon the expiration of the notice and cure period set forth in the first sentence of Section 7(b) below, Developer's failure to pay any real or business

personal ad valorem taxes or other material fees or charges owed by Developer to the City prior to delinquency (provided, however, Developer retains the right to timely and properly protest and contest any such taxes or fees, and so long as Developer is timely and properly protesting or contesting the same, it shall not constitute an Event of Default).

(iv) A breach of any representation made in this Agreement by Developer or the City.

(v) A breach under any related McKinney Community Development Corporation or McKinney Economic Development Corporation grant or loan agreement made incident to the Project.

b. In the event of the occurrence of a default described under Section 7(a) above, the non-defaulting party shall have the right to give written notice to the defaulting party of such default, and the defaulting party shall have thirty (30) days thereafter to cure said default or if the defaulting party is diligently pursuing the cure of such default, but such default is not reasonably curable within thirty (30) days, then the defaulting party shall have such additional amount of time as is reasonably necessary to cure such default. Should said default remain uncured after such cure period and the non-defaulting party is not otherwise in default hereunder, then the non-defaulting party shall have the right to give the defaulting party a notice (the “Second Notice”) that this Agreement shall immediately terminate if such default is not cured within fifteen (15) days after the Second Notice is given, and if such default is not cured within such additional 15-day period, regardless of the amount of time reasonably necessary to cure, then this Agreement shall terminate without further action by either party. In addition and without terminating this Agreement, Developer shall further have the power to enforce specific performance or bring an action to collect amounts owing upon an Event of Default by the City. Developer shall further have the right to seek a judicial declaration of the total amount of Grants owed to it by the City. No action shall lie for damages by either party (beyond the foregoing amounts owed by the City upon an Event of Default by the City), including punitive damages, and no special or consequential damages shall be recovered by either party.

c. This Agreement shall terminate upon the occurrence of any one of the following:

(i) the execution by both parties of a written agreement terminating this Agreement;

(ii) the expiration of the term of this Agreement;

(iii) at the option of the non-defaulting party (subject to the notice and cure and other provisions of Section 7(b) above), after an Event of Default.

(iv) Developer’s failure to satisfy Section 3(b) above.

d. Attorney's fees may be awarded by a court of competent jurisdiction in any legal proceeding to enforce this Agreement, in which case the attorney's fees shall be paid by the party so ordered to pay.

e. The City's sole and exclusive remedies for a breach by Developer under this Agreement shall be those expressly provided for in this Section 7 and elsewhere in this Agreement, and the City hereby waives any other remedies under law or in equity.

f. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE CITY VOLUNTARILY WAIVES ITS RIGHT TO ASSERT SOVEREIGN IMMUNITY FROM SUIT OR LIABILITY IN RESPONSE TO AN ACTION BY DEVELOPER SEEKING ONLY THE REMEDIES SPECIFIED IN THIS AGREEMENT. THE CITY DOES NOT OTHERWISE WAIVE IMMUNITIES EXISTING UNDER APPLICABLE LAWS, AND IT IS EXPRESSLY UNDERSTOOD THAT THE WAIVER HERE GRANTED IS A LIMITED AND NOT A GENERAL WAIVER, AND THAT ITS EFFECT IS LIMITED TO SPECIFIC CLAIMS UNDER THIS AGREEMENT.

8. **Force Majeure.** For purposes of this Agreement, the term "Force Majeure" shall mean and include (a) labor disputes, strikes, lockouts, action of labor unions; (b) inability after expending reasonable efforts to procure, or general shortage of, labor, equipment, facilities, materials, or supplies in the ordinary course of business on the open market; (c) fire, earthquake, floods, explosion, act of God, severe and adverse weather conditions; (d) war, invasion, riots, insurrections, civil commotion, mob violence, sabotage, act of the public enemy, terrorist acts; (e) condemnation, requisition, moratorium, unusual delay in transportation, unforeseeable acts, or failures to act by the City, save and except normal development review processes dependent upon Developer's compliance with codes, or any other governmental entity or their respective agents or employees, unforeseeable governmental restrictions, regulations, or controls; or (f) other causes beyond the reasonable control of Developer after the exercise of due diligence. Force Majeure shall not mean nor include delays caused by Developer's lack of, or inability to obtain, equity or lender funding or the PLR.

9. **Assignment.**

a. Except as hereinafter provided, this Agreement may not be assigned by either party without the written consent of the other party.

b. So long as no Event of Default under this Agreement exists and remains uncured, Developer shall have the right, without the City's consent but with notice to the City, to transfer or assign this Agreement to an Affiliate (as hereinafter defined) of Developer, provided that the operations of such Affiliate at the Hotel are not materially different than those conducted by Developer or its Affiliates nationally and Developer notifies the City in writing of such transfer or assignment promptly after the effective date thereof. "Affiliate" shall mean (i) any entity that controls, is controlled by, or is under common control with Developer; (ii) a successor corporation related to Developer by merger, consolidation, non-bankruptcy reorganization, or government action; (iii) a joint venture or partnership in which Developer or another entity satisfying the criteria of an

Affiliate set forth in (i)-(ii) of this definition is a general partner; or (iv) an owner/developer of the project that has a written agreement for Developer to manage and operate the Hotel.

c. The transfer or assignment of this Agreement to an entity which does not satisfy the requirements of Section 9(b) above shall require the City's consent as evidenced by a Resolution duly enacted by the City Council after receipt by the City of Developer's written notification of such proposed transfer at least sixty (60) days prior to the effective date thereof. The City's consent may be withheld, conditioned, or delayed in its sole and absolute discretion and may be conditioned upon the express assumption by such transferee/assignee of all of Developer's obligations set forth in this Agreement. An assignment of this Agreement executed by the City and recorded in the real property records where the Hotel is located shall be conclusive evidence of the City's consent to such assignment.

d. Any attempted transfer or assign this Agreement by Developer in violation of the terms set forth in this Section 9 shall be void ab initio and shall entitle the City to terminate this Agreement by written notice to Developer; provided, however, that such termination shall not be effective if within ten (10) days after its receipt of the City's termination notice, Developer notifies the City that Developer has rescinded such attempted transfer or assignment.

e. Nothing in this Agreement shall prohibit Developer from conveying or leasing any interest in the Hotel; provided, however, that if Developer conveys or leases a substantial portion of its interest in the Hotel to any party other than an Affiliate as permitted in Section 9(b) above, then unless an assignment of this Agreement executed by the City has been recorded in the real property records where the Hotel is located at the time of such conveyance or lease, this Agreement shall terminate automatically and immediately without any further action required on the part of either party. To memorialize such termination, the City shall execute a confirmation of such termination which shall be recorded in the real property records where the Hotel is located.

10. **Miscellaneous.**

a. All construction shall be in accordance with applicable rules, regulations, and ordinances of the City, subject to any variances granted in writing by the City.

b. It is acknowledged and agreed by the parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the parties. It is further understood and agreed by the parties that Developer and the City, in satisfying the conditions of this Agreement, have acted independently, and assume no responsibility or liability to third parties in connection with these actions.

c. This Agreement contains the entire understanding of the parties with respect to the matters contained herein and may not be modified or terminated except in accordance with the provisions hereof or by the mutual written agreement of the parties hereto.

d. This Agreement shall be construed in accordance with the laws of the State of Texas and shall be performable in Collin County, Texas.

e. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

f. The individuals executing this Agreement on behalf of the respective parties below represent to each other and to others (i) that all appropriate and necessary action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the party for which his or her signature appears, (ii) that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement on the party for whom the individual is signing this Agreement, and (iii) that each individual affixing his or her signature hereto is authorized to do so and such authorization is valid and effective on the date hereof. This Agreement was approved by the City Council of the City at its meeting on June 3, 2025.

g. This Agreement is executed by the parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is forever confessed.

h. Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses:

If to the City: City of McKinney, Texas
410 E. Virginia Street
McKinney, TX 75069
Attn: City Manager

With required copy to: Brown & Hofmeister, LLP
740 E. Campbell Road, Suite 800
Richardson, TX 75081
Attn: Mark Houser

If to Developer: Craig Ranch Luxury Hotel SPE Owner, LP
14185 Dallas Parkway, Suite 1200
Dallas, TX 75254
Attn: Richard Stockton

With required copy to: Abernathy, Roeder, Boyd & Hullett, P.C.
1700 Redbud Boulevard, Suite 300
McKinney, TX 75069
Attn: Robert H. Roeder and Randy Hullett

Each party may change the address to which notice may be sent to that party by giving notice of such change to the other parties in accordance with the provisions of this Agreement.

i. This Agreement may be executed in any number of identical counterparts, each of which shall be deemed an original for all purposes.

j. In case any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. If any subsequent federal or state legislation or any decision of a court of competent jurisdiction declares or renders this Agreement or any part hereof invalid or illegal, the parties agree to terminate (or if feasible, modify) this Agreement and to negotiate in good faith a remedy that preserves the intent of the parties hereunder as much as reasonably possible.

k. Each signatory represents this Agreement has been read by the party for which this Agreement is executed and that such party has had an opportunity to confer with its counsel.

l. Time is of the essence in this Agreement.

m. The recitals to this Agreement are incorporated herein for all purposes. The following exhibits are attached to this Agreement and incorporated by reference herein for all purposes:

Exhibit A — Property

Exhibit B — Site Plan

Exhibit C — Form of Sales Tax Certificate

Exhibit D — Waiver of Sales Tax Confidentiality

Exhibit E — Chapter 2264 Certification

n. The parties agree this Agreement has been drafted jointly by the parties and their legal representatives.

o. Nothing in this Agreement shall be implied to vest any rights in the parties. In addition, nothing contained in this Agreement shall constitute a “permit” as defined in Chapter 245, Texas Local Government Code. **DEVELOPER WAIVES ANY STATUTORY CLAIM THAT THIS AGREEMENT ESTABLISHES VESTED RIGHTS UNDER CHAPTER 245 OF THE TEXAS LOCAL GOVERNMENT CODE. THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.**

p. It is expressly understood that this Agreement shall be binding upon and benefit the parties hereto only upon execution by both parties and upon the McKinney Community Development Corporation’s execution of a \$25,000,000.00 grant and related \$10,250,000.00 loan to the Project, and upon the McKinney Economic Development Corporation’s execution of a \$2,000,000 grant to the Project, but will not be effective until Completion of Construction and (the “Effective Date”). If, for any reason, Developer has not completed construction of the Hotel by the Completion Deadline as may be extended,

and subject to events of Force Majeure, this Agreement shall terminate and be of no further force or effect.

q. Developer's Acknowledgement of City Compliance with Tex. Govt. Code. Developer has executed a certification in the form attached hereto as Exhibit E and acknowledges that the City is required to comply with Chapter 2264 of the Texas Government Code, enacted by House Bill 1196 (80th Texas Legislature), which relates to restrictions on the use of certain public subsidies. In the event that Developer, or any branch, division, or department of Developer, is convicted of a violation under 8 U.S.C. Section 1324a(f) (relating to federal criminal penalties and injunctions for a pattern or practice of employing unauthorized aliens), subject to any appellate rights that may lawfully be available to and exercised by Developer, Developer shall repay funds paid to Developer as grants or tax rebates or refunds or expended on infrastructure development and improvements designed to principally benefit Developer, if any, within one hundred twenty (120) calendar days following receipt of written demand from the City, plus simple interest at a rate of one percent (1%) per annum.

r. Developer Representations Regarding Compliance With Certain Tex. Govt. Code Provisions. The Developer makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(i) Developer hereby represents that a completed Certificate of Interested Parties Form 1295 ("Form 1295") generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908, Texas Govt. Code and the rules promulgated by the TEC, was previously submitted to the City by Developer in connection with this Agreement. The City hereby agrees to acknowledge such form with the TEC through its electronic filing application within 30 days of the effective date hereof. Developer and the City understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in any Form 1295 and neither the City nor its consultants have verified such information. The City and Developer also agree that the transactions contemplated by this Agreement and the respective obligations of the City and Developer hereunder, shall not be modified, released, or excused by the failure of Developer to properly complete a Form 1295, except as set forth in the following sentence. The submission of any Form 1295 by Developer that does not provide a sufficient basis for the City to enter into this Agreement in accordance with Section 2252.908(d), Texas Govt. Code, shall result in the automatic dismissal and removal of Developer from its duties and rights hereunder and Developer shall not be considered a Party to this Agreement.

(ii) Not a Sanctioned Company. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(iii) No Boycott of Israel. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and shall not boycott Israel during the term of this Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(iv) No Discrimination Against Firearm Entities. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and shall not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(v) No Boycott of Energy Companies. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and shall not boycott energy companies during the term of this Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties have executed this Agreement and caused this Agreement to be effective on the Effective Date as described herein.

CITY:

City of McKinney, Texas, a Texas home rule municipality

By: _____
Paul G. Grimes, City Manager

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

This instrument was acknowledged before me on _____, 2025, by Paul G. Grimes, City Manager of the City of McKinney, Texas, a Texas home rule municipality, on its behalf.

Notary Public, State of Texas

DEVELOPER:

Craig Ranch Luxury Hotel SPE Owner LP, a
Delaware limited partnership

By: Craig Ranch Luxury Hotel SPE GP LLC,
a Delaware limited liability company,
General Partner

By: _____
Richard Stockton, President

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2025, by
Richard Stockton, President of Craig Ranch Luxury Hotel SPE GP LLC, a Delaware limited
liability company, General Partner of Craig Ranch Luxury Hotel SPE Owner LP, a Delaware
limited partnership, on its behalf.

Notary Public, State of Texas

Exhibit A
Property

Exhibit B
Site Plan

Exhibit C
Form of Sales Tax Certificate

Exhibit D
Waiver of Sales Tax Confidentiality

Date: _____, 202__

I authorize the Texas Comptroller of Public Accounts to release sales tax information pertaining to the taxpayer indicated below to the City of McKinney. I understand that this waiver applies only to our retail store located in

Please print or type the following information as shown on your Texas Sales and Use Tax permit:

Name of Taxpayer Listed on Texas Sales Tax Permit:

Name under Which Taxpayer is Doing Business (d/b/a or Outlet Name):

Taxpayer Mailing Address:

Physical Location of business Permitted for Sales Tax in McKinney, Texas

Texas Taxpayer Number:

Tax Outlet Number:

(As Shown on Texas Sales Tax Permit)

Authorized Signature

Print Name of Authorized Signature

Position of Authorized Signature

Phone of Authorized Signature

The authorized signature shall be the owner, officer, director, partner, or agent authorized to sign its Texas Sales Tax Return. If you have any questions concerning this waiver of confidentiality, please contact the Texas Comptroller of Public Accounts (512) 531-5441.

Exhibit E
Chapter 2264 Certification