

PHASE II INCENTIVE AGREEMENT FOR NEW ECONOMIC DEVELOPMENT

THIS PHASE II INCENTIVE AGREEMENT FOR NEW ECONOMIC DEVELOPMENT (this "Agreement") is entered into by and between the Anna Community Development Corporation, a Texas Type B development corporation ("ACDC"), and Q Seminole Anna Town Center, L.P., a Texas limited partnership ("Developer").

WHEREAS, the Texas Legislature in Section 4B of Article 5190.6, Vernon's Texas Revised Civil Statutes (Development Corporation Act of 1979), now codified as Subtitle C1, Title 12, Texas Local Government Code, empowered local communities with the ability to adopt an optional local sales and use tax as a means of improving the economic health and prosperity of their citizens; and

WHEREAS, residents of the City of Anna, Texas ("City") voted to authorize the creation of the ACDC and the allocation of a sales and use tax for the promotion and development of new and expanded business enterprises at the rate of three-quarters of one percent; and

WHEREAS the ballot language of the measure approved by the voters was sufficient to authorize the use of such funds for projects like the one contemplated by this Agreement; and

WHEREAS, the ACDC exist for the purposes of encouraging and assisting entities with economic development projects and the creation of jobs for the benefit of the local economy and the citizens of Anna, Texas; and

WHEREAS, the ACDC is governed by a boards of directors (the "ACDC Board"), which is authorized to approve the ACDC's projects and expenditures; and

WHEREAS, Section 501.073, Texas Local Government Code, formerly Section 21 of the Texas Development Corporation Act of 1979, Art. 5190.6, Vernon's Texas Revised Civil Statutes, requires a municipality's governing body to approve all programs and expenditures of a development corporation authorized by such municipality; and

WHEREAS, Developer owns the Phase II Development, a portion of which Developer and the ACDC desire an emergency healthcare FED to be developed; and

WHEREAS, UHS of Texoma, Inc., a Delaware corporation (together with any entity controlled by UHS of Texoma, Inc., "UHS"), specializes in hospital systems including but not limited to health care FEDs and emergency rooms and has entered or will enter into a purchase and sale agreement with Developer for the development of an approximately 13,000 square foot free standing emergency department building (the

“FED”) to be located within the Phase II Development on a tract of land consisting of approximately 14.89 acres more particularly described in **Exhibit B** attached to this Agreement and as depicted on **Exhibit C-1** as "Block A, Lot 8", the FED structure being as generally shown in **Exhibit C-2**, attached to this Agreement (the “FED Property”); and

WHEREAS, a proposed site plan of the FED Property is attached hereto as **Exhibit C-1**, which sets forth the layout of parking lots, traffic areas, fire lanes, buildings, and other development aspects normally required to be including in site plans when required to be submitted in a development application to the City of Anna, Texas; and

WHEREAS, the Phase II Infrastructure Improvements are necessary for the development of the FED Property; and

WHEREAS, the City currently lacks the type of health care FED and emergency room to treat patients and to draw consumers from within and outside of the local area and serve as a magnet for other retail and service-related companies to locate in the City; and

WHEREAS, it is projected that the location and operation of the FED in the City will directly create a minimum of 25 jobs; and

WHEREAS, the ACDC recognizes the positive economic impact that the Project will bring to the City through development and diversification of the economy, reduction of unemployment and underemployment through the production of new jobs, the attraction of new businesses, and the additional tax revenue; and

WHEREAS, the payments to Developer under this Agreement are exclusively performance-based so that no payments will be made to Developer until and unless the Phase II Infrastructure and FED are constructed and operated; and

WHEREAS, on November _____, 2018, the ACDC Board determined that it is in the best interests of the citizens of Anna, Texas that economic development funds be provided to Developer in exchange for the satisfaction of certain obligations undertaken by Developer as described in this Agreement, including but not limited to causing the FED to be developed and operated within the area planned for the Phase II Development; and

WHEREAS, the ACDC Board has further determined that the obligations it is undertaking in this Agreement including expenditures of economic development funds are required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, namely the expenditures for the infrastructure that constitutes the Project, as hereinafter defined; and

WHEREAS, the City has a population of less than 20,000 and Section 501.103 of the

Texas Local Government Code authorizes the ACDC to expend economic development funds derived from the ACDC's respective sales and use tax revenue for certain infrastructure improvement projects and such projects will assist Developer with the costs of the Phase I Development and Phase II Development; and

WHEREAS, on November 8, 2016, a majority of the qualified voters in the City approved a provision that allocated to the ACDC three-quarters of one percent from the two percent local option sales and use tax; and

NOW, THEREFORE, in consideration of the covenants, promises, and conditions stated in this Agreement, the ACDC and Developer agree as follows:

Section 1. Effective Date.

The Effective Date of this Agreement shall be the date that the last of the following events have occurred: (1) the ACDC Board has duly resolved to undertake the project that is the subject of this Agreement and to enter into this Agreement; (2) the Parties to this Agreement have duly executed same; (3) the City of Anna, Texas City Council ("City Council") has by duly adopted resolution authorized the Project and associated expenditures by the ACDC; and (4) Developer closes on the sale of the FED Property to UHS, which shall occur on or before June 30, 2020. This Agreement shall be of no effect until and unless all four of said events have timely occurred.

Section 2. Term and Termination.

2.01 The term of this Agreement shall commence on the Effective Date. The term of the payment period for the payments to be made to Developer under Section 5 of this Agreement is two times each year (on January 1 and June 1 each year) for 20 years beginning on January after the date that the City issues a Certificate of Occupancy for the FED.

2.02 This Agreement and all obligations of the Parties hereto shall terminate upon full performance of the Parties' respective obligations under this Agreement. The City and Corporation may, at their sole discretion, terminate this Agreement upon any of the following events:

- (a) Developer fails, after notice and expiration of the Cure Period, to timely construct, or cause to be constructed, the Phase II Infrastructure Improvements, in accordance with Section 4 of this Agreement;
- (b) UHS fails to timely commence construction, construct, or cause to be constructed, the FED, in accordance with Section 4.01 of this Agreement;
- (c) Developer fails to close on the sale of the FED Property to UHS on or before

the date for such closing as stated in Section 1 of this Agreement.

Section 3. Recitals Incorporated and Definitions.

3.01 The recitals in the preamble to this Agreement are hereby incorporated for all purposes.

3.02 The following words or phrases shall have the following meanings:

“Certificate of Occupancy” means a document entitled “Certificate of Occupancy” (or other similar title) issued by City upon substantial completion of the FED in accordance with applicable City Regulations. A Certificate of Occupancy shall not include a certificate issued in error, mistake or misrepresentation of facts, but shall include any temporary certificate of occupancy or other document authorizing temporary or conditional occupancy.

“City Code” means the Anna City Code of Ordinances.

“City Council” means the governing body of the City of Anna, Texas.

“City Manager” means the City Manager of the City of Anna, Texas.

“City Regulations” mean City Code provisions, ordinances, design standards, uniform codes, and other policies duly adopted by the City.

“Commence Construction” means to commence the work of constructing any part of the Phase II Infrastructure Improvements or the healthcare FED, as applicable: (i) with all approvals thereof required by the City obtained as necessary; (ii) after a notice to proceed has been issued to Developer’s contractor(s); and (iii) onsite construction of the site development components (such as drainage, extensive grading or utilities) is underway and being pursued.

“Completion” as relates to construction of the Phase II Infrastructure Improvements means: (i) substantial completion of said infrastructure and improvements in accordance with the terms of this Agreement and the plans and specifications approved by the City therefor; and (ii) written acceptance by the City of all said infrastructure and improvements which shall not be unreasonably withheld.

“Cost of Phase II Infrastructure Improvements” means the dollar amount actually paid for the engineering, design, and construction of the Phase II Infrastructure Improvements at the time of full and final completion, dedication and acceptance the Phase II Infrastructure Improvements. An estimate of the Cost of Phase II Infrastructure Improvements is attached hereto as **Exhibit D**.

“Cure Period” means a 60-day period as set forth in Section 8.8 of this Agreement.

“Parties” mean the ACDC and Developer.

“Phase I Development” has the meaning set forth in the Phase I Incentive Agreement.

“Phase I Incentive Agreement” means that certain Incentive Agreement for New Economic Development executed on or about April 16, 2015, as amended by that certain First Amendment to Incentive Agreement for New Economic Development dated as of December 7, 2017, by and among ACDC and Developer.

“Phase II Development” means the area of land that includes but is not limited to the FED Property and upon which and/or for which the Phase II Infrastructure Improvements shall be constructed, said area of the Property being legally described in **Exhibit A**, attached to this Agreement.

“Phase II Infrastructure Improvements” mean those certain infrastructure improvements to be constructed, or caused to be constructed, by Developer in accordance with this Agreement and identified as follows:

- (a) Water system improvements including:
 - (1) the water line labeled as “Line A” in **Exhibit E**, attached to this Agreement; and
 - (2) the water line labeled as “Line B” in **Exhibit E**, attached to this Agreement; and
- (b) Sanitary sewer system improvements including:
 - (1) the 15” wastewater line labeled as “Line A” in **Exhibit F**, attached to this Agreement; and
 - (2) the 8” wastewater line labeled as “Line B” in **Exhibit F**, attached to this Agreement; and
- (c) Road improvements including:
 - (1) the full 60’ width of the extension of Throckmorton Blvd through the Phase II Development and associated storm sewer, pavement, sidewalk, curb and gutter, street lights, and landscaping improvements as shown in **Exhibit G**, attached to this Agreement; and

- (2) the full 80' width of Hackberry Ln through the Phase II Development and associated storm sewer, pavement, curb and gutter, curbed median, sidewalk, street lights per city adopted design standard as amended, and landscaping and irrigation improvements per city adopted design standard as amended as shown in **Exhibit G**, attached to this Agreement; and
- (d) Storm water system improvements including:
- (1) The storm drain line labelled "Line A" and related in **Exhibit H**, attached to this Agreement; and
 - (2) The storm drain line labelled "Line B" in **Exhibit H**, attached to this Agreement
 - (3) The improvements comprising the storm drain headwall and erosion control/ outfall protection labelled in **Exhibit H**, attached to this Agreement

"Project" means the expenditure of economic development funds to be made by the ACDC in accordance with this Agreement to contribute to the costs of construction of the Phase II Infrastructure Improvements for the purpose of promoting or developing new or expanded business enterprises.

"Project Funds" means an amount that is equivalent to 70% of the Sales and Use Tax revenue that is actually received by the ACDC until the earlier of: (1) expiration of the term of this Agreement; or (2) Developer has received an amount equal to the lesser of \$5,222,857 or the Cost of Phase II Infrastructure Improvements, subject to reduction as described in Section 4.14(a).

"Reallocation or Refund" means any change in the amount of any Sales and Use Tax that: (i) occurs as a result of a reallocation or refund by the State Comptroller; (ii) actually results in a decrease or increase in the ACDC's Sales and Use Tax; and (iii) such decrease or increase occurs during the term of this Agreement.

"Reporting Contract" means the type of contract described in Section 4.06 of this Agreement.

"Retailer" means any person, company, business or other entity or establishment that locates and maintains a retail sales operation at any location within the Phase I Development or the Phase II Development during the term of this Agreement, but specifically excluding UHS.

“Revenue Sharing Agreement” means an agreement covered under Texas Tax Code § 321.3022(b), which allows a municipality to request that the State Comptroller provide information related to the amount of Sales and Use Tax paid during the preceding or current calendar year.

“Sales and Use Tax” means the three-quarters of one percent sales and use tax revenue allocated to the ACDC and that is attributable to sales and use by Retailers in the Phase I Development and Phase II Development, except that revenue attributable to sales and use by Retailers in the Phase I Development shall not be considered Sales and Use Tax under this Agreement unless and until the ACDC has satisfied its obligations in Section 5.01 of the Phase I Incentive Agreement.

“State Comptroller” means the Office of the Texas Comptroller of Public Accounts, or any successor agency thereof.

Section 4. Developer Obligations. The obligations set forth in this Section 4 are conditions for the Payment of Project Funds pursuant to Section 5.

4.01. Construction, Location and Operation of the FED. The FED shall be located within the Phase II Development consistent with the site plan attached hereto as **Exhibit C-1**. Construction work on buildings and site improvements, and all other actions necessary or required by the City Regulations for issuance of a Certificate of Occupancy for the FED, must be complete within twenty four (24) months after the Effective Date, conditioned on timely completion of the Phase II Infrastructure Improvements in accordance with Section 4.03. The Deadline to Commence Construction of the FED is eighteen (18) months after the Effective Date of this Agreement, conditioned on timely completion of the Phase II Infrastructure Improvements in accordance with Section 4.03, subject to extension upon written approval by the City Manager or the City Manager’s designee.

4.02. This section is left blank intentionally.

4.03. Construction Completion. Completion of construction of the Phase II Infrastructure Improvements must occur within twelve (12) months after the Effective Date.

4.04. This section is left blank intentionally.

4.05. Phase II Infrastructure Improvements Invoices. Once the Developer fully completes the Phase II Infrastructure Improvements, Developer shall provide the City Manager with documentation reasonably acceptable to the City Manager evidencing the dollar amount actually paid for the engineering, design, and construction of the Phase II Infrastructure Improvements.

4.06. Reporting Contract and Provision of Information Related to Retailers.

- (a) With respect to every Retailer, Developer shall—before the Retailer is permitted to locate in either Phase I Development or Phase II Development— use commercially reasonable efforts to enter into a Reporting Contract with such Retailer and obtain a fully executed Waiver of Sales Tax Confidentiality. Each Reporting Contract shall include a provision that terminates the Reporting Contract upon termination of this Agreement. Within 10 business days of entering into a Reporting Contract, Developer shall provide the ACDC with a fully-executed, true and correct copy of such contract. Upon written request of the ACDC, Developer shall provide a written assignment of the Reporting Contract to the ACDC, assigning all of Developer’s rights and benefits under the Reporting Contract to the ACDC.

- (b) For each Reporting Contract entered into Developer shall make commercially reasonable efforts to require each Retailer to provide the following in the event that the State Comptroller does not provide Sales and Use Tax information to the City as described by Section 5.05:
 - (1) Within 15 days of the close of each calendar month for which Project Funds will be due to be paid to Developer (such month being referenced in this Section 4.06 as the “Applicable Month”), provide to the ACDC a written schedule (the “Schedule”) detailing for the Applicable Month the Retailer’s revenue that is subject to Phase II Sales and Use Tax, certifying that the Schedule and the additional documents described in subsection (b)(2), below, are based on actual taxable sales and not estimates.
 - (2) In addition to and accompanying the Schedule, submit to the ACDC true and correct copies of the following additional documents for each Applicable Month: a copy of the Retailer’s Texas sales and use tax return, including self-assessed use tax amounts, as well as any amended sales and use tax return(s) and any other documents showing adjustments to the sales and use tax return(s).
 - (3) Within 15 days of a Retailer’s receipt of any refund of any Sales and/or Use Tax, notify the ACDC of such refund, submit to the ACDC written documentation of such refund including the amount and the date it was refunded.
 - (4) Within 15 days of the close of any audit of the Retailer’s Texas sales tax return(s) conducted by the State Comptroller if such audit alters

the amounts set forth on any Schedule submitted to the ACDC, submit to the ACDC written documentation of such audit, including all written materials provided by the State Comptroller that relate to such audit.

- (5) Within 15 days of obtaining a Certificate of Occupancy, execute and deliver to the ACDC a fully completed Waiver of Sales Tax Confidentiality, the form of which is shown in **Exhibit I**, attached to this Agreement.
 - (6) Allow the rights and benefits of Developer under the contract that is the subject of this Section 4.06 to be assigned to the Corporation(s) upon the Corporation(s) providing Developer with a written request for assignment.
- (c) Regardless of Developer's obligations set forth above under subsections (a) and (b), Developer shall provide ACDC with the following information regarding each Retailer: Name, Address and Tax ID Number. This information shall be provided to ACDC within 30 days of a Retailer commencing operations within the Phase I Development or the Phase II Development.

4.07. Performance Bond, Payment Bond and Other Security. Developer shall execute or cause to be executed one or more valid performance bonds in favor of the City and one or more valid payment bonds for the construction, work and materials necessary to complete the Phase II Infrastructure Improvements. Said bonds may be dual obligee bonds and shall be in accordance with Texas Government Code, Chapter 2253 and applicable City Regulations, except that the bonds shall be in an amount that is 110% of the contract price for each construction contract for any part of the Phase II Infrastructure Improvements and shall contain a provision that increases the amount of the bond to the extent that the contract price increases by change order. Developer shall further execute or cause to be executed a valid Maintenance Bond in accordance with applicable City Regulations that guarantee the costs of any repairs which may become necessary to any part of the construction work performed in connection with the Phase II Infrastructure Improvements, arising from defective workmanship or materials used therein, for a full period of two years from the date of final acceptance of the Phase II Infrastructure Improvements constructed under any such contract(s).

4.08. Phase II Public Infrastructure, Generally. Developer shall provide or cause to be provided all Phase II Public Infrastructure, and any required or necessary public improvement not identified in this Agreement that are required by City Regulations in connection with development of the Phase II Development, such as streets, utilities, drainage, sidewalks, trails, street lighting, street signage, and all other

required improvements, at no cost to the City or to the ACDC except to the extent expressly provided in this Agreement, in accordance with City Regulations, and as approved by the City's engineer or his or her agent. Developer shall cause the timely installation of such improvements in accordance with the City Regulations unless otherwise approved herein. Developer shall provide engineering studies, plan/profile sheets, and other construction documents at the time of platting as required by City Regulations. Such plans must be approved by the City's engineer or his or her agent prior to approval of a final plat of any portion of the Phase II Development. Construction of such improvements shall not be initiated until a preconstruction conference has been held regarding the proposed construction and City has issued a written notice to proceed.

4.09 Approval of Plats/Plans. Approval by the City, the City's Engineer or other City employee or representative, of any plans, designs or specifications submitted by Developer pursuant to this Agreement or pursuant to City Regulations shall not constitute or be deemed to be a release of the responsibility and liability of Developer, its engineer, employees, officers or agents for the accuracy and competency of their design and specifications. Further, any such approvals shall not be deemed to be an assumption of such responsibility and liability by the City for any defect in the design and specifications prepared by Designer's engineer, his officers, agents, servants or employees.

4.10. Insurance.

(a) Developer shall or shall cause the construction contractor(s) that will perform the construction work related to the Phase II Infrastructure Improvements to acquire and maintain, during the period of time when any of the Phase II Infrastructure Improvements are under construction (and until the full and final completion of the Phase II Infrastructure Improvements and acceptance thereof by the City: (a) workers compensation insurance in the amount required by law; and (b) commercial general liability insurance including personal injury liability, premises operations liability, and contractual liability, covering, but not limited to, the liability assumed under any indemnification provisions of this Agreement, with limits of liability for bodily injury, death and property damage of not less than \$1,000,000.00. Such insurance shall also cover any and all claims which might arise out of the Phase II Infrastructure Improvements construction contracts, whether by Developer, a contractor, subcontractor, materialman, or otherwise.

(b) Coverage must be on a "per occurrence" basis. All such insurance shall: (i) be issued by a carrier which is rated "A-1" or better by A.M. Best's Key Rating Guide and licensed to do business in the State of Texas; and (ii) name the City as an additional insured and contain a waiver of subrogation endorsement in favor of the City. Upon the execution of Phase II Public Infrastructure construction contracts, Developer shall provide to the City certificates of insurance evidencing such insurance coverage

together with the declaration of such policies, along with the endorsement naming the City as an additional insured. Each such policy shall provide that, at least 30 days prior to the cancellation, non-renewal or modification of same, the City shall receive written notice of such cancellation, non-renewal or modification.

4.11. Developer Pays All Costs. In order to be eligible to receive any Project Funds under this Agreement, Developer shall pay, or cause third parties to pay its engineering, planning, accounting, architectural, legal fees and expenses, survey, testing, laboratory costs, license fees, development fees, land clearing and grading costs, advertising and other bidding costs, amounts due under construction contracts, costs of labor and material, inspection fees, impact fees, insurance premiums, bond premiums (if applicable), interest, carry cost, financing fees and all other fees, costs and expenses incurred in connection with the construction of the Phase II Infrastructure Improvements.

4.12 City Regulations, Waiver of Rights, Impact Fees. Developer acknowledges that Phase II Development must comply with all applicable City Regulations. Except to the extent this Agreement provides for stricter or more restrictive requirements than those in applicable City Regulations, the applicable City Regulations shall control. Developer acknowledges that the Project Funds to be paid to Developer in accordance with this Agreement are in lieu of any and all rights to any type of payment, credit, or reimbursement by the City for any of the Phase II Infrastructure Improvements, including but not limited to impact fees, and by entering into this Agreement, Developer expressly waives any and all of said rights to such payment, credit or reimbursement by the City notwithstanding City Regulations or any applicable law.

4.13 This section is left blank intentionally.

4.14 Additional Performance Requirements. Incident to the operations of the FED and/or other businesses that may locate in the Phase II Development, Developer:

- (a) must have caused, within 90 days of issuance of the Certificate of Occupancy by the City for the FED, a minimum investment of \$10,000,000.00 and at least 25 new jobs to be created within the City at the FED; provided, however, that in the event the Phase II Infrastructure and the FED have been completed in accordance with the terms of this Agreement but less than 25 new jobs have been created within the City at the FED (the "FED Employment Deficit") and after receiving notice of the FED Employment Deficit, Developer fails to provide evidence that the FED Employment Deficit has been cured, then the total amount to be paid by ACDC to Developer under this Agreement will be reduced by an amount equal to \$40,000.00 per job included in the FED Employment Deficit. For the avoidance of doubt and for example purposes only, if

only 23 new jobs are created in accordance with the terms of this Section 4.14(a), then the FED Employment Deficit is 2 and the total amount to be paid by ACDC to Developer will be reduced by \$80,000 (2 jobs failed to be created multiplied by \$40,000), which amount will then be subtracted from the amount to be paid by ACDC to Developer under this Agreement; and

- (b) if, at any time after the fifth full year after the date of this Agreement, during the duration of this Agreement, less than 40 jobs have been created within the Phase II Development (the “Phase II Employment Deficit”) and after the receiving notice of the Phase II Employment Deficit, Developer fails to provide evidence that the Phase II Employment Deficit has been cured, then the Developer must repay to the ACDC an amount equal to \$25,000.00 per job included in the Phase II Employment Deficit (i.e., a maximum reimbursement of \$1,000,000.00 (40 jobs * \$25,000 = \$1,000,000.00)).

Section 5. Payment of Project Funds.

5.01 Payments to Developer. To assist with the Cost of Phase II Infrastructure Improvements, and in consideration for the other obligations undertaken by Developer in this Agreement, the ACDC will make biannual (2 times a year) payments to Developer during the term of this Agreement that when combined shall be up to a combined maximum not-to-exceed the lesser of \$5,222,857 or the Cost of Phase II Infrastructure Improvements, subject to Section 5.05 of this Agreement, and subject to reduction as described in Section 4.14(a). Said payments will be funded solely from Project Funds. At the time that an annual payment is due, the full amount of Project Funds on deposit in said accounts shall be paid to Developer. The first payment shall be due on or before the expiration of 30 days after the anniversary of the ACDC’s first actual receipt of Sales and Use Tax. Thereafter, payments of Project Funds are due and payable annually on or before the expiration of the same month during which said first payment was made.

5.02. Reallocation or Refund. If at any time the State Comptroller takes any action that results in a Reallocation or Refund of Sales and Use Tax, the Parties agree to reconcile the corresponding previous payments of Project Funds in the following manner:

- (a) If the result is an increase of Sales and Use Tax revenue to the ACDC, then 70% of such increase will be deemed to be Project Funds that are due and payable to Developer within 30 days of the ACDC’s actual receipt of the revenue representing the increase.
- (b) If the result is a decrease of Sales and Use Tax revenue to the ACDC or if

the ACDC must refund any Sales and Use Tax, then 70% of such decrease or refund will be deemed to be an amount owed to the ACDC by Developer and such amount is due and payable within 30 days after the ACDC have provided written notice to Developer that the ACDC have incurred the decrease or made the refund; provided, however, the ACDC, at its sole option, may—instead of requesting payment from the Developer—subtract the amount of the decrease or refund from one or more future installments of Project Funds that would otherwise be due to be paid to Developer, and if the ACDC so opts, it shall provide written notice to Developer of its intent to do so.

5.03. Disputed Amounts. If the ACDC determines that there are disputed amounts with regard to any Project Funds, then the ACDC shall notify Developer in writing of the disputed amount. The ACDC will not be required to pay or accrue interest on such disputed amount while the dispute is being resolved unless such dispute is unreasonable or made in bad faith, in which case interest at the rate of six per cent per annum shall be due and payable as though the amount were undisputed, from the time that the payment would have been due had it not been disputed.

5.04. Payee Information. With respect to any and every payment due to be paid at any time by the ACDC to Developer under this Agreement, the name of Payee for such payment shall be “Q Seminole Anna Town Center, L.P.” and the payment shall be sent or delivered to the following address:

Q Seminole Anna Town Center, L.P.
c/o Chief Partners, LP
8111 Westchester Drive, Suite 800
Dallas, Texas 75225

Developer may change the name and address of the Payee upon written notice to the ACDC provided at least 15 days in advance of the date that a payment is due. Said written notice must be duly executed by Developer and acknowledged before a Notary Public.

5.05. Revenue Sharing. Developer and the ACDC agree that this Agreement is a Revenue Sharing Agreement and that this Agreement should be so interpreted as concerns Texas Tax Code § 321.3022(b) as amended. The City shall request from the State Comptroller the annual information related to the amount of Sales and Use Tax actually collected and shall use commercially reasonable efforts to determine the amount of Sales and Use Tax actually collected from information that is provided by the State Comptroller. If the State Comptroller shall fail to provide the information pursuant to Texas Tax Code § 321.3022(b) as amended, the City shall use commercially reasonable efforts to determine the amount of Sales and Use Tax actually collected from information (1) provided by the State Comptroller pursuant to any Waivers of Sales Tax

Confidentiality provided by Retailers, (2) provided under any Reporting Contract; and/or (3) otherwise readily available to the City. Thereafter, without disclosing the amount of Sales and Use Tax collected from the Retailers, the City shall provide the ACDC with the calculated amount of the annual payment due to Developer. Notwithstanding any provision of this Agreement, the ACDC shall have no obligations to make any payment to Developer as to any time period if the City is not able to determine as to that time period the amount of Sales and Use Tax actually collected by one of the methods described above.

Section 6. Buy Local Provision.

6.01. Developer agrees to use its commercially reasonable efforts to give preference and priority to local manufacturers, suppliers, contractors, and labor, except where not reasonably possible to do so without added expense, substantial inconvenience, or sacrifice in operating efficiency in the normal course of business.

6.02. For the purposes of this section, the term "local" as used to describe manufacturers, suppliers, contractors, and labor includes firms, businesses, and persons who reside in or maintain an office within a 50 mile radius of Collin County.

Section 7. Warranties. Developer warrants and represents to ACDC the following:

7.01. Developer is a limited partnership duly organized, validly existing, and in good standing under the laws of the State of Texas. Developer has all corporate power and authority to carry on its business as presently conducted in the State of Texas.

7.02. Developer has the authority to enter into and perform, and will perform, the terms of this Agreement to the best of its ability.

7.03. Developer has timely filed and will timely file all local, State, and Federal tax reports and returns required by law to be filed and all taxes, assessments, fees, and other governmental charges related to the Phase II Development, including applicable ad valorem taxes, have been timely paid, and will be timely paid, during the term of this Agreement.

7.04. Developer has received a copy of the Texas Development Corporation Act, Subtitle C1, Title 12, Texas Local Government Code, and acknowledges that the Project Funds must be utilized solely for purposes authorized under applicable law and by the terms of this Agreement. In this respect, Developer agrees that the sole purpose of the Project Funds is to reimburse certain costs of construction of the Infrastructure Improvements needed for Phase II Development as permitted under Section 501.103 of the Texas Local Government Code.

7.05. The general partner and any individual executing this Agreement on

behalf of Developer are duly authorized to execute this Agreement on behalf of Developer.

7.06. In accordance with Chapter 2264 of the Texas Government Code, Developer certifies that neither it, nor a branch, division, or department of Developer, will ever knowingly employ an undocumented worker and that if, after receiving any public subsidies under this Agreement, Developer, or a branch, division, or department of Developer, is convicted of a violation under 8 U.S.C. §1324a(f), as amended or recodified, Developer shall repay the total amount of all public subsidies and/or incentives theretofore received under this Agreement with interest at two percent (2%) per annum not later than the 120th day after the date the ACDC notifies Developer in writing of the violation.

7.07. No litigation or governmental proceeding is pending or, to the knowledge of Developer and its general partner and officers, is threatened against or affecting Developer, or the Phase II Development, that may result in any material adverse change in Developer's business, properties or operation.

7.08. Developer shall not be in breach of any other contract by entering into and performing this Agreement. Developer shall amend or enter into any other contract that may be necessary for Developer to fully and timely perform its obligations under this Agreement.

Section 8. Miscellaneous.

8.01. Compliance with Laws. Developer shall observe and obey all applicable laws, ordinances, regulations, and rules of the Federal, State, county, and city governments related to the Project.

8.02. Non-Discrimination. Developer covenants and agrees that Developer will not discriminate nor permit discrimination against any person or group of persons, with regard to employment and the provision of services for the Project on the grounds of race, religion, national origin, marital status, sex, age, disability, or in any manner prohibited by the laws of the United States or the State of Texas.

8.03. Time Periods. Time is of the essence in the performance of this Agreement.

8.04. Force Majeure. If the ACDC or Developer are prevented, wholly or in part, from fulfilling their respective obligations under this Agreement, or if UHS is prevented, wholly or in part, from timely completing construction of the FED, by reason of any act of God, unavoidable accident, acts of enemies, fires, floods, governmental restraint or regulation, war, riot, civil commotion, insurrection, inclement weather, floods, shortages of labor or materials, strikes, other events of force majeure, or by

reason of circumstances beyond its control, then the obligations of the City, the ACDC or Developer are temporarily suspended during continuation of the force majeure. If either party's obligation is affected by any of the causes of force majeure, the party affected shall promptly notify the other party in writing, giving full particulars of the force majeure as soon as possible after the occurrence of the cause or causes relied upon.

8.05. Assignment. Except as provided below, Developer may not assign all or part of its rights and obligations under this Agreement to a third party without prior written approval of City Council and the ACDC, which approval will not be unreasonably withheld or delayed. The ACDC agrees, however, that Developer may assign all or part of its rights and obligations under this Agreement to any entity affiliated with Developer by reason of controlling, being controlled by, or being under common control with Developer or to a third party lender advancing funds for the construction or operation of Phase II Infrastructure Improvements. The ACDC expressly consents to any assignment described in the preceding sentence, and agrees that no further consent of City Council or the ACDC to such an assignment will be required. Developer agrees to provide the ACDC with written notice of any such assignment. The foregoing notwithstanding, any assignment of Developer's rights under this Agreement shall not release Developer from its obligations hereunder.

8.06. INDEMNITY. DEVELOPER COVENANTS TO FULLY INDEMNIFY, DEFEND, SAVE, AND HOLD HARMLESS THE ACDC, THE CITY, AND THEIR RESPECTIVE OFFICERS, EMPLOYEES, REPRESENTATIVES, AND AGENTS FROM AND AGAINST ANY AND ALL CLAIMS OR SUITS FOR PROPERTY DAMAGE OR LOSS AND/OR PERSONAL INJURY, INCLUDING WITHOUT LIMITATION DEATH, TO ANY AND ALL PERSONS, OF WHATSOEVER KIND OR CHARACTER, WHETHER REAL OR ASSERTED (INCLUDING, WITHOUT LIMITATION, REASONABLE FEES AND ASSOCIATED EXPENSES OF ATTORNEYS, EXPERT WITNESSES AND OTHER CONSULTANTS) ARISING OUT OF OR IN CONNECTION WITH, DIRECTLY OR INDIRECTLY, THE NEGLIGENT OR OTHERWISE WRONGFUL ACTS OR OMISSIONS OF DEVELOPER, ITS AGENTS, SERVANTS, CONTRACTORS, SUBCONTRACTORS, MATERIAL MEN OR EMPLOYEES THAT RELATE IN ANY MANNER TO DEVELOPER'S PERFORMANCE OF THIS AGREEMENT OR TO THE DESIGN, CONSTRUCTION OR INSTALLATION OF THE PHASE II INFRASTRUCTURE IMPROVEMENTS AND ANY OTHER IMPROVEMENTS OR CONSTRUCTION RELATED TO PHASE II DEVELOPMENT, INCLUDING WITHOUT LIMITATION INJURY OR DAMAGE TO PUBLIC PROPERTY. THE INDEMNITY PROVIDED FOR ABOVE SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OR FAULT OF ACDC, ITS OFFICERS, AGENTS, EMPLOYEES OR SEPARATE CONTRACTORS, AND IN THE EVENT OF JOINT AND CONCURRING NEGLIGENCE OR FAULT OF ACDC AND DEVELOPER, RESPONSIBILITY AND INDEMNITY, IF ANY, SHALL BE APPORTIONED IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS, WITHOUT

WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO ACDC UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. DEVELOPER'S OBLIGATIONS UNDER THIS SECTION 8.06 SHALL SURVIVE THE TERM OF THIS AGREEMENT.

8.07. Events of Default by Developer. The following events constitute a default of this Agreement by Developer:

- (a) The ACDC or City reasonably and in good faith determines that any representation or warranty on behalf of Developer contained in this Agreement or in any financial statement, certificate, report, or opinion submitted to the ACDC or the City in connection with this Agreement was incorrect or misleading in any material respect when made.
- (b) Any attachment or other levy against the Phase II Development or any portion thereof with respect to a claim, excluding mechanic's and materialman's liens, remains unpaid, undischarged, or not dismissed for a period of 120 days.
- (c) Developer makes an assignment for the benefit of creditors.
- (d) Developer files a voluntary petition in bankruptcy or is adjudicated insolvent or bankrupt.
- (e) If taxes owed to the City by Developer become delinquent, and Developer fails to timely and properly follow the legal procedures for protest or contest.
- (f) Developer fails to timely, fully and completely comply with any one or more of the material requirements, obligations, duties, terms, conditions or warranties of this Agreement.

8.08. Notice of Default. Should the ACDC or City determine that Developer is in default according to the terms of this Agreement, the ACDC or City shall notify Developer in writing of the event of default, and a copy of said notice shall be simultaneously delivered to UHS, and provide 60 days from the date of the notice ("Cure Period") for Developer to cure the event of default; provided, however, in the event if such event of default is not able to be cured within such 60-day period, Developer shall be permitted additional time to effectuate such cure, provided, that in no event shall the Cure Period exceed 120 days from the date of notice from the City. Should the ACDC fail to timely, fully and completely comply with any one or more of its obligations under this Agreement, such failure shall be an act of default by the ACDC and the ACDC shall have sixty (60) days to cure and remove the Default after receipt of written notice to do so from Developer.

8.09. Estoppel. The ACDC shall, within 30 days of written request from Developer, provide to any interested parties an estoppel certificate or other document evidencing that this Agreement is in full force and effect, that no event of default by Developer exists hereunder (or, if appropriate, specifying the nature and duration of any existing event of default), the status of completion of any public infrastructure improvements for which economic incentives are being provided by the ACDC, and the payment of funds and/or any other obligations set forth in this Agreement.

8.10. Results of Uncured Default by Developer. After exhausting good faith attempts to address any default during the Cure Period, and taking into account any extenuating circumstances that might have occurred through no fault of Developer, as determined by the ACDC Board, the Developer shall immediately repay all funds paid by the ACDC to them under this Agreement and shall pay the ACDC reasonable attorney fees and costs of court to collect amounts due to ACDC if not immediately repaid upon demand from the ACDC. Upon full payment by Developer of all sums due, the ACDC and Developer shall have no further obligations to one another under this Agreement. Neither the City, the ACDC, nor Developer may be held liable for any consequential damages.

8.11. No Waiver. No waiver of any covenant or condition, or the breach of any covenant or condition of this Agreement, constitutes a waiver of any subsequent breach of the covenant or condition of this Agreement. No waiver of any covenant or condition, or the breach of any covenant or condition of this Agreement, justifies or authorizes the nonobservance on any other occasion of the covenant or condition or any other covenant or condition of this Agreement. Any waiver or indulgence of Developer's default may not be considered an estoppel against the ACDC. It is expressly understood that if at any time Developer is in default in any of its conditions or covenants of this Agreement, the failure on the part of the ACDC to promptly avail itself of the rights and remedies that the ACDC may have, will not be considered a waiver on the part of the ACDC, but the ACDC may at any time avail itself of the rights or remedies or elect to terminate this Agreement on account of the default.

8.12. Limitation of Remedies. Developer specifically agrees that the ACDC shall only be liable to Developer for the actual amount of the Project Funds as finally adjusted under the terms of this Agreement to be conveyed to Developer, and shall not be liable to Developer for any actual or consequential damages, direct or indirect, interest, attorney fees or related expenses, or cost of court for any act of default by the ACDC under the terms of this Agreement. Payment by the ACDC is strictly limited to those Project Funds so allocated, budgeted, and actually received solely during the term of this Agreement. Payments to be made shall also require a written request from Developer to be accompanied by all necessary supporting documentation in accordance with this Agreement.

8.13. Notices. Any notice and/or statement required and permitted to be delivered under this Agreement shall be deemed delivered by depositing the same in the United States mail, certified with return receipt requested, proper postage prepaid, addressed to the appropriate party at the following addresses, or at such other addresses provided by the Parties in writing.

DEVELOPER:

Q Seminole Anna Town Center, L.P.
c/o Chief Partners, LP
8111 Westchester Drive, Suite 800
Dallas, Texas 75225

With a copy to:

Munsch Hardt Kopf & Harr, P.C,
500 N. Akard Street, Suite 3800
Dallas, Texas 75201
Attn: David Coligado

With a copy of Notice of Default to:

UHS of Texoma, Inc.
c/o UHS of Delaware, Inc.
367 Gulph Road
King of Prussia, PA 19406
Attn: Cheryl Ramagano

ACDC:

Anna ^{Community} Economic Development Corporation
Attn: Chief Administrative Officer
111 N. Powell Pkwy, P.O. Box 776,
Anna, Texas 75409-0776

A copy of all notices and correspondence sent to the ACDC must be sent to the City and the City Attorney at the following respective addresses:

City of Anna
Attn.: City Manager
111 N. Powell Pkwy, P.O. Box 776,
Anna, Texas 75409-0776

Clark McCoy
Wolfe, Tidwell & McCoy, LLP
2591 Dallas Parkway, Suite 300
Frisco, Texas 75034

Notice is effective upon deposit in the United States mail in the manner provided above.

8.14. Incorporation of Other Documents. The Exhibits referenced in this Agreement and attached hereto are incorporated herein as if set forth in full for all purposes. Said Exhibits include the following:

Exhibit A, Legal Description of the Phase II Development
Exhibit B, Legal Description of the FED Property
Exhibit C-1, FED Site Plan
Exhibit C-2, FED Architectural Renderings
Exhibit D, Cost of Phase II Infrastructure Improvements
Exhibit E, Water System Improvements
Exhibit F, Sanitary Sewer System Improvements
Exhibit G, Road Improvements
Exhibit H, Storm Water Improvements
Exhibit I, Waiver of Sales Tax Confidentiality

8.15. Amendments or Modifications. No amendments or modifications to this Agreement may be made, nor any provision waived, unless in writing signed by a person duly authorized to sign Agreements on behalf of each party.

8.16. Relationship of Parties. In performing this Agreement, both the ACDC and Developer will act in an individual capacity, and not as agents, representatives, employees, employers, partners, joint-venturers, or associates of one another. The employees or agents of either party may not be, nor be construed to be, the employees or agents of the other party for any purpose. At no time shall the ACDC or the City have any control over or charge of Developer's design, construction or installation of any of the infrastructure or public improvements that are the subject of this Agreement, nor the means, methods, techniques, sequences or procedures utilized for said design, construction or installation. This Agreement does not create a joint enterprise between the ACDC and Developer.

8.17. Captions. The captions in this Agreement are for convenience only and are not a part of this Agreement. The captions do not in any way limit or amplify the terms and provisions of this Agreement.

8.18. Severability. If for any reason, any section, paragraph, subdivision, clause, provision, phrase or word of this Agreement or the application of this Agreement to any person or circumstance is, to any extent, held illegal, invalid, or unenforceable

under present or future law or by a final judgment of a court of competent jurisdiction, then the remainder of this Agreement, or the application of the term or provision to persons or circumstances other than those as to which it is held illegal, invalid, or unenforceable, will not be affected by the law or judgment, for it is the definite intent of the Parties to this Agreement that every section, paragraph, subdivision, clause, provision, phrase, or word of this Agreement be given full force and effect for its purpose. To the extent that any clause or provision is held illegal, invalid, or unenforceable under present or future law effective during the term of this Agreement, then the remainder of this Agreement is not affected by the law, and in lieu of any illegal, invalid, or unenforceable clause or provision, a clause or provision, as similar in terms to the illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable, will be added to this Agreement automatically.

8.19. Venue. Venue for any legal action related to this Agreement is in Collin County, Texas.

8.20. Interpretation. The Parties have been represented by counsel of their choosing in the negotiation and preparation of this Agreement. This Agreement was drafted equally by the Parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any Party shall not apply.

8.21. Sole Agreement. This Agreement constitutes the sole agreement between the ACDC and Developer as relates to Phase II Development, with the exception of the Phase I Agreement as amended by this Agreement. Any other prior agreements, promises, negotiations, or representations related to Phase II Development, verbal or otherwise, not expressly stated in this Agreement, are of no force and effect.

8.22. Third Party Beneficiaries. Except and solely to the extent that this Agreement benefits the City, this Agreement is not intended to confer any rights, privileges or causes of action upon any third party.

8.23. Binding Agreement. This Agreement shall be binding on and inure to the benefit of the Parties to it and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns.

8.24. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and the binding agreement of each Party to the terms herein, but all of which together will constitute one and the same instrument.

8.25. Recording. The Parties agree that neither this Agreement, nor any memorandum or short form of this Agreement, shall be recorded.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

EXECUTED BY THE PARTIES:

Q SEMINOLE ANNA TOWN CENTER, L.P., a Texas limited partnership

By: **ANNA TC GP, LLC**, its general partner

By: *William H. Vanderstraaten*
William H. Vanderstraaten, its Manager

State of Texas
County of Collin

Before me, on this day personally appeared William H. Vanderstraaten, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same in his capacity as Manager of Anna TC GP, LLC, general partner for Q Seminole Anna Town Center, L.P., for the purposes and consideration therein expressed.

Given under my hand and seal of office this 25th day of October 2018.



Laura S. Rickman
Notary – State of Texas

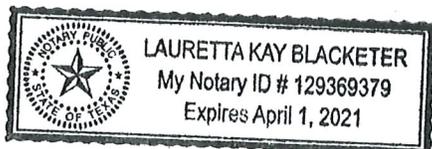
ANNA COMMUNITY DEVELOPMENT CORPORATION, a Texas Type B development corporation

By: *Anthony Richardson*
~~Nathan Pike~~, its President
Anthony Richardson

State of Texas
County of Collin

Before me, on this day personally appeared *Anthony Richardson* known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same in his capacity as President of Anna Community Development Corporation for the purposes and consideration therein expressed.

Given under my hand and seal of office this 8th day of November 2018.



Laretta Kay Blacketer
Notary – State of Texas

Exhibit A

Legal Description of the Phase II Development

BEING a tract of land situated in the Thomas Ratton Survey, Abstract No. 782, and the W.S. Ratton Survey, Abstract No. 752, City of Anna, Collin County, Texas, and being a portion of a called 107.52-acre tract of land conveyed to Q Seminole Anna Town Center, L.P., as evidenced in Special Warranty Deed with Vendor's Lien recorded in Instrument No. 20080128000100640, Official Public Records of Collin County, Texas and all of a called 1.809-acre tract of land conveyed to the City of Anna, Texas, as evidenced in a Deed of Dedication of Land for Public Use, recorded in Instrument No. 20150623000757290, Official Public Records of Collin County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with plastic cap stamped with "KHA" found for the northwest corner of Lot 1, Block A of Wal-Mart Anna Addition, an addition to the City of Anna according to the plat thereof recorded in Volume. 2017, Page 549 of the Plat Records of Collin County, Texas, same being on the easterly right of way line of U. S. Highway 75 as described in an Agreed Final Judgement to the State of Texas, Case No. 002-00750-2015, recorded in Instrument No. 20170406000440860, Real Property Records of Collin County, Texas;

THENCE along the easterly right-of-way line of said U.S. Highway No. 75 as described in said Judgement, the following courses:

North 07°36'56" East, a distance of 544.30 feet to a 5/8-inch iron rod found for corner;

North 09°13'08" East, a distance of 600.56 feet to an aluminum TXDOT right-of-way monument found for corner;

North 05°48'36" East, a distance of 500.10 feet to an aluminum TXDOT right-of-way monument found for corner;

North 07°36'48" East, a distance of 1,262.58 feet to an aluminum TXDOT right-of-way monument found for the northeast corner of said 4.068-acre tract, same being on the northerly line of said 107.52-acre tract, same being on the southerly line of a called 38.15-acre tract of land conveyed to MJLA Adams, Ltd., as evidenced in Special Warranty Deed recorded in Instrument No. 20110505000462590 of the Official Public Records of Collin County, Texas, same being the southeast most corner of a tract of land described as Parcel 14, conveyed to the State of Texas, as evidenced in Deed recorded in Instrument No. 20150213000160620 of the Official Public Records of Collin County, Texas;

THENCE North 89°18'53" East, departing the easterly right-of-way line of said U.S. Highway No. 75, along the northerly line of said 107.52-acre tract, and along the southerly line of said Parcel 14 and said 38.15-acre tract, a distance of 922.82 feet to a 3/8-inch iron rod found for the northerly northeast corner of said 107.52-acre tract, same being the southerly southeast corner of said 38.15 acre tract, on the westerly line of a called 51.195-acre tract of land conveyed to Two-J Partners, LLLP, as evidenced in Quitclaim Deed recorded in Instrument No. 20080509000562500 of the Official Public Records of Collin County, Texas;

THENCE South 00°28'48" West, along the easterly line of said 107.52-acre tract and along the westerly line of said 51.195-acre tract, a distance of 1549.17 feet to a wooden corner post found for an ell corner on the easterly line of said 107.52-acre tract, same being the southwest corner of said 51.195-acre tract;

THENCE South 89°20'45" East, along the northerly easterly line of said 107.52-acre tract, and along the southerly line of said 51.195-acre tract, a distance of 165.07 feet to a 3/8-inch iron rod found for the easterly northeast corner of said 107.52-acre tract, same being the northwest corner of Lot 3, Block G of Creekside Phase 3, an addition to the City of Anna according to the Plat thereof recorded in Cabinet P, Page 623 of the Plat Records of Collin County, Texas;

THENCE South 00°13'51" West, departing the southerly line of said 51.195-acre tract, along the easterly line of said 107.52-acre tract, and along the westerly line of said Lot 3, Block G, the westerly line of Lot 2, Block G of Creekside Phase 2 an addition to the City of Anna, according to the Plat thereof recorded in Cabinet P, Page 60 of the Plat Records of Collin County, Texas, a distance of 1248.17 feet to a 5/8-inch iron rod with plastic cap stamped "KHA" set for a corner;

THENCE North 89°46'13" West, departing the easterly line of said 107.52-acre tract, the westerly line of said Lot 2, Block G, crossing said 107.52-acre tract, passing at a distance of 215.17 feet, a 5/8-inch iron rod with plastic cap stamped "KHA" found for the northeast corner of Throckmorton Boulevard, a 60' wide right of way as created in aforesaid Wal-Mart Anna Addition, continuing along the northerly terminus of said Throckmorton Boulevard and the northerly line of aforesaid Lot 1, Block A of Wal-Mart Anna Addition, a total distance of 773.34 feet to a 5/8 inch iron rod with plastic cap stamped with "KHA" found for corner;

THENCE South 00°13'47" West, continuing along the northerly line of said Lot 1, Block A, a distance of 86.00 feet to a 5/8-inch iron rod with plastic cap stamped with "KHA" set for corner;

THENCE North 89°46'13" West, continuing along the northerly line of said Lot 1, Block A, a distance of 452.85 feet to a 5/8-inch iron rod with plastic cap stamped with "KHA" set for corner;

THENCE South 00°13'47" West, continuing along the northerly line of said Lot 1, Block A, a distance of 13.00 feet to a 5/8-inch iron rod with plastic cap stamped with "KHA" set for corner;

THENCE North 89°46'13" West, continuing along the northerly line of said Lot 1, Block A, a distance of 229.49 feet to the **POINT OF BEGINNING** and containing 76.290 acres (3,323,171 square feet) of land, more or less.

Exhibit B

Legal Description of the FED Property

BEING a tract of land situated in the William S. Rattan Survey, Abstract No. 752, City of Anna, Collin County, Texas, and being a portion of a called 107.52-acre tract of land, conveyed to Seminole Anna Town Center, L.P., as evidenced in a Special Warranty Deed, recorded in Instrument No. 20080128000100640 of the Official Public Records of Collin County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at an aluminum TXDOT right of way monument found on the northerly line of said 107.52-acre tract for the northeast corner of a called 4.068-acre tract of land, conveyed to the State of Texas, as evidenced in an Agreed Final Judgement, recorded in Instrument No. 20170406000440860 of the Official Public records of Collin County, Texas and the southeast corner of a called 1.790-acre tract of land, conveyed to the State of Texas, as evidenced in a deed, recorded in Instrument No. 20150213000160620 of the Official Public Records of Collin County, Texas, same being on the easterly right of way line of U. S. Highway 75, a variable width right of way;

THENCE North 89°18'53" East, departing the easterly right of way line of said U. S. Highway 75 and along the northerly line of said 107.52-acre tract, a distance of 862.81 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for a corner, from which, a 3/8-inch iron rod found for the northeast corner of said 107.52-acre tract bears North 89°18'53" East, 60.01 feet;

THENCE South 00°28'48" West, departing the northerly line of said 107.52-acre tract and crossing said 107.52-acre tract, a distance of 648.50 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for a corner;

THENCE South 45°33'55" West, continuing across said 107.52-acre tract, a distance of 35.18 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for a corner on the northerly line of an Electric and Access Easement to the City of Anna, Texas, recorded in Instrument No. 20150623000757300 of the Official Public Records of Collin County, Texas, from which, a 5/8-inch iron rod with a red plastic cap, stamped "KHA" found for the northeast corner of said Electric and Access Easement bears South 89°20'59" East, 29.07 feet;

THENCE in a westerly direction, continuing across said 107.52-acre tract and along the northerly lines of said Electric and Access Easement, the following:

North 89°20'59" West, a distance of 355.20 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" found for the point of curvature of a tangent curve to the left;

Along the arc of said curve to the left, through a central angle of 37°12'43", having a radius of 405.00 feet, a chord bearing of South 72°02'39" West, a chord distance of 258.44 feet and an arc length of 263.04 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" found for the point of reverse curvature of a curve to the right;

Along the arc of said curve to the right, through a central angle of 44°10'38", having a radius of 325.00 feet, a chord bearing of South 75°31'37" West, a chord distance of 244.43 feet and an arc length of 250.59 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" found for the point of tangency of said curve;

North 82°23'04" West, a distance of 100.47 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for a corner on the easterly right of way line of aforesaid U. S. Highway 75;

THENCE North 07°36'48" East, along the easterly right of way line of said U. S. Highway 75, a distance of 793.19 feet to the **POINT OF BEGINNING** and containing 14.895 acres (648,821 square feet) of land, more or less.

Exhibit C-1

FED Site Plan

[See Attached]

IMAGES : X6511 : XA3BMill-2014 : XBrdy-092017 : XCVS-Base : XSite-WallMart : XRoads-064465505 : XSSWR-064465505 : XStim-064465505 : XWater-Tower : XWater-064465505 : XBase-064631100 : XSite-Future : XBrdy-064465505 : XTADOT-Roads
XREFS : K:\DAL_Civil\064465504-Anna TC-Phase 2\CAD\Exhibits
DWG PATH : E:\Site-20180724.dwg : [WAT-1]

US HIGHWAY 75
(A VARIABLE WIDTH RIGHT-OF-WAY)

FED AT ANNA
APPROXIMATELY
13,000 SF

HACKBERRY ROAD
(A PROPOSED 80' RIGHT-OF-WAY)

CITY OF ANNA
ELEVATED WATER
TOWER SITE

THROCKMORTON BLVD.
(A PROPOSED 60' RIGHT-OF-WAY)



GRAPHIC SCALE IN FEET

EXHIBIT "C"

Exhibit C-2

FED Architectural Renderings

[See Attached]



VIEW 1 TOWARD ENTRY



VIEW 2



EXHIBIT "C-2"

Exhibit D
Cost of Phase II Infrastructure Improvements

Phase II Infrastructure Costs

Staking		\$	7,500
Earthwork		\$	357,062
Utilities		\$	2,131,785
Paving		\$	1,398,482
Pavement Markings & Signage		\$	21,738
Electrical		\$	95,450
Decorative Median Nosings on Hackberry		\$	25,000
General Conditions (\$25,000 over 8 Months)		\$	200,000
Insurance		\$	19,852
Overhead & Profit		\$	238,179
Total GC Costs		\$	4,495,048
Testing		\$	53,842
Engineering Design Contract		\$	186,184
Engineering - Hourly Work		\$	25,000
Geotechnical Report		\$	7,000
Legal		\$	50,000
Construction Management		\$	50,000
Contingency	5.00%	\$	243,354
Subtotal		\$	5,110,427
Bonding (2.00% on 110%)	2.00%	\$	112,429
Total Project Costs		\$	5,222,857

Exhibit E

Water System Improvements

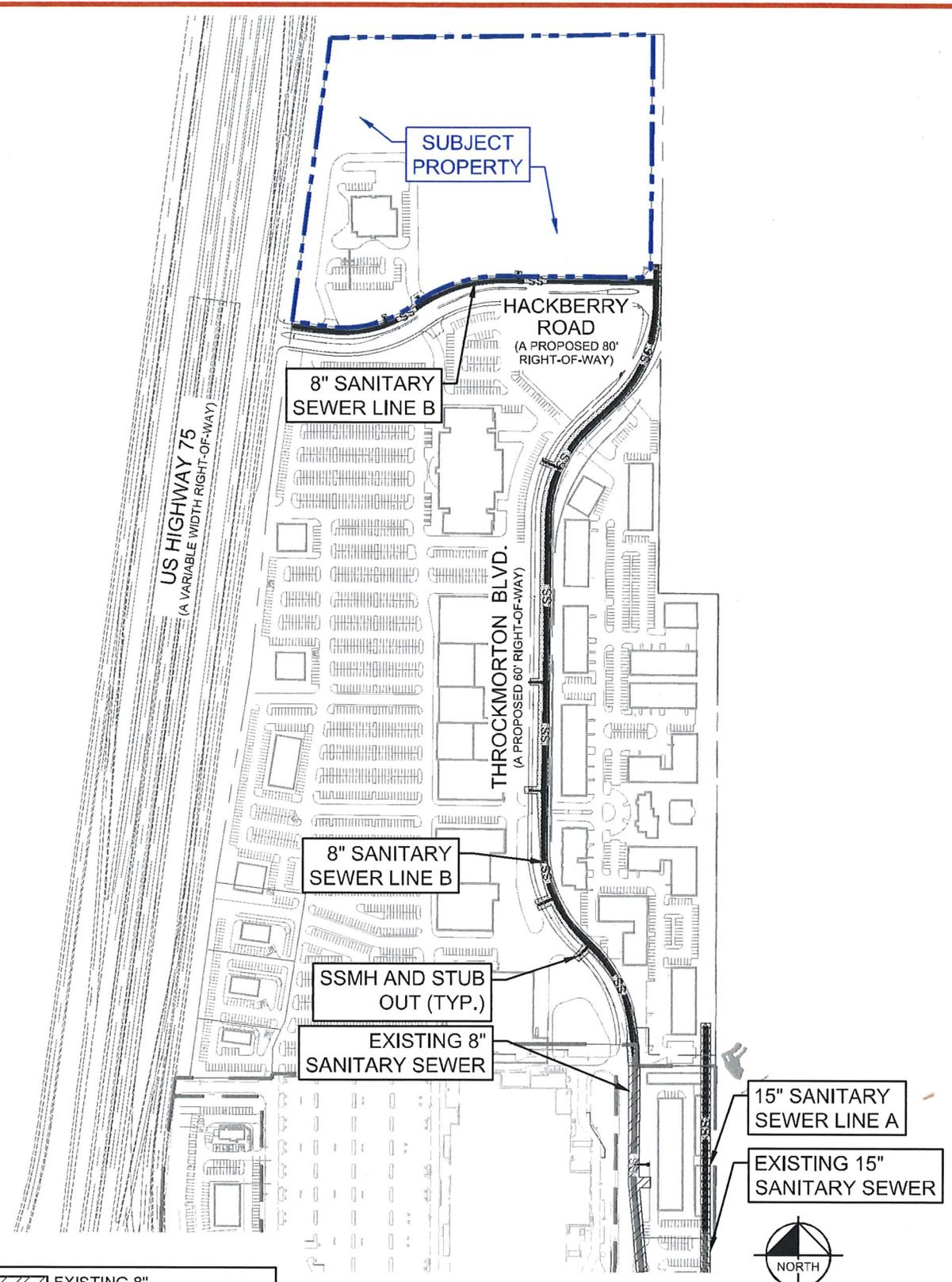
[See Attached]

Exhibit F

Sanitary Sewer System Improvements

[See Attached]

IMAGES : XREFS : XBase-Masterplan : X6511 : XAsBuil-2014 : XEnvy-082017 : XCVS-Base : XSite-WallMart : XSite-Overall : XRoads-064465505 : XSSWR-064465505 : XStm-064465505 : XWater-064465505 : XBase-064531100 : XSite-Future : XSSWR-064531100 : XTXDOT-Roads : XBrdy-064465505
 DWG PATH : K:\DAL_Civil\064465504-ArmaTC-Phase 2\CADD\Exhibits
 DWG NAME : E-SanSew-Hospital-20180712.dwg : [SEW-1]



LEGEND

	EXISTING 8" SANITARY SEWER
	8" SANITARY SEWER BY DEVELOPER
	EXISTING 15" SANITARY SEWER
	15" SANITARY SEWER BY DEVELOPER

**EXHIBIT "F"
SANITARY
SEWER**

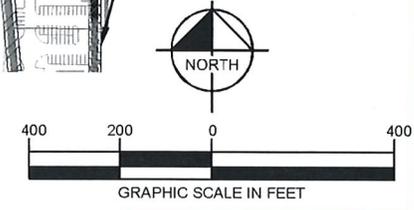
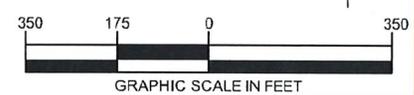
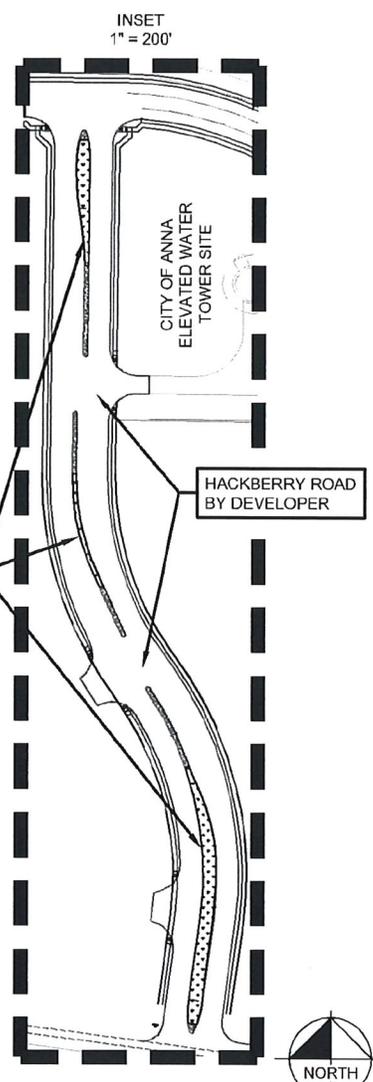
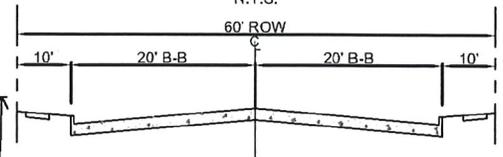
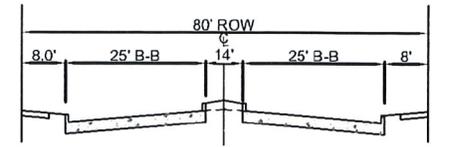
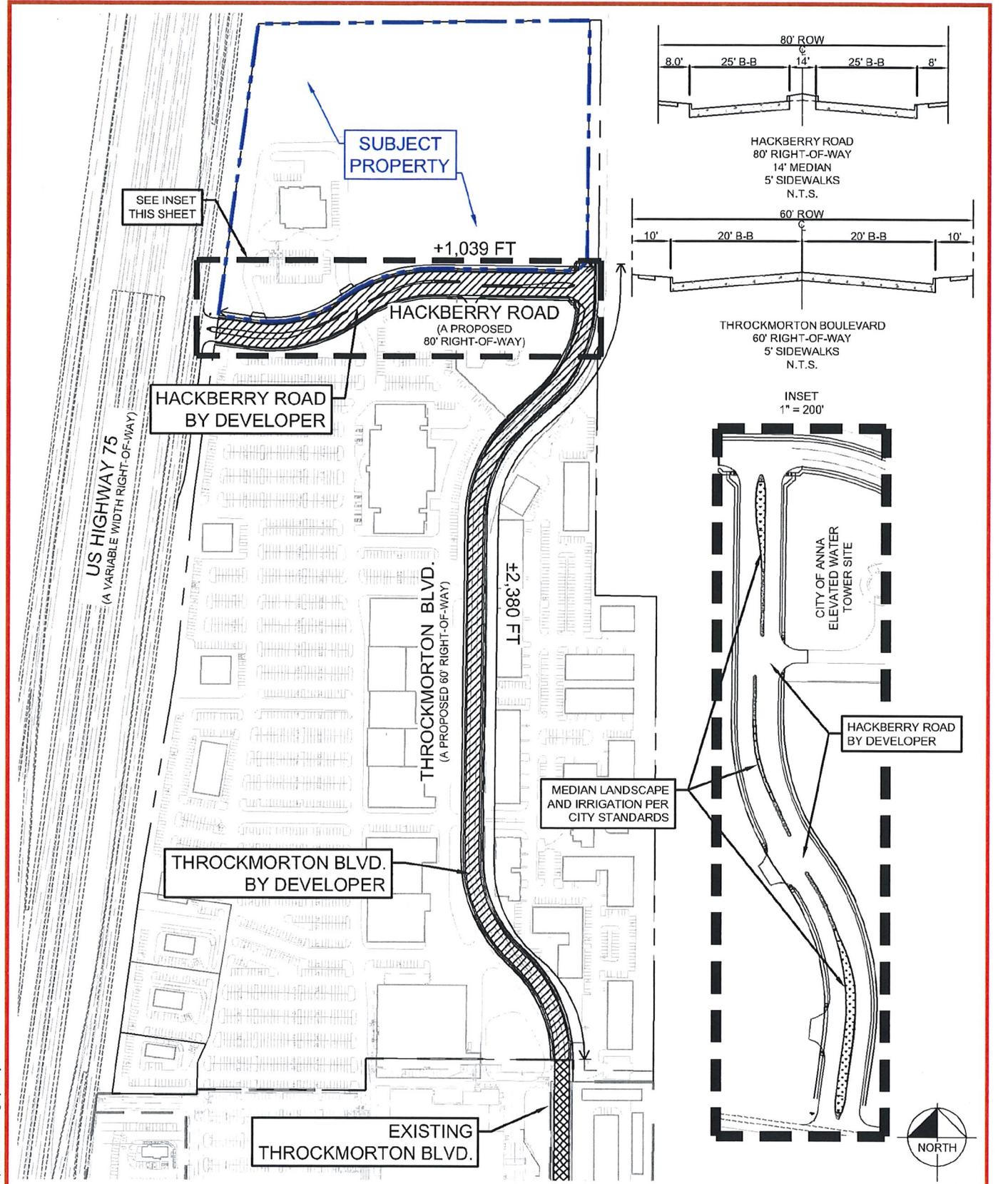


Exhibit G

Road Improvements

[See Attached]

IMAGES : X:\BasesMasterplan : X8511 : xas\Buil-2014 : xBrcy-082017 : xCVS-Base : xSite-ValMa : xSite-Overall : xBase-064531100 : xSite-Future : xRoads-064656505 : xTXDOT-Roads : xWaterTower
 K:\DAL_Civil\064656505-Anna\TC-Phase 2\CAD Exhibits
 E-Roadway-Hospital20180712.dwg : [PV-1]



LEGEND

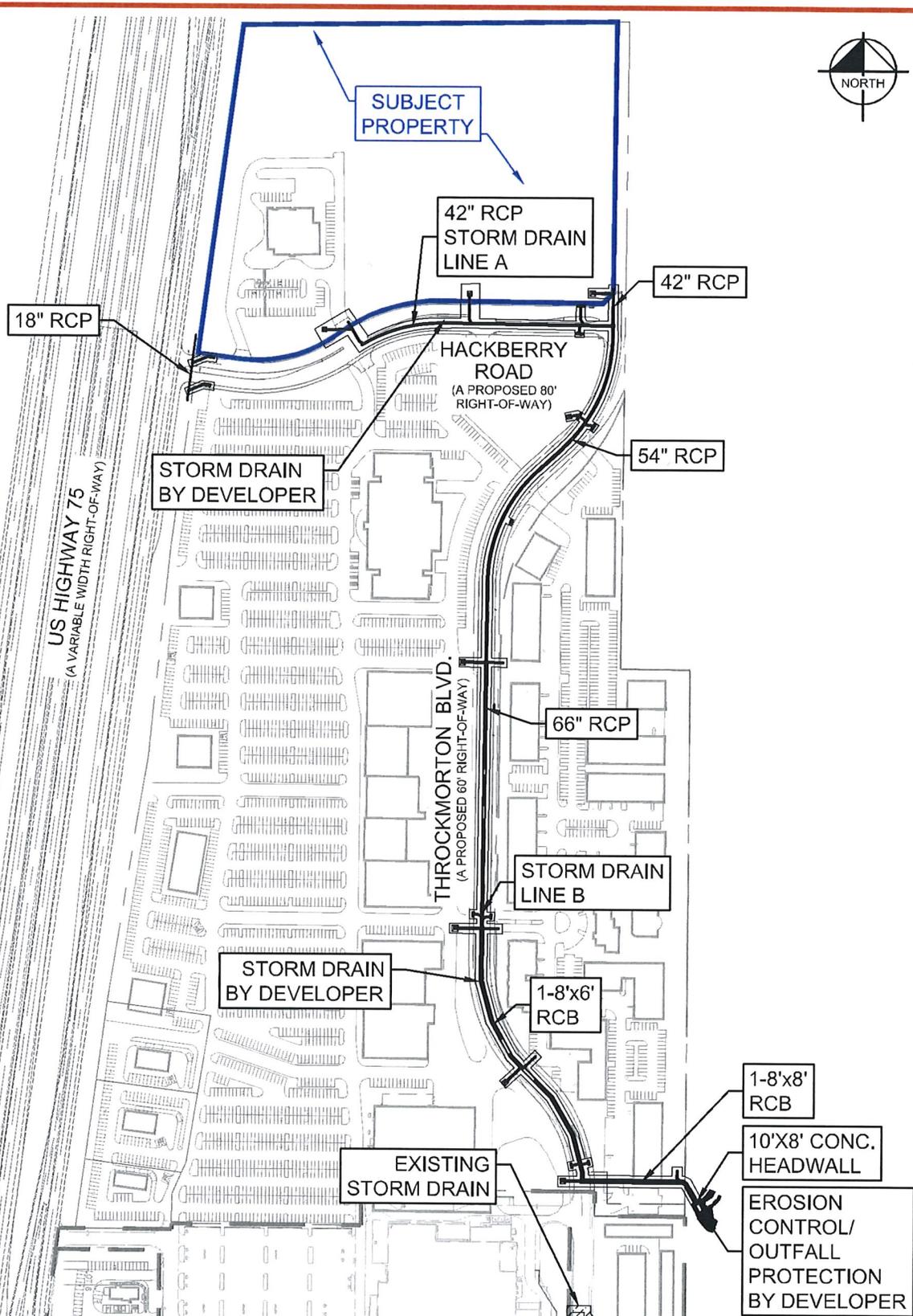
	EXISTING
	BY DEVELOPER

EXHIBIT "G" ROADWAY

Exhibit H

Storm Water Improvements

[See Attached]



LEGEND

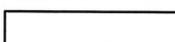
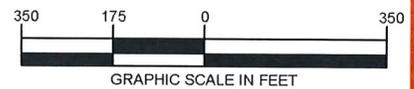
	EXISTING STORM DRAIN
	STORM DRAIN BY DEVELOPER

EXHIBIT "H"
STORM DRAIN



IMAGES : xBase-MapServer ; x8511 ; xAsBull-2014 ; xEnvy-092017 ; xCVS-Base ; xSite-WallMat ; xSite-Overall ; xRoads-064465505 ; xSSVR-064465505 ; xSIm-064465505 ; xWater-064465505 ; xBase-064631100 ; xSite-Future ; xTXDOT-Roads
 REFERENCES : CIVIL/064465505-04-Atm-TC-Phase 2/CADD/Exhibits
 E-SD-Propair-20160712.dwg ; [SD-1]

Exhibit I

Waiver of Sales Tax Confidentiality and Authorization for Release

_____ (name of company), a _____ (type of company), holding **Texas sales tax permit number** _____, hereby waives the right of sales tax information confidentiality as provided by Section 321.3022(f) of the Texas Tax Code and authorizes the Office of the Texas Comptroller of Public Accounts to provide any and all information, to the City Manager of the City of Anna, Texas related to sales and use taxes paid to the City and/or the City's development ACDC on behalf of _____ (name of company) for sales attributable to its location(s) in the City of Anna, Texas.

_____ (name of company) has furnished this Waiver of Sales Tax Confidentiality and Authorization for Release in connection with sales tax incentive agreements entered into by the City of Anna's development ACDC that requires the submission of this information. This waiver shall be in effect until termination of said sales tax incentive agreements.

EXECUTED on this _____ **day of** _____, 20 _____.

_____ **(name of company)**

By: _____

(printed name and title)