

CHAPTER 380 ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

This Economic Development Incentive Agreement (the “**Agreement**”) is made by and among the City of Corinth, Texas, a home rule municipality (the “**City**”), the Corinth Economic Development Corporation, a Type B corporation organized under the Development Corporation Act (Chapters 501 and 505 of the Texas Local Government Code) (the “**CEDC**”), and Kairos Communities Partners, LLC, a Texas limited liability company, or its assigns as authorized by the terms of this Agreement (the “**Developer**”), acting by and through their respective authorized officers and representatives. The City, the CEDC, and the Developer may also be referred to collectively as the (“**Parties**”), or individually as a (“**Party**”).

Recitals:

WHEREAS, the Developer intends to purchase approximately ±19.33 acres of land, some of which is currently owned by the City and some of which will be acquired by the City within one hundred and eighty (180) days from the Effective Date of this Agreement, and which is located within the corporate limits of the City of Corinth, Texas, legally described in **EXHIBIT A** and depicted in **EXHIBIT “B”** (the “**Properties**”); and

WHEREAS, the Developer has informed the City and CEDC that financial incentives from the City and CEDC would cause the Developer to develop and construct on the Properties planned developments, consisting of a minimum of 60,000-75,000 square feet of commercial space and housing opportunities including rental and individually sold units, that will benefit the City by creating new full-time jobs, diversifying the local housing market, and generating revenues for the City from sales and use taxes and from ad valorem taxes due to the increased value resulting from the improvements to the Properties, as depicted in **EXHIBIT “C”** (the “**Projects**”); and

WHEREAS, the Developer intends to invest a cumulative minimum of Forty-Five Million Dollars (\$45,000,000) for the Projects; and

WHEREAS the City is authorized by Article III, Section 52-a of the Texas Constitution and TEX. LOC. GOV’T CODE §380.001 *et seq.* to provide economic development incentives for public purposes to promote local economic development and to stimulate business and commercial activity in the City; and

WHEREAS, Section 253.0125, Texas Local Government Code authorizes the City to transfer real property or an interest in real property for economic development purposes to the Developer, provided the City and the Developer enter into an economic development agreement authorized by Chapter 380 that includes the consideration defined in Section 253.0125(c); and

WHEREAS, the City has determined that this Agreement requires the Developer to use the Properties in a manner that primarily promotes a public purpose relating to economic development; and

WHEREAS, the Development Corporation Act, Title 12, Subtitle C1, Chapter 501-505 of the Texas Local Government Code authorizes the CEDC to provide funding and economic development grants for new business enterprises; and

WHEREAS, the City and CEDC have determined that making an economic development grant to the Developer in accordance with the terms and conditions set forth in this Agreement will further the objectives of the City, will benefit the City and its citizens, and will promote local economic development and stimulate business and commercial activity in the City.

NOW THEREFORE, in consideration of the foregoing and the premises, mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby covenant and agree as follows:

Article I. Definitions

For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

“Affiliate” means any entity that directly or indirectly controls, is controlled by, or is under common control with, the Developer.

“Commencement of Construction” means that: (i) the plans have been prepared and all approvals thereof as required by applicable governmental authorities have been obtained; (ii) all necessary permits for mobilization and excavation of the site have been issued by all applicable governmental authorities; (iii) mobilization and excavation of the site has begun; and (iv) the Developer is working towards completion of the Projects without letting the necessary construction permit(s) lapse.

“Completion of Construction” means completing construction of all residential and commercial improvements, including a minimum 60,000 square feet of new commercial space, as evidenced by receiving certificates of occupancy from the City for the buildings in accordance with applicable City ordinances. Certificates of limited occupancy shall serve as evidence of Completion of Construction for components of the Project designated for commercial use, including live/work units.

“Construction” means the installation, completion, and acceptance of Improvements and associated site infrastructure including and not limited to sidewalks, access drives, utilities, stormwater facilities, lighting, etc., for which approved stamped Civil Plans have been authorized and the building of the components related to a building structure in accordance with a Building Permit.

“Effective Date” shall mean the last date on which all of the parties hereto have executed this Agreement.

“Improvements” shall mean the buildings, parking, and other built components depicted on the Concept Plans in **EXHIBIT “C,”** attached hereto.

“Local Firm” means any firm lawfully engaged in business and located within the city limits of the City. Any firm not meeting such criteria does not qualify as a “Local Firm” for purposes of this Agreement.

“Projects” shall mean the mixed-use developments illustrated in **EXHIBIT “C”** with a minimum capital investment of at least \$45,000,000 and a minimum 60,000 square feet of retail space.

“Project 1” shall refer to the mixed-use development on the Property comprised of approximately ± 14.36 acre site generally located in the 1200 block of North Corinth Street in conformance with the Concept Plan in **EXHIBIT “C”**.

“Project 2” shall refer to the mixed-use development on the Property comprised of approximately ± 4.97 acre site generally located at the intersection of Corinth Parkway and I-35E in conformance with the Concept Plan in **EXHIBIT “C”**.

“Properties” means the approximate total ± 19.33 acres of real property within the corporate limits of the City upon which the Projects shall be executed, whose legal descriptions are shown in **EXHIBIT “A”** and are depicted in **EXHIBIT “B”** attached hereto and made a part of this Agreement for all purposes.

“Property 1” shall refer to approximately ± 14.36 acres generally located in the 1200 block of North Corinth Street, as depicted in **EXHIBIT “A”** and **EXHIBIT “B”**.

“Property 2” shall refer to approximately ± 4.97 acres generally located at the intersection of Corinth Parkway and I-35, as depicted in **EXHIBIT “A”** and **EXHIBIT “B”**.

“Total Development Costs” means the aggregate of Hard Construction Costs and the following costs directly expended by the Developer for the Project: engineering fees; architectural and design fees; real estate commissions; costs of third-party consultants, including attorneys and environmental consultants; developer fees; zoning fees; insurance and taxes directly related to the construction of the Project; and financing costs, including capitalized interest and FF&E (Furniture, Fixtures and Equipment).

Article II.

Term

The term of this Agreement (the “**Term**”) shall begin on the Effective Date and continue until either the earlier of Completion of Construction or August 21, 2030, unless extended or sooner terminated as provided herein or as agreed upon by the Parties in writing.

This Agreement may be extended for an additional period of time pursuant to Section 3.05, “Restriction”, Section 4.04 “Timelines” and/or Section 10.3 “Effect of Event Force Majeure” and documented in writing executed by all Parties, or on terms mutually acceptable to the Parties by a written agreement executed by all Parties.

Article III.

Conveyance of the Properties; Incentive & Restriction

3.01 **CEDC Conveyance.** The Corinth Economic Development Corporation agrees to convey any properties necessary for the Projects as illustrated in **EXHIBIT “B”** to the City within one hundred and eighty (180) days from the Effective Date for this Agreement.

3.02 **Public Works.** The City agrees to cease Public Works operations at Property 1 and vacate the facilities within eighteen (18) months from the Effective Date of this Agreement. The City will be solely responsible for removing all equipment, vehicles, and supplies.

3.03 **Tree Mitigation.** The City agrees to waive any tree mitigation fees due by Developer for the removal of existing protected trees as necessary for the construction of the Projects, as more specifically illustrated in **EXHIBIT “C”**. Notwithstanding the foregoing, Developer shall install such trees and landscaping as required by the MX-C Zoning District, including without limitation street trees and other plant materials.

3.04 **Sale of Properties.** The City agrees to sell and convey the Properties to the Developer in accordance with the Unimproved Property Contracts (**EXHIBIT “D”**). Following the Effective Date of this Agreement, the City agrees to obtain updated surveys and updated appraisals of the Properties pursuant to the terms of the Unimproved Property Contracts. The appraisals will be used to establish the market value of the Properties (the “Market Value”) and thereby the amount of the economic development incentive provided to Developer by City’s sale of the Properties at a reduced price as described in this Section 3.04.

The City agrees to sell the Properties to the Developer at an incentivized reduced price of \$2.00 per square foot to use and develop for the commercial economic development purposes described herein (the “Reduced Value”). The value of the incentive shall be the difference between the Market Value and the Reduced Value (the “Incentive Value”) and shall be determined pursuant to this Section 3.04.

3.05 **Restriction.** Except as expressly provided herein, the sale and conveyance by the City is subject to the requirement and restriction that the Completion of the Construction be completed on the Properties within thirty-six (36) months from the respective Commencement of Construction for the Projects. In the event the Developer violates the foregoing restriction without having constructed or caused the Completion of Construction of any of the Improvements upon the Properties in accordance with the terms of this Agreement, including without limitation, Article IV, “Developer Obligations”, such occurrence shall be an event of default and the City shall have the option to purchase the Properties for a sales price equal to the lesser of: (i) the amount paid by the Developer pursuant to Section 3.04, or (ii) the fair market value of the Property as determined by an appraisal obtained by City. However, in the event the Developer violates the foregoing requirement for Completion of Construction, but Developer has constructed or caused the construction of any portion of the Improvements upon the Property, the City shall have the option to purchase the Property for a sales price equal to the lesser of the amounts set forth in romanettes (i) and (ii) in the preceding sentence, but City shall also pay Developer the lesser of: (a) the actual costs incurred by Developer for construction of the Improvements, or (b) the fair market value of those Improvements as determined by a third party appraiser mutually agreed upon by the Parties. It shall be the responsibility of the Developer to provide written documentation of the costs paid by the Developer for the Improvements in a form acceptable to the City. Upon the request of the Developer, the City Manager or designee may grant a reasonable extension of time up to sixty (60)

days and such an extension request will not be unreasonably denied. The restriction provided in this Section shall be memorialized in the deed conveying the Properties to the Developer and a restriction agreement executed by all Parties at closing (the "Restriction Agreement") and a memorandum of the Restriction Agreement shall be recorded in the deed records of Denton County, Texas. Developer agrees to execute all documents necessary to effectuate the Restriction Agreement required by this Section prior to closing. Within fifteen (15) business days after the date of written notice by City that City will exercise its option to repurchase the Property pursuant to this Section, Developer shall execute all necessary documents to effectuate the sale and conveyance of the Properties to City and shall make such payments necessary so that the Properties are conveyed to City free of any and all liens upon and/or burdens of judgment affecting the Properties.

The restriction imposed by this Section shall be released from the deed records by the City upon (i) the Developer providing the City with documented proof of compliance with the terms and conditions of this Agreement and (ii) the City's approval of such proof of compliance as satisfactorily evidencing Developer's compliance with its obligations under this Agreement. Approval by the City shall not be unreasonable withheld. The purpose of this restriction provision is to comply with Section 253.0125, Texas Local Government Code by granting the City sufficient control to ensure the public purpose is accomplished and the City receives the return benefit and also serves as consideration for the sale of the Properties. The City's option to repurchase the Properties pursuant to this Section 4 shall expire as follows:

- a. Project 1/Property 1
 - i. The Developer has caused the substantial completion of all horizontal infrastructure within eighteen (18) months of the Commencement of Construction for all phases of Project 1 as evidenced by the City's issuance of a letter of substantial completion.
- b. Project 2/Property 2
 - i. The Developer has caused the substantial completion of all horizontal infrastructure within eighteen (18) months of the Commencement of Construction for all phases of Project 2 as evidenced by the City's issuance of a letter of substantial completion.

Expiration of the City's option to repurchase under this Section shall not affect City's ability to exercise other remedies hereunder for default by Developer. The remedies provided under this Section shall be cumulative and not exclusive and shall survive termination.

ARTICLE IV

Developer Obligations

4.01 **Submittals.** The Developer shall have eighteen (18) months from the Effective Date of this Agreement to obtain all necessary approvals from the City for all items pertaining to Planning & Engineering for both Projects.

4.02 **Improvements.** The Developer shall cause the construction of the Improvements to be built substantially in conformance with the regulations and intent of the City's MX-C zoning district and in compliance and as more specifically detailed in the Concept Plans shown in

EXHIBIT “C”, as well as all other plans and documents approved by the City in connection with the Project. The Commencement of Construction of the Improvements shall be within twelve (12) months of closing on each Property for the respective Project. The Completion of Construction of the Improvements shall be within thirty-six (36) months of the Commencement of Construction on each subject Property, subject to any extensions provided pursuant to Section 4.04 of this Agreement. Completion of Construction shall be evidenced by a certificate(s) of occupancy for all components of the Project from the City or Developer’s submission of all materials and information required by the City for issuance of a certificate(s) of occupancy for all components of the Project in accordance with applicable ordinances, whichever occurs first.

- a. The Developer shall provide the City with information on any builders chosen to complete the Improvements including but not limited to representative product samples and examples of past completed projects. The City shall provide the Developer with confirmation in writing that they approve of the selected builder within ten (10) business days upon receipt of all builder information.

4.03 **Total Investment.** The Developer will invest at least Forty-Five Million Dollars (\$45,000,000.00) in Total Development Costs for the Projects on the Properties.

4.04 **Timelines.**

- a. The Developer shall cause the Commencement of Construction of each Project within twelve (12) months of closing on the respective Properties.
- b. The Developer shall substantially complete all horizontal infrastructure for each Project within eighteen (18) months of each Project’s Commencement of Construction; compliance with this requirement shall be satisfied by Developer’s receipt of a letter of substantial completion from the City.
- c. The Developer shall cause the Completion of Construction within thirty-six (36) months of the date of the Commencement of Construction for each Project. There shall be a minimum 60,000 square feet of retail space cumulatively between both Projects upon completion.
- d. The City Manager or designee may extend the timelines provided in this Section 4.04 for no more than one hundred and eighty days (180) following written request from the Developer. An extension authorized by this Section will only be considered for a delay associated with a permit process following Developer’s submission of a complete permit application or a verifiable market condition(s) affecting the ability for financing and/or commercial leasing, or construction delays for this Project due to severe weather conditions. Developer shall notify City in writing within ten (10) business days of the occurrence of an event of delay pursuant to this section for which Developer requests an extension. City agrees not to unreasonably withhold approval of an extension that satisfies the requirements of this Section.
- e. The Developer shall secure certificates of inspection, compliance, or occupancy, as applicable, from the City or other authorities having jurisdiction over the Project for all portions of the Project that are intended to be occupied by the applicable timelines set forth in this Section 4.04.

4.05 **Purchase of Taxable Items.** The Developer shall use all reasonable efforts to purchase Taxable Items in connection with this Project from a Local Firm.

4.05 **Non-Discrimination.** The Developer agrees to ensure there will be no unlawful discrimination in employment on the basis of race, creed, color, national origin, sex, or disability or violations of any other applicable anti-discrimination laws in connection with this Project.

4.07 **Compliance with Law.** In performing its obligations under this Article, the Developer shall comply with all applicable laws, regulations, and ordinance with respect to this Project and this Agreement.

4.08 **Architectural Standards.** As consideration for the Incentive Value received hereunder, the Developer has consented to and requested, and the Parties agree, that the Concept Plans provided in **EXHIBIT “C”** and the architectural standards adopted pursuant to City ordinance, as currently in effect or subsequently amended, including the zoning regulations, apply to the Properties (the “Standards”), and in consideration for the value of the incentives received by Developer pursuant to this Agreement, Developer has voluntarily consented to and agrees to burden the Property with the Standards, despite Texas Government Code Chapter 3000, effective September 1, 2019, as it presently exists or may be subsequently amended. The Parties further acknowledge and agree that the terms, provisions, covenants, and agreements regarding the Standards contained in, or referenced in, this Section are covenants that touch and concern the Properties and that it is the express intent of the Parties that such terms, provisions, covenants, and agreements regarding the Standards shall run with the Properties and shall be binding upon the Parties hereto, their successors and assigns, and all subsequent owners of the Properties. The Parties agree that the development of the Project in accordance with the Standards was a material inducement to the City and CEDC for entering into this Agreement with Developer, that the inclusion of the Standards as a term of this Agreement serves as a mechanism for ensuring that the development of the Properties promotes the public purpose of economic development, and that the Standards touch and concern and are binding upon the Properties. This provision shall survive termination or expiration of this Agreement

Article V.

Intentionally Deleted

Article VI. Assignment

6.01 **No Assignment Without Consent.** This Agreement may not be assigned without the express written consent of the non- assigning Party, except that the Developer may assign this Agreement without obtaining the consent of the City and CEDC (a) to one of its wholly owned affiliates, or (b) to any person or entity that directly or indirectly acquires, through merger, sale of stock, purchase or otherwise, all or more than ninety (90) percent of the assets of the Developer as long as the Developer gives sixty (60) days prior written notice to the City and CEDC, and the assignee executes an agreement with the City and CEDC to be bound to all the terms and conditions of this Agreement and to be responsible for any default(s) that occurred prior to or after the date of the assignment.

6.02 **City Consent.** For any assignment not covered by (a) or (b) in the preceding paragraph, the Developer must obtain the prior approval of the City through its City Manager and CEDC through its President and the assignee must agree in writing to be bound to all the terms and conditions of this Agreement and to accept all liability for any default that occurred prior to and/or after the assignment.

6.03 **Agreement Form.** Any assignment agreement for an assignment authorized under this Section or agreed upon by City and CEDC must be furnished in a form acceptable to the City and CEDC and be provided at least thirty (30) days prior to the effective assignment date. City and CEDC agree to notify the potential assignee of any known default, but such notification shall not excuse defaults that are not yet known to the City and CEDC.

Article VII. Representations and Warranties of the Developer

7.01 As of the Effective Date, the Developer represents and warrants to the City and CEDC as follows:

- a. **Organization.** The Developer is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Texas and authorized to conduct business in the State of Texas. This Agreement constitutes a valid, binding, and enforceable obligation of Developer.
- b. **Authority.** The execution, delivery, and performance by the Developer of this Agreement are within the Developer's legal authority and have been duly authorized for the Developer. The person executing this Agreement on behalf of Developer is the duly authorized representative and agent of the Developer.
- c. **Valid and Binding Obligation.** This Agreement is the legal, valid, and binding obligation of the Developer, and it is enforceable against the Developer in accordance with its terms except as limited by applicable relief, liquidation, conservatorship, bankruptcy, moratorium, rearrangement, insolvency, reorganization, or similar laws affecting the rights or remedies of creditors generally, as in effect from time to time.
- d. **No Defaults.** To the actual knowledge of the individual signing this Agreement, to the individuals authorizing this Agreement, and the Developer's representatives that negotiated this Agreement, the Developer is not in default in the performance, observance, or fulfillment of any of the obligations, covenants, or conditions contained in any other agreement or instrument to which the Developer is a party or by which the Developer or any of its property is bound that would have any material adverse effect on the Developer's ability to timely and fully perform its obligations under this Agreement or that could result in a lien, judgment of debt against Developer, or other burden or cloud being placed upon and/or affecting the Properties.

- e. **Full Disclosure.** Neither this Agreement, nor any schedule or Exhibit attached hereto in connection with the negotiation of this Agreement contains any untrue statement of a material fact or omits to state any material fact necessary to keep the statements contained herein or therein, in the light of the circumstances in which they were made, from being misleading.

7.02 As of the Effective Date, the City and CEDC represents and warrants to the Developer as follows:

- a. **Authority.** The City and CEDC, as authorized by the actions of their respective governing bodies, each have the legal authority and capacity to enter into and perform their respective obligations under this Agreement. This Agreement constitutes a valid, binding, and enforceable obligation of the City and CEDC, and the signatories hereto have been duly authorized to execute this Agreement.
- b. **Compliance with Laws.** The City and CEDC are in compliance with all applicable laws, regulations, and ordinances necessary for entering into this Agreement. This Agreement complies with the Texas Local Government Code and any other applicable statutory requirements.
- c. **No Conflict, Litigation, or Undisclosed Obligations.** The City's and CEDC's execution and performance of this Agreement does not violate any existing law, regulation, court order, or any other binding obligations. There is no pending or, to the City's and/or CEDC's knowledge, threatened litigation, legal proceeding, or investigation that would impair its ability to fulfill its obligations under the agreement.
- d. **Valid and Binding Obligation.** This Agreement is the legal, valid, and binding obligation of the City and CEDC, and it is enforceable against the City and CEDC in accordance with its terms.

Article VIII. Information/Records

8.01 **Information.** Subject to this Article IX, the Developer shall, at such times and in such form as the City or CEDC may reasonably request from the Developer, provide all information concerning the performance of the Developer's obligations under this Agreement.

8.02 **Annual Certification Related to Compliance.** Upon completion of the Project, and continuing each year thereafter during the Term, the Developer shall submit to the Corinth City Manager and CEDC President a duly executed and completed Compliance Certificate (**EXHIBIT "E"**). Such Compliance Certificate shall be in the form required by the City to document Developer's compliance with its obligations under this Agreement, shall be submitted by Developer on or before the 31ST day of MARCH or such other later date agreed upon in writing by the city manager and signed by an authorized officer or employee of the Developer, together with all supporting documentation required by City as necessary to verify

the Developer's compliance with this Agreement. The Developer's satisfaction of the Minimum Capital Investment Requirement is due on the 1ST day of DECEMBER the year following the completion of the Project and each year thereafter during the Term of this Agreement for any new Capital Investment made by the Developer. After receiving the Compliance Certificate from the Developer, the City and CEDC shall have 30 days to notify the Developer in writing of any questions related to the Compliance Certificate and this Project that the City and CEDC may have concerned any of the information provided by the Developer, and the Developer shall diligently work in good faith to respond to such questions to the City's and CEDC's reasonable satisfaction.

8.03 Review of the Developer's Records. The Developer agrees that the City and CEDC shall have the right to review the business records of the Developer that relate to this Project and this Agreement in order to determine the Developer's compliance with the terms of this Agreement and the actual costs incurred by Developer for construction of the Improvements. Such review shall occur at any reasonable time during regular daytime business hours and upon at least ten (10) days' prior written notice to the Developer. Information, documents, and materials that (i) do not constitute public information under the Public Information Act or that (ii) are exempt from disclosure under the Public Information Act in connection with such review, shall be treated as confidential information of the Developer, and the City and CEDC agree, to the extent reasonably possible, to maintain the confidentiality of all such information to the maximum extent permitted by applicable law. To the extent reasonably possible, the Developer shall make all such records available in electronic form or otherwise available to be accessed through the internet. This provision shall survive termination or expiration of this Agreement.

8.04 5.01 Records Retention. The Developer shall maintain the fiscal records and supporting documentation for expenditures of funds associated with this Agreement. The Developer shall retain such records, and any supporting documentation for the greater of: (a) Five (5) years from the end of the Term or from the date of termination as otherwise allowed under this Agreement; or (b) the period required by other applicable laws and regulations.

Article IX.

Personal Liability of Public Officials and Limitations on Obligations of the City

9.01 Personal Liability of Public Officials. No elected official or employee of the City or CEDC shall be personally responsible for any liability arising under or growing out of this Agreement.

9.02 Fiscal Funding Limitations. The financial obligation of the City and CEDC hereunder shall be paid solely from lawfully available funds that have been budgeted and appropriated each fiscal year (October 1 — September 30) of the City and CEDC during the Term of this Agreement. Under no circumstances shall the City's and CEDC's obligations hereunder be deemed to create any debt within the meaning of any constitutional or other statutory provision. Consequently, notwithstanding any other provision of this Agreement, the City and/or CEDC shall have no obligation or liability to expend any funds for this Project or repurchase the

Properties (as applicable) unless the City and/or CEDC have received the funds, then budgeted and appropriated such funds sufficient to make such expenditure(s) during the fiscal year of the City and CEDC in which such payment is due.

ARTICLE X.

Default, Termination, and Remedies

10.1 **Default.** Non-compliance with any term of this Agreement shall be deemed to be an event of default. At any time during the Term of this Agreement that the Developer is not in compliance with any of its obligations under this Agreement, the City or CEDC may send the Developer written notice of such non-compliance, identifying the non-compliance and specifying the deadline for the Developer to cure such default (the "Notice") and the deadline for the Developer to cure such default shall not be less than thirty (30) days from the date of the City's or CEDC's written notice of non-compliance and may be extended for an additional thirty (30) days upon request by the Developer and written approval by the City or CEDC consenting to the requested extension (the "Cure Period"). If the Developer fails to cure such non-compliance within the Cure Period, then the City or CEDC may, at its sole discretion and option, terminate this Agreement in full at the end of such Cure Period and then the City may, at its sole option, exercise the rights granted pursuant to Section 3.05, "Restriction" and the Restriction Agreement to repurchase the Properties in accordance with the terms of this Agreement and the Restriction Agreement. EXCEPT AS EXPRESSLY GRANTED PURSUANT TO AN EXTENSION EXPRESSLY ALLOWED AND APPROVED BY CITY IN ACCORDANCE WITH SECTION 3.05, "RESTRICTION" AND/OR SECTION 4.04 "TIMELINES", OR IF APPROVED BY CITY COUNCIL DUE TO CIRCUMSTANCES ARISING FROM A FORCE MAJEURE EVENT (AS DEFINED BELOW), THE TERM OF THIS AGREEMENT SHALL NOT BE EXTENDED AS A RESULT OF ANY CURE PERIOD AGREED TO BY THE CITY UNDER THIS PARAGRAPH.

10.2 **Termination for Misrepresentation of Facts and Information.** Notwithstanding any provision for notice of default and any opportunity to Cure, the City or CEDC may terminate this Agreement immediately by providing written notice to the Developer if the Developer, its officers or signatories to this Agreement, intentionally misrepresent or misrepresented any material fact or information: (i) upon which the City or CEDC relied in entering into this Agreement; (ii) upon which the City or CEDC relies in making any Grant Payment to the Developer; or (iii) as an inducement for the City or CEDC to make any Grant Payment to the Developer.

10.3 **Effect of Event Force Majeure.** A Party will not be deemed to be in breach of this Agreement to the extent such Party's action, inaction, or omission is the result of an event of Force Majeure and the term of this Agreement is extended as provided herein. The Parties agree to use commercially reasonable efforts to promptly resolve any event of Force Majeure that adversely and materially impacts their performance under this Agreement. An event of Force Majeure only pauses a Party's performance obligation for the duration of the event but does not excuse it. An event of "Force Majeure" means any event or occurrence that is not within the control of a Party and prevents the Party from performing its obligations under this Agreement, including without limitation, any act of God; act of a public enemy; war; riot; sabotage; blockage; embargo; failure or inability to secure materials, supplies, or labor through

ordinary sources by reason of shortages or priority; labor strike, lockout, or other labor or industrial disturbance; civil disturbance; terrorist act; power outage; fire, flood, windstorm, hurricane, earthquake, or other casualty; epidemic; pandemic; any law, order, regulation, or other action of any governing authority; and any action, inaction, order, ruling moratorium, regulation, statute, condition, or other decision of any governmental agency having jurisdiction over a Party, over this Project, or over a Party's operations. AN EVENT OF FORCE MAJEURE SHALL NOT EXTEND THE TERM OF THIS AGREEMENT UNLESS AN EXTENSION IS APPROVED BY THE CORINTH CITY COUNCIL WHICH APPROVAL SHALL NOT BE UNREASONABLY WITHHELD.

10.4 **City's or CEDC's Remedies.** Upon breach of any obligation under this Agreement, in addition to any other remedies expressly set forth in this Agreement with respect to such breach, the City or CEDC may pursue such remedies as are available at law or in equity for Developer's breach of contract. Similarly, with regard to violations of any applicable ordinances of the City, the City may seek such relief as is available for violation of such ordinances, including fines and criminal penalties or injunctive relief.

10.5 **Indemnification.** THE PAYMENT OF ALL INDEBTEDNESS AND OBLIGATIONS INCURRED BY THE DEVELOPER WITH RESPECT TO THE EXECUTION OF THE PROJECT, INCLUDING WITHOUT LIMITATION THE COSTS OF GOODS, SERVICES, PROFESSIONAL SERVICES, AND/OR CONSTRUCTION ARISING OUT OF OR RELATING TO THE PROJECT, AND ITS OBLIGATIONS UNDER THIS AGREEMENT SHALL BE SOLELY THE OBLIGATION OF THE DEVELOPER. THE DEVELOPER SHALL DEFEND, RELEASE, INDEMNIFY AND HOLD HARMLESS THE CITY AND/OR THE CEDC FROM ANY AND ALL DAMAGES ARISING FROM OR RELATED TO LIENS PLACED UPON THE PROPERTIES AS A RESULT OF THE PROJECT OR AN ABSTRACT OF A JUDGMENT AGAINST DEVELOPER BURDENING THE PROPERTIES. THE CITY OR CEDC SHALL NOT BE OBLIGATED TO PAY ANY INDEBTEDNESS OR OBLIGATIONS OF THE DEVELOPER. THE DEVELOPER HEREBY AGREES TO RELEASE, DEFEND, INDEMNIFY, AND HOLD THE CITY, AND THE CITY'S ELECTED OFFICIALS AND EMPLOYEES, AND THE CEDC, ITS OFFICIALS AND EMPLOYEES, HARMLESS FROM AND AGAINST (I) ANY INDEBTEDNESS OR OBLIGATIONS OF THE DEVELOPER WITH RESPECT TO THE EXECUTION OF THE PROJECT, LIENS FOR GOODS OR SERVICES PLACED UPON THE PROPERTY OR PURSUANT TO AN ABSTRACT OF JUDGMENT, OR ANY OTHER OBLIGATION OF THE DEVELOPER UNDER THIS AGREEMENT ; OR (II) ANY OTHER LOSS, CLAIM, DEMAND, LAWSUIT, LIABILITY, OR DAMAGES ARISING FROM THE NEGLIGENCE OR INTENTIONAL MISCONDUCT OF THE DEVELOPER IN THE PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AGREEMENT, OR (III) BREACH OF ANY REPRESENTATION, WARRANTY, COVENANT, OR AGREEMENT OF THE DEVELOPER CONTAINED IN THIS AGREEMENT, WITHOUT REGARD TO ANY NOTICE OR CURE PROVISIONS; OR (IV) PAYMENTS MADE BY CITY AND/OR CEDC TO CLEAR LIENS PLACED UPON THE PROPERTIES RELATED TO OR ARISING FROM THE DEVELOPER'S OWNERSHIP OF THE PROPERTY OR COSTS OF THE PROJECT. THE DEVELOPER'S INDEMNIFICATION OBLIGATION HEREUNDER SHALL INCLUDE PAYMENT OF THE CITY'S OR CEDC'S REASONABLE ATTORNEYS' FEES, COSTS AND EXPENSES WITH RESPECT THERETO. THIS PROVISION SHALL SURVIVE TERMINATION OR EXPIRATION OF THIS AGREEMENT.

10.6 **Developer's Rights.** The Developer has the right to terminate this Agreement for any reason prior to the date that City conveys any portion or all of the Properties to Developer by delivering written notice to the City and CEDC at least seven (7) days prior to the desired termination date. If Developer desires to terminate this Agreement without cause at any time after Developer has obtained title to the Property pursuant to Section 3.04 "Sale of Properties", Developer shall provide thirty (30) days written notice to City along with affidavit(s) of all bills paid from any and all providers of goods and/or services to Developer for the Project or for the Properties, a written release of lien(s) for any and all liens filed against the Properties, a current title commitment and title policy for the Properties, and any other documents determined reasonably necessary by City for City to determine that the Properties will be conveyed to City free and clear of all liens, burdens, and/or clouds upon title. Upon receipt of such documentation by City, the terms of repurchase outlined in Section 3.05 "Restriction" shall apply. Notwithstanding the foregoing, the obligations of City and CEDC hereunder shall be subject to the provisions of Section 9.02, "Fiscal Funding Limitations".

10.7 **Effect of Termination/Survival of Obligations.** The rights, responsibilities, and liabilities of the Parties under this Agreement shall be extinguished upon the applicable effective date of termination of this Agreement, except for any obligations or default(s) that existed prior to such termination or as otherwise provided herein and those liabilities and obligations shall survive the termination of this Agreement, including the repurchase provisions, indemnification provisions, and both maintenance of records, and access thereto.

Article XI. Miscellaneous

11.1 **Entire Agreement.** This Agreement, including the Recitals any exhibits attached hereto, contains the entire agreement between the Parties with respect to the transactions contemplated herein and supersedes all prior negotiations, representations, and/or agreements, either written or oral.

11.2 **Further Actions.** The City, CEDC, and the Developer agree to do all things reasonably necessary or appropriate to carry out the objectives, terms, and provisions of this Agreement, and to aid and assist each other in carrying out such objectives, terms, and provisions, provided that the City and/or CEDC shall not be required to spend any money or to have further obligations except pursuant to the terms of this Agreement.

11.3 **Amendments.** Except as otherwise expressly provided, this Agreement may only be amended, altered, or terminated by written instrument signed by all the Parties.

11.4 **Waiver.** No term or condition of this Agreement shall be deemed to have been waived by forbearance, nor shall there be any estoppel to enforce any provision of this Agreement, except by written instrument of the Party charged with such waiver or estoppel, or as allowed by law.

11.5 **Notice of Bankruptcy.** In the event the Developer files for bankruptcy, whether involuntarily or voluntary, the Developer shall provide written notice to the City and CEDC within

three (3) business days of such event.

11.6 **Authorization.** Each Party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.

11.7 **Notices.** Notices under this Agreement are sufficient if given by nationally recognized overnight courier service; certified mail (return receipt requested); email with electronic confirmation; or personal delivery to the other Party at the address furnished below. Notice is effective: (i) when delivered personally; (ii) three (3) business days after sending by certified mail; (iii) on the business day following the date such notice is sent by nationally recognized courier service; or (iv) on the business day following the date such notice is sent by email with electronic confirmation to the sender. It is understood and agreed that routine business and technical correspondence may be furnished in electronic form. The contact information for each Party is as follows:

THE CITY AND CEDC:

City of Corinth
Attention: City Manager
3300 Corinth Parkway
Corinth, Texas 76208
Telephone: (940) 498-3240
E-mail: scott.campbell@cityofcorinth.com

WITH A COPY TO:

Patricia Adams
Messer & Fort, PLLC
6371 Preston Road, Suite 200
Frisco, Texas 75034
Phone: (972) 688-6400
Email: patricia@txmunicipallaw.com

THE DEVELOPER:

Kairos Communities Partners, LLC
1420 Mockingbird Way
Suite 640
Dallas, TX 75247
Email: Ryan@kairosrealestate.com

WITH A COPY TO:

Neville Law Group, PLLC
199 S. 1800 W
Farmington, UT 84025

adam@adamnevillelaw.com

Each Party may update their contact information by delivering written notice to the other Party within thirty (30) days of change to contact information.

11.8 **Applicable Law and Venue.** This Agreement is subject to the provisions of the City Charter and ordinances of the City, as amended or modified. This Agreement is made, and it shall be construed and interpreted under the laws of the State of Texas, without regard to choice of law rules. The mandatory venue for any legal proceedings shall lie in State court of competent jurisdiction located in Denton County, Texas.

11.9 **Severability.** In the event any provision of this Agreement is illegal, invalid, or unenforceable under the applicable present or future laws, then, and in that event, it is the intention of the Parties that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the Parties to this Agreement that in lieu of each clause or provision found to be illegal, invalid, or unenforceable, that a clause or provision be added to this Agreement which is legal, valid, and enforceable, and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

11.10 **Third Parties.** The Parties intend that this Agreement shall not benefit or create any right or cause of action in or on behalf of any third-party beneficiary, nor any individual or entity other than the City, CEDC, and the Developer or permitted assignees or successors of the City, CEDC, and the Developer, **except that the indemnification and hold harmless obligations by the Developer provided for in this Agreement shall also inure to the benefit of the indemnitees named therein.**

11.11 **No Partnership or Joint Venture.** Nothing contained in this Agreement is intended by the Parties to create any partnership or joint venture between the Parties, and any such implication to the contrary is hereby expressly disavowed. It is understood and agreed that this Agreement does not create a joint enterprise, nor does it appoint either Party as an agent or representative of the other for any purpose whatsoever. Except as otherwise specifically provided herein, none of the Parties hereto shall in any way assume any of the liability of any of the other Parties hereto for acts of the other or obligations of any of the other(s).

11.12 **Immunity.** The City or CEDC, in entering this Agreement, does not waive its governmental immunity from suit or any other limitations on its liability, contractual or otherwise, as granted by the Texas Constitution or applicable laws of the State of Texas.

11.13 **Employment of Undocumented Workers.** During the term of this Agreement, and in accordance with Chapter 2264 of the Texas Government Code, the Developer agrees not to knowingly employ any "UNDOCUMENTED WORKERS" (as such term is defined in Section 2264.001) in connection with this Project, and, if convicted of a violation under 8 U.S.C. Section 1324a(f), the Developer shall be deemed to be in default of this Agreement and repay the total amount of the Grant Payments and any other funds received by the Developer from the City as of the date of such violation within 120 days from the date that the Developer is notified by the City of such violation, plus interest at the rate of five (5) percent compounded annually from the date of the violation until paid in full. However, the Developer is not liable for an unknown violation

of this Paragraph by a subsidiary, affiliate, or franchisee of the Developer or by a person with whom the Developer contracts.

11.14 **Community Involvement.** Although not an event of default or condition of any advance hereunder, the Developer agrees to endeavor to actively participate in community and charitable organizations and/or activities, the purpose of which are to improve the quality of life in the City of Corinth, Texas, and to actively encourage its employees to be involved in such organizations and/or activities.

11.15 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which constitute one and the same instrument.

11.16 **Report Agreement to Comptroller's Office.** The City covenants and agrees to report this Agreement to the State Comptroller's office within fourteen (14) days of the Effective Date of this Agreement, in accordance with Section 380.004 of the Texas Government Code, as added by Texas House Bill 2404, 87th Tex. Reg. Session (2021) (effective September 1, 2021).

(signatures on the following pages)

EXECUTED in duplicate originals to be effective as of the Effective Date.

This Agreement shall be effective upon the last date on which all parties have executed this Agreement.

ATTEST:


CITY OF CORINTH, TEXAS,
a home-rule municipal corporation

DocuSigned by:

D77DD89EB0C3473

Lana Wylie, City Secretary



Signed by:

DB18BEF879464BB

Scott Campbell, City Manager
Date: March 11, 2025

APPROVED AS TO FORM:

DocuSigned by:

B5BAF55D874D428...

Patricia Adams, City Attorney

**CORINTH ECONOMIC
DEVELOPMENT CORPORATION, a**
Type B corporation

DocuSigned by:

Nick Kokoron

7F493FCE153440E...

Nick Kokoron, Chair

Date: March 14, 2025

**KAIROS COMMUNITIES PARTNERS,
LLC**

a Texas limited liability company

Signed by:

Ryan Clark

76C1D8C79D5941D...

By: Ryan Clark

Its: Partner

Date: March 7, 2025

EXHIBIT “A”
LEGAL DESCRIPTIONS

Legal Description	Parcel ID (DCAD)
J.P. WALTON BLK LOT 0ROW (ABANDONED ROW)	983665
J.P. WALTON BLK LOT ROW2 (ABANDONED ROW 2)	983668
A1389A J.P. WALTON, TR 10(PT), 1.548 ACRES, OLD DCAD TR 2B,2D	38694
G 4 CORINTH ADDITION BLK A LOT 2	705818
A0204A L. BATES, TR 15, .917 ACRES, OLD DCAD TR 10	38908
A0204A L. BATES, TR 14, .435 ACRES, OLD DCAD TR 10A	38912
A0204A L. BATES, TR 13B, 8.085 ACRES	227848
CITY OF CORINTH PUBLIC WORKS FACILITY ADDITION BLK A LOT 1	755164

EXHIBIT "B"
PROJECT SITES

SITE 1/PROJECT 1



SITE 2/PROJECT 2

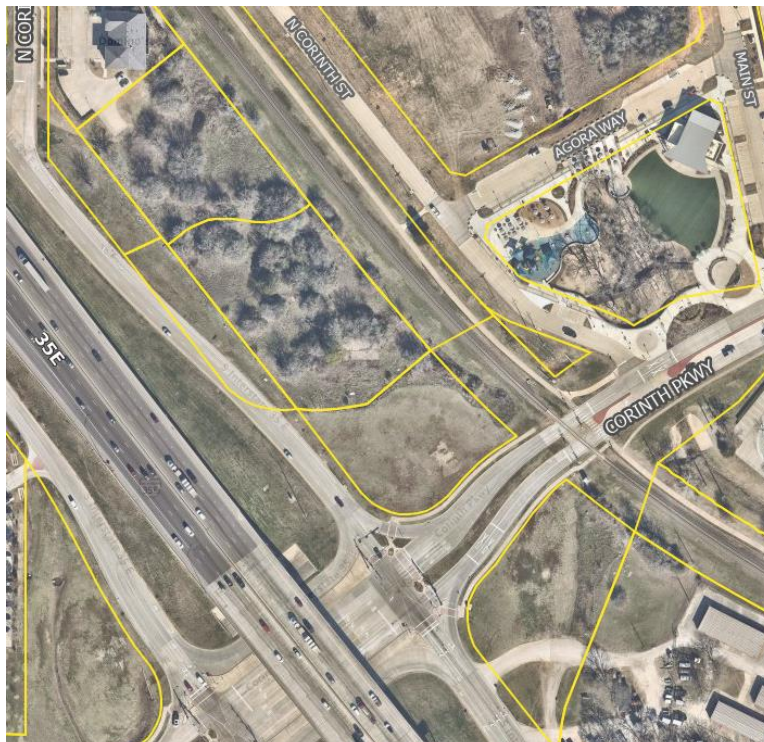
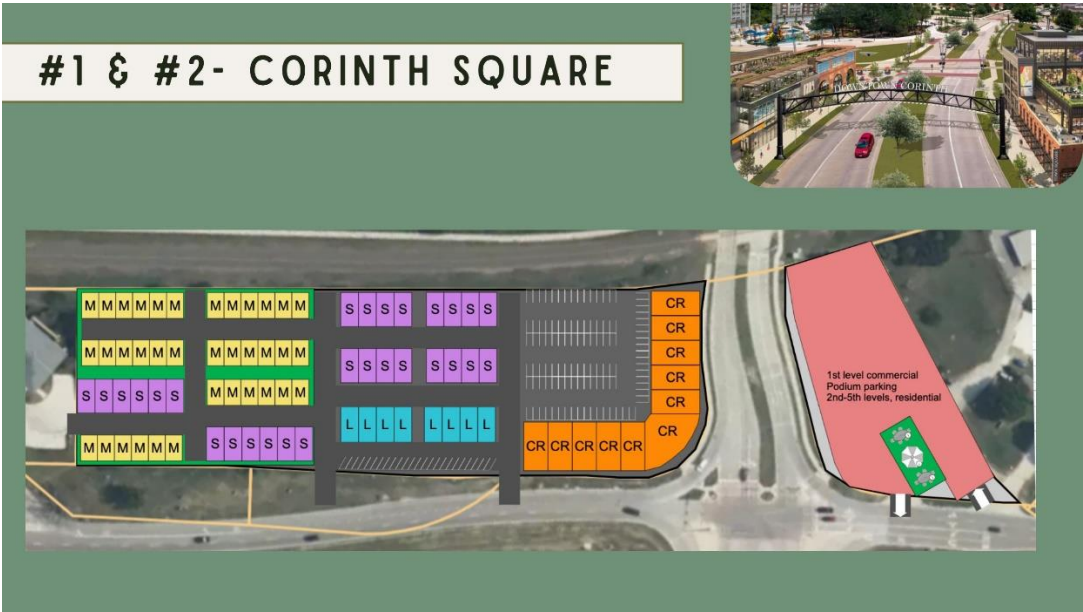


EXHIBIT “C”
CONCEPT PLANS

SITE 1/PROJECT 1



SITE 2/PROJECT 2



EXHBIT “D”

UNIMPROVED PROPERTY CONTRACTS

[TO BE INCORPORATED]

EXHIBIT "E"

ANNUAL COMPLIANCE CERTIFICATE

**ANNUAL CERTIFICATE OF COMPLIANCE FOR
{YEAR}**

Kairos Communities Partners, L.L.C.

In accordance with the Chapter 380 Agreement approved on MONTH, DAY, YEAR: the obligations of the "DEVELOPER" shall include, as outlined in Article IV, the completion of two mixed-use developments with a minimum 60,000-75,000 square feet of retail space cumulatively between both projects per the timelines established in Section 4.04.

Please select one of the options below before signing and returning the certification:

_____ a. I hereby certify that Kairos Communities Partners, L.L.C. is in compliance with each applicable term as set forth in the Economic Development Incentive Agreement (the "Agreement") as outlined in Article IV.

Company shall complete the following pursuant to the applicable terms of the Agreement.

CONSTRUCTION COMMENCEMENT AND COMPLETION

A. Date all applicable approvals pertaining to planning and engineering were obtained by the Developer: _____

B. Date the Developer closed on the Properties: _____

C. Date construction on the Projects commenced: _____

D. Date Certificate of Occupancy(s) Issued (Please attach Certificate of Occupancy(s)):

_____ b. I hereby certify that Kairos Communities Partners, L.L.C. has not adhered to the timelines and obligations set forth in the Agreement, in consideration of any granted extensions, at this time.

**KAIROS COMMUNITIES PARTNERS,
LLC**
a Texas limited liability company

By: _____

Its: _____

Date: _____