

**CITY OF MCKINNEY, TEXAS
AND
MCKINNEY ECONOMIC DEVELOPMENT CORPORATION**

LOAN AGREEMENT

WHEREAS, this Loan Agreement is between the **CITY OF MCKINNEY, TEXAS**, a Texas municipal corporation, with its principal offices at 401 E. Virginia Street, McKinney, Texas 75069 (“Lender”), and the **MCKINNEY ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation, with its principal office at 7300 SH 121 SB Suite 200, McKinney, TX 75070 (“Borrower”), and is made and executed pursuant to Chapter 380.001(a) of the Texas Local Government Code on the terms and conditions set forth herein; and

WHEREAS, the Borrower understands and agrees that: (a) Lender is relying upon Borrower’s representations, warranties, and agreements, as set forth and provided for in this Agreement; (b) the loaning, renewing, or extending of this Loan by Lender at all times shall be subject to Lender’s sole judgment and discretion; and (c) such Loan shall be and shall remain subject to the following terms and conditions; and

NOW, THEREFORE, in consideration of the premises and of the mutual covenants, warranties, and agreements of the parties, it is agreed as follows:

SECTION 1. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement.

- a. Agreement.** The word “Agreement” means this Loan Agreement, together with all exhibits and schedules attached to this Loan Agreement from time to time, if any.
- b. Land Purchase.** The words “Land Purchase” means the real property subject of that one certain Purchase and Sale Agreement covering 182 acres of land in the R.H. Locke Survey, Abstract No. 517, City of McKinney, Collin County, Texas dated effective December 12, 2024.
- c. Lender.** The word “Lender” means the City of McKinney, Texas, a duly incorporated home-rule municipal corporation.
- d. Borrower.** The word “Borrower” means the McKinney Economic Development Corporation, a Texas non-profit corporation.
- e. Effective Date:** The words “Effective Date” mean the date of March 25, 2025.

- f. Event of Default.** The words “Event of Default” mean and include any of the Events of Default set forth below in the section entitled “Events of Default.”
- g. Loan.** The word “Loan” means and includes any and all interfund transfers, funding and financial accommodations from the Lender to the Borrower, whether now or hereafter existing, and however evidenced, including without limitation those funds and financial accommodations described in this Agreement and described on any exhibit or schedule attached to this Agreement.
- h. Loan Allocation.** The words “Loan Allocation” shall have the meaning set forth in Section 2.
- i. Term.** The word “Term” shall mean the period beginning March 25, 2025 and ending on or before June 1, 2025.

SECTION 2. SCOPE AND PURPOSE OF THE LOAN

In accordance with the terms and conditions of Section 3, the Lender shall loan the Borrower up to Ten Million and No/100 Dollars (\$10,000,000.00) (“Loan Allocation”). Borrower shall use the Loan Allocation in connection with funding the Land Purchase. The Loan shall bear interest at the average daily TexPool rate for April 2025 (currently 4.32%), payable at maturity on all amounts advanced, until fully paid.

SECTION 3. FUNDING AND AFFIRMATIVE COVENANTS.

The Borrower covenants and agrees with the Lender that, while this Agreement is in effect, it shall comply with the terms and conditions listed below:

- a. Funding and Affirmative Covenants.** Upon the execution of this Agreement and the commencement of the Term, Borrower shall be entitled to an advance of the Loan Allocation.
- b. Additional Assurances.** The Borrower agrees to make, execute and deliver to the Lender such other receipts, instruments, documents and other agreements as the Lender or its attorneys may reasonably request to evidence the expenditure of the Loan Allocation.
- c. Performance.** The Borrower agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement.

SECTION 4. CESSATION OF FUNDING

If the Lender has made any commitment to make any loan to the Borrower whether under this Agreement or under any other agreement, the Lender shall have no obligation to fund any loan request or disburse any proceeds from the Loan Allocation if an Event of Default occurs. In addition, the Borrower may not apply for and shall not be eligible to receive any future Loans, if it fails to comply with all of the affirmative covenants set forth in this Agreement.

SECTION 5. EVENTS OF DEFAULT

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

- a. False Statements.** Any warranty, representation, or statement made or furnished to the Lender by or on behalf of the Borrower under this Agreement that is false or misleading in any material respect, at whatever time made or furnished.
- b. Other Defaults.** Failure of the Borrower to comply with or to perform any other term, condition, affirmative covenant or obligation contained in this Agreement.

SECTION 6. EFFECT OF AN EVENT OF DEFAULT

If any Event of Default shall occur, all commitments of the Lender under this Agreement immediately will terminate unless within thirty (30) days from receiving written notice, the Borrower responds to the Lender with a plan to remedy the Event of Default set forth in the notice to the satisfaction of the Lender.

SECTION 7. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this Agreement:

- a. Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.
- b. Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Collin County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Collin County, Texas.
- c. Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon the Effective Date. Lender warrants and represents that the individual executing this Agreement on behalf of Lender has full authority to execute this Agreement and bind Lender to the same. Borrower warrants and represents that the

individual executing this Agreement on its behalf has full authority to execute this Agreement and bind Borrower to the same. Each party represents and warrants that it is duly authorized to enter into this Agreement and to perform the obligations contemplated hereunder.

- d. Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.
- e. Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.
- f. Notices.** All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or when deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address shown above.
- g. Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.
- h. Survival.** All warranties, representations, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender under this Agreement shall be considered to have been relied upon by Lender and will survive the making of the Loan.
- i. Time is of the Essence.** Time is of the essence in the performance of this Agreement.

[signatures on following page]

THE BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS LOAN AGREEMENT, AND THE BORROWER AGREES TO ITS TERMS. THIS AGREEMENT IS DATED EFFECTIVE AS OF MARCH 25, 2025.

LENDER:

CITY OF MCKINNEY, TEXAS,
a Texas home-rule municipal corporation

By: _____
Name: Paul G. Grimes
Title: City Manager

BORROWER:

**MCKINNEY ECONOMIC
DEVELOPMENT CORPORATION,**
a Texas non-profit corporation

By: _____
Name: Michael A. Kowski, Jr.
Title: President and CEO

By: _____
Name: Brian S. Loughmiller
Title: Chairman of the Board

PREPARED IN THE OFFICES OF:

BROWN & HOFMEISTER, L.L.P.
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