

STATE OF TEXAS §
 § ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT
COUNTY OF DALLAS §

This Economic Development Incentive agreement (“Agreement”) is made by and between the Hutchins Economic Development Corporation, a Type B Sales Tax Corporation (“HEDC”), and Pinecove Investment Hutchins LLC, a Texas limited liability company (“Company”) (each a “Party” and collectively the “Parties”), acting by and through their respective authorized officers.

WITNESSETH:

WHEREAS, Company owns or is under contract to purchase the real property at the northwest corner of I-45 and located at 311 Wintergreen Road, Hutchins, Texas and 321 Wintergreen Road, Hutchins, Texas, being further described in **Exhibit “A”** (the “Land”), and intends to construct thereon construct or cause to be constructed thereon a 5-story hotel containing 106 rooms operated pursuant to a franchise as a Holiday Inn Express & Express at 311 Wintergreen Road Hutchins, Texas (the “Holiday Inn Hotel”) and a 4-story hotel containing 99 rooms operated pursuant to a franchise as a Towne Place Suites by Marriot at 321 Wintergreen Road, Hutchins, Texas (the “Towne Place Hotel”) and a retail shopping with at least 130,000 square feet of combined retail and hotel space (herein after defined as the “Improvements”); and

WHEREAS, Company intends to cause the design and construction of Infrastructure (hereinafter defined) necessary to support the Improvements; and

WHEREAS, Company has advised HEDC that a contributing factor that would induce Company to construct the Infrastructure would be an agreement by HEDC to provide an economic development grant to Company as set forth herein; and

WHEREAS, HEDC has adopted programs for promoting economic development; and

WHEREAS, the Development Corporation Act, Chapters 501- 505 of the Texas Local Government Code, as amended (the “Act”) authorizes HEDC to provide economic development grants for the creation and retention of primary jobs that are required for the development of manufacturing and industrial facilities and for infrastructure suitable for new or expanded industrial business enterprises; and

WHEREAS, HEDC has determined that the Infrastructure Grant (hereinafter defined) to be made hereunder is required or suitable to promote or develop manufacturing and industrial facilities, new or expanded business enterprises and constitutes a “project”, as that term is defined in the Act; and

WHEREAS, HEDC has determined that making the Infrastructure Grant to Company in accordance with this Agreement will further the objectives of HEDC, will benefit City and City’s inhabitants and will promote local economic development and stimulate business and commercial activity in City.

NOW THEREFORE, in consideration of the foregoing and other consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Article I

Definitions

Wherever used in this Agreement, the following terms shall have the meanings ascribed to them:

“Bankruptcy or Insolvency” shall mean the dissolution or termination of Company’s existence, insolvency, employment of receiver for any part of Company’s property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors or the commencement of any proceedings under any bankruptcy or insolvency laws by or against Company and such proceedings are not dismissed within ninety (90) days after the filing thereof.

“Capital Investment” shall mean the capitalized cost incurred and paid by Company for design and construction of the Infrastructure.

“City” shall mean the City of Hutchins, Texas.

“Civic Center Development and Chapter 380 Agreement” shall mean that certain agreement by and between Company and City dated approximate date herewith.

“Commencement of Construction” shall mean that: (i) the plans have been prepared and all approvals thereof and permits with respect thereto required by applicable governmental authorities have been obtained for construction of the Infrastructure and the Improvements; (ii) all necessary permits for the construction of the Infrastructure and the improvements, pursuant to the respective plans therefore having been issued by all applicable governmental authorities; (iii) and grading of the Land and vertical construction have commenced.

“Company shall mean Pinecove Investment Hutchins LLC, a Texas limited liability company

“Company Affiliate” shall mean an entity that is directly or indirectly controlled by or is under common control with Company.

“Completion of Construction” shall mean: (i) substantial completion of the Infrastructure and the Improvements, in accordance with the respective plans and specifications; and (ii) with respect to the Infrastructure, the City has conducted the final inspection and/or accepted the Infrastructure, and with respect to the Improvements, the City has issued a certificate of occupancy for all of the Improvements.

“Deceleration Lane” shall mean the deceleration lane requested by Texas Department of Transportation (“TXDOT”) pursuant to the Traffic Engineering Study I-45 SBFR as commented by TXDOT in a report dated November 19, 2024, to serve the Improvements in accordance with plans approved by the City.

“Effective Date” shall mean the last date of execution hereof.

“Eligible Costs” shall mean the costs incurred and paid by Company or on behalf of Company for the design and construction of the Infrastructure not including costs for legal fees, permit fees, the costs of interest, finance, the cost of financing, management fees, land or right-of-way, or easements or other soft costs.

“Expiration Date” shall mean the tenth (10th) anniversary date of the date of Completion of Construction of the Infrastructure and the Improvements.

“Employment Period” shall mean each twelve (12) month consecutive period during the term of this Agreement beginning on the Commencement Date.

“Employment Positions” shall mean FTE Positions eligible for employee benefits that have been created, maintained, and filled at the Improvements.

“Force Majeure” shall mean an occurrence of any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, riot, terrorism, civil commotion, insurrection, government or de facto governmental action, restrictions or interferences (unless caused by the intentional acts or omissions of the Party), fires, explosions, floods or other inclement weather, strikes, slowdowns or work stoppages, incidence of disease or other illness that reaches outbreak, epidemic, or pandemic proportions or similar causes affecting the area in which the Improvements is located that results in a reduction of labor force or work stoppage in order to comply with local, state, or national disaster orders, construction delays, shortages or unavailability of supplies, materials or labor, necessary condemnation proceedings, or any other circumstances which are reasonably beyond the control of the Party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstances are similar to any of those enumerated or not, in which case the Party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or performance shall be extended for a period of time equal to the period such Party was delayed, provided the Party whose performance is delayed provides written notice to the other Party not later than fifteen (15) business days after the last day of the month of the occurrence of the event(s) or condition(s) causing the delay or the date the Party whose performance has been delayed becomes aware or should have reasonably known of the event, describing such event(s) and/or condition(s) and the date on which such event(s) and/or condition(s) occurred.

“FTE Position” means a position filled by an individual scheduled to work at least 2080 hours per Employment Period.

“HEDC” shall mean the Hutchins Economic Development Corporation, a Type B Sales Tax Corporation.

“Holiday Inn Hotel shall mean a 5-story hotel containing 106 rooms operated pursuant to a franchise as a Holiday Inn Express & Express at 311 Wintergreen Road Hutchins, Texas, or other franchise approved by the City.

“Impositions” shall mean all taxes, assessments, use and occupancy taxes, charges, excises, license and permit fees, and other charges by public or governmental authority, general and special, ordinary and extraordinary, foreseen and unforeseen, which are or may be assessed, charged, levied, or imposed by any public or governmental authority on Company with respect to the Improvements or any property or any business owned by Company within the City.

“Improvements” shall collectively mean a 5-story hotel containing 106 rooms operated pursuant to a franchise as a Holiday Inn Express & Express at 311 Wintergreen Road Hutchins, Texas (the “Holiday Inn Hotel”) and a 4-story hotel containing 99 rooms operated pursuant to a franchise as a Towne Place Suites by Marriot at 321 Wintergreen Road, Hutchins, Texas (the “Towne Place Hotel”) and a retail shopping with at least 130,000 square feet of combined retail and hotel space, and other ancillary facilities such as required parking and landscaping more fully described in the submittals filed by Company with the City, from time to time, to obtain a building permit(s).

“Infrastructure” shall have the meaning assigned by Section 501.103 Texas Local Government Code, as amended, and consist of the Deceleration Lane.

“Infrastructure Grant” shall mean an economic development grant to offset the Eligible Costs of the Infrastructure incurred and paid by Company, or on behalf of Company, in an amount not to exceed Four Hundred Thousand and No/100 Dollars (\$400,000.00), to be paid as set forth herein.

“Land” shall mean the real property described in **Exhibit “A”**.

“Payment Request” shall mean a written request from Company to HEDC for payment of the Infrastructure Grant accompanied by: (i) copies of invoices, bills, receipts, invoices, and such other information, as may be reasonably requested by HEDC, to document the Eligible Costs incurred and paid by Company or on behalf of Company for the design and construction of the Infrastructure; and (ii) copies of invoices, bills, receipts, and such other information, as may reasonably be requested by HEDC, to document the required Capital Investment.

“Related Agreements” shall mean the Civic Center Development and Chapter 380 Agreement, and any agreement (other than this Agreement) by and between HEDC, City and Company and/or a Company Affiliate.

“Towne Place Suites”) shall mean a 4-story hotel containing 99 rooms operated pursuant to a franchise as a Towne Place Suites by Marriot at 321 Wintergreen Road, Hutchins, Texas, or other franchise approved by the City.

Article II Term

The term of this Agreement shall begin on the Effective Date and continue until the Expiration Date, unless sooner terminated as provided herein.

Article III Infrastructure Grant

3.1 Infrastructure Grant. Subject to the continued satisfaction of all terms and conditions of this Agreement by Company, and the obligation of Company to repay the Infrastructure Grant pursuant to Article V hereof, HEDC agrees to provide the Infrastructure Grant to Company within thirty (30) days after receipt of the Payment Request following the date Completion of Construction of the Infrastructure and the Improvements. The Payment Request may be submitted no earlier than date of Completion of Construction of the Infrastructure and the Improvements, and no later than ninety (90) days thereafter. The failure to timely submit the Payment Request for the Infrastructure Grant shall result in the forfeiture of the payment of the Infrastructure Grant by HEDC to Company.

3.2 Current Revenue. The Infrastructure Grant made hereunder shall be paid solely from lawfully available funds that have been appropriated by HEDC; provided, however, HEDC agrees during the term of this Agreement to make a good faith effort to appropriate funds to pay the Infrastructure Grant. Consequently, notwithstanding any other provision of this Agreement, HEDC shall have no obligation or liability to pay Infrastructure Grant except as allowed by law.

3.3 Grant Limitations. Under no circumstances shall the obligations of HEDC hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. Further, HEDC shall not be obligated to pay any commercial bank, lender or similar institution for any loan or credit agreement made by Company. None of the obligations of HEDC under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution.

Article IV Conditions to Economic Development Grant

The obligation of HEDC to pay the Infrastructure Grant shall be conditioned upon the compliance and satisfaction by Company of the terms and conditions of this Agreement and each of the following conditions provided; that failure to satisfy a condition shall not prevent the payment of the Infrastructure Grant prior to the specified deadline for satisfaction of the condition..

4.1 Payment Request. Company shall, as a condition precedent to the payment of the Infrastructure Grant, timely provide HEDC with the Payment Request.

4.2 Good Standing. Company shall not have an uncured breach or default of this Agreement, or a Related Agreement.

4.3 Construction Schedule. Company shall, subject to events of Force Majeure, cause Commencement of Construction of the Infrastructure and the Improvements to occur on or before December 31, 2025, and subject to events of Force Majeure, cause Completion of Construction thereof to occur on or before December 31, 2028.

4.4 Schedule of Jobs. Company anticipates that following the Commencement Date approximately twenty-five (25) Employment Positions shall have been created at the Improvements.

4.5 Capital Investment. The Capital Investment shall equal or exceed the amount of the Infrastructure Grant as of the date of Completion of Construction of the Infrastructure.

Article V

Termination; Repayment

5.1 Termination. This Agreement shall terminate upon any one of the following:

- (a) By mutual written agreement of the Parties;
- (b) Upon the Expiration Date;
- (c) Upon the date set forth in written notice by either Party, if the other Party defaults or breaches any of the terms or conditions of this Agreement, or a Related Agreement, and such default or breach is not cured within thirty (30) days after written notice thereof;
- (d) Upon the date set forth in written notice by HEDC, if Company suffers an event of Bankruptcy or Insolvency;
- (e) Upon the date set forth in written notice by HEDC, if any Impositions owed to the HEDC, the City, or the State of Texas by Company shall have become delinquent (provided, however, Company retains the right to timely and properly protest and contest any such Impositions); or
- (f) Upon the date set forth in written notice by either Party, if any subsequent Federal or State legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal, or unenforceable.

5.2. Repayment. In the event the Agreement is terminated by HEDC pursuant to Section 5.1(c), (d), (e), or (f), Company shall immediately repay to HEDC an amount equal to the Infrastructure Grant previously paid by HEDC to Company immediately preceding the date of such termination, plus interest at the rate of interest periodically announced by the *Wall Street Journal* as the prime or base commercial lending rate, or if the *Wall Street Journal* shall ever cease to exist or cease to announce a prime or base lending rate, then at the annual rate of interest from time to time announced by Citibank, N.A. (or by any other New York money center bank selected by HEDC) as its prime or base commercial lending rate, from the date on which the Infrastructure

Grant is paid by HEDC until such Infrastructure Grant is refunded by Company. The repayment obligation of Company set forth in this section shall survive termination.

5.3 Right of Offset. HEDC may at its option, offset any amounts due and payable under this Agreement against any debt (including taxes) lawfully due to HEDC and/or City from Company, regardless of whether the amount due arises pursuant to the terms of this Agreement, a Related Agreement or otherwise, and regardless of whether the debt due HEDC has been reduced to judgement.

Article VII

Miscellaneous

6.1 Binding Agreement. The terms and conditions of this Agreement are binding upon the successors and permitted assigns of the Parties hereto.

6.2 Limitation on Liability. It is understood and agreed between the Parties that Company and HEDC, in satisfying the conditions of this Agreement, have acted independently, and HEDC assumes no responsibilities or liabilities to third parties in connection with these actions. Company agrees to indemnify and hold harmless HEDC from all such claims, suits, and causes of actions, liabilities, and expenses, including reasonable attorney's fees, of any nature whatsoever by a third party arising out of Company's performance of the conditions under this Agreement.

6.3 No Joint Venture. It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture between the Parties.

6.4 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the Party at the address set forth below or on the day actually received if sent by courier or otherwise hand delivered:

If intended for HEDC, to:

Attn: Guy D. Brown
Executive Director
Hutchins Economic
Development Corporation
103 W. Palestine Street
P.O. Box 361
Hutchins, Texas 75141

With a copy to:

Attn: Peter G. Smith
General Counsel
Nichols | Jackson
1800 Ross Tower
500 N. Akard Street
Dallas, Texas 75201

If intended for Company:

With a copy to:

Attn: Mainul Khan, Manager
Pinecove Investment Hutchins
LLC
8509 Orchard Hill Drive
Plano, Texas 75025

6.5 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.

6.6 Severability. In the event any section, subsection, paragraph, sentence, phrase, or word herein is held invalid, illegal, or unconstitutional, the balance of this Agreement shall stand, shall be enforceable, and shall be read as if the Parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase, or word.

6.7 Governing Law. This Agreement shall be governed by the laws of the State of Texas without regard to any conflict of law rules. Exclusive venue for any action under this Agreement shall be the State District Court of Dallas County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

6.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

6.9 Entire Agreement. This Agreement embodies the complete agreement of the Parties hereto, superseding all oral or written previous and contemporary agreements between the Parties and relating to the matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the Parties to be attached to and made a part of this Agreement.

6.10 Recitals. The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein as part of this Agreement.

6.11 Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

6.12 Amendment. This Agreement may only be amended by the mutual written agreement of the Parties.

6.13 Legal Construction. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the Parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall 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.

6.14 Assignment. 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. This Agreement may not be assigned by Company without the prior written consent of the HEDC.

6.15 Employment of Undocumented Workers. During the term of this Agreement, Company agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a (f), Company shall repay the Infrastructure Grant, and any other funds received by Company from HEDC as of the date of such violation within one hundred twenty (120) days after the date Company is notified by HEDC of such violation, plus interest at the rate of four percent (4%) compounded annually from the date of violation until paid.

6.16 Boycott Israel; Boycott Energy Companies; and Prohibition of Discrimination against Firearm Entities and Firearm Trade Associations.

(a) Company verifies that it does not Boycott Israel and agrees that during the term of the Agreement will not Boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended.

(b) Company verifies that it does not Boycott Energy Companies and agrees that during the term of this Agreement will not Boycott Energy Companies as that term is defined in Texas Government Code Section 809.001, as amended.

(c) Company verifies that: (i) it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association as those terms are defined in Texas Government Code Section 2274.001, as amended; and (ii) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

(d) This section does not apply if Company is a sole proprietor, a non-profit entity, or a governmental entity; and only applies if: (i) Company has ten (10) or more fulltime employees and (ii) this Agreement has a value of \$100,000.00 or more to be paid under the terms of this Agreement.

6.17 Conditions Precedent. This Agreement is subject to and the obligations of the Parties are expressly conditioned up the following: (i) Company closing its purchase of the Land on or before ____ 2025; and (ii) the Civic Center Development and Chapter 380 Agreement is fully executed.

(Signature page to follow)

EXECUTED on this _____ day of _____, 2025.

HUTCHINS ECONOMIC DEVELOPMENT CORPORATION

By: _____
Guy D. Brown, Executive Director

EXECUTED on this _____ day of _____, 2025.

PINECOVE INVESTMENT HUTCHINS LLC

By: _____
Mainul Khan, Manager

Exhibit A
Legal description of the Land to be attached