

CH 380

RESOLUTION NO. 2017-09-71

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS, REPEALING RESOLUTION NO. 2017-08-54, AND APPROVING A CHAPTER 380 AGREEMENT BY AND BETWEEN THE CITY OF LANCASTER, TEXAS, LANCASTER ECONOMIC DEVELOPMENT CORPORATION AND CH REALTY VII/I DALLAS HOUSTON SCHOOL RD, L.P., AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Lancaster, Texas passed Resolution No. 2017-08-54 on August 14, 2017, which approved a Chapter 380 Economic Development Agreement by and between the City of Lancaster, Texas ("City") and CH Realty VII/I Dallas Houston School Road, L.P. ("CH Realty"); and

WHEREAS, the City authorized the City Manager to execute the Economic Development Agreement between the City and CH Realty; and

WHEREAS, the Economic Development Agreement by and between the City and CH Realty incorrectly described the terms and conditions; and

WHEREAS, the City wishes to repeal Resolution No. 2017-08-54 and take action to correctly describe the terms and conditions within the Economic Development Agreement;

WHEREAS, the City desires to grant certain incentives to CH Realty, for the purpose of constructing a warehouse / distribution facility within the City of Lancaster, Texas; and

WHEREAS, the City has adopted programs for promoting economic development, and an Economic Development Agreement and the economic development incentives set forth herein are given and provided by the City pursuant to and in accordance with those programs; and

WHEREAS, the City is authorized by Chapter 380 of the Texas Local Government Code to issue grants in order to promote local economic development by stimulating the local economy; and

WHEREAS, an Economic Development Agreement containing the terms of the grant of incentives from both the City is appropriate.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LANCASTER, TEXAS:

SECTION 1. The City Council of Lancaster, Texas approves a Chapter 380 Economic Development Agreement by and between the City of Lancaster and CH Realty VII/I Dallas Houston School Road, L.P.; and

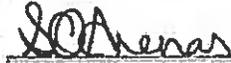
SECTION 2. The City Council authorizes the City Manager to execute the Economic Development Agreement between the City of Lancaster and CH Realty VII/I Dallas Houston School Road, L.P.; and

SECTION 3. That all provisions of any City of Lancaster resolution in conflict with the provisions of this resolution be, and the same are hereby, repealed, and City of Lancaster resolution no in conflict with the provisions of this resolution shall remain in full force and effect. It is expressly ordained that Resolution No. 2017-08-54, passed by the City Council of Lancaster on August 14, 2017, be hereby repealed in its entirety.

SECTION 4. This Resolution shall take effect immediately from and after the date of passage and is so resolved.

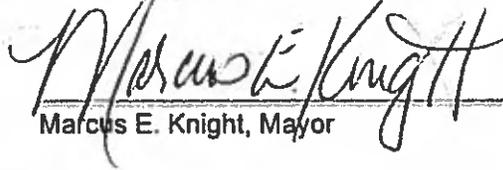
DULY PASSED and approved by the City Council of the City of Lancaster, Texas, on this the 25th day of September, 2017.

ATTEST:



Sorangel O. Arenas, City Secretary

APPROVED:



Marcus E. Knight, Mayor

APPROVED AS TO FORM:



David T. Ritter, City Attorney

NOW THEREFORE, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, and other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties 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:

"Annual Grant(s)" shall mean an annual economic development grant to be paid by the City as set forth herein in an amount equivalent to 65 percent (65%) of the Real Property Taxes assessed against the Premises for a given tax year for a period of ten (10) consecutive tax years beginning with the first calendar year following the Commencement Date.

"Casualty" shall mean the Improvements are wholly or partially destroyed by fire, tornado, hurricane, earthquake, flood or similar casualty that renders the Improvements unfit for the intended purpose.

"City" shall mean the City of Lancaster, Texas.

"Commencement Date" shall mean the later of (a) January 1 of the calendar year immediately following the date a Certificate of Occupancy is issued by the City for the Company's occupancy of the Improvements; and (b) January 1, 2018.

"Company" shall mean CH Realty VII/I Dallas Houston School Rd, L.P., a Delaware limited partnership, its permitted successors and assigns.

"Company Affiliate" shall mean any entity, incorporated or otherwise, under common control with, controlled by or controlling Company. For purposes of this definition, "control" means fifty percent (50%) or more of the ownership determined by either value or vote.

"Effective Date" shall mean the last date of execution hereof.

"Event of Bankruptcy or Insolvency" shall mean the dissolution or termination of a party's existence as a going business, insolvency, appointment of receiver for any part of such party'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 proceeding under any bankruptcy or insolvency laws by or against such party and such proceeding is not dismissed within ninety (90) days after the filing thereof.

"Event of Force Majeure" shall mean any contingency or cause beyond the reasonable control of

a party including, without limitation, acts of God or the public enemy, war, terrorist act, or threat thereof, riot, civil commotion, insurrection, government action or inaction (unless caused by the intentionally wrongful acts or omissions of the party), fires, earthquake, tornado, hurricane, explosions, floods, strikes, slowdowns or work stoppages.

"Expiration Date" shall mean the eleventh (11th) year after the payment of the first Annual Grant.

"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 the Company or any property owned by Company within the City.

"Improvements" shall mean any improvements, structures or related infrastructure located on the Premises for incorporation in the Project.

"Premises" shall mean the real property described on Exhibit "A" with or without improvements.

"Project" shall mean the development of the Premises, by the design, construction and maintenance of new improvements and related infrastructure for two speculative construction warehousing and distribution buildings totaling in the aggregate approximately 1,221,612 square feet, and for which the aggregate Taxable Valuation is not less than \$20,000,000 for the first tax year following completion of the buildings.

"Real Property Taxes" shall mean, all real estate ad valorem taxes assessed and levied by the City on the Premises in accordance with state law.

"Related Infrastructure" shall mean all City development and building code requirements related to site preparation, water, wastewater, storm water, building construction and related requirements necessary to receive a "Certificate of Occupancy" issued by the City.

"Required Use" shall mean uses: (1) permitted by right in accordance with the City of Lancaster's Development Code, *Ordinance 2006-04-13*, as amended; or (2); permitted by Special Use Permit under the Development Code, and which complies with all other applicable state law and local ordinances.

"Taxable Value" shall mean the assessed value of the Premises as certified by the appraisal district, or its successor, for a given year.

Article II

Term

The term of this Agreement shall begin on the last date of execution hereof (the "Effective Date") and end upon Company's receipt of the last Annual Grant due and payable hereunder, unless earlier terminated in accordance with the terms hereof.

Article III

Economic Development Grants

3.1 **Annual Grants.** Subject to the Company's continued satisfaction of all the terms and conditions of this Agreement, the City agrees to provide the Company with an Annual Grant to reimburse the Company for Real Property Tax actually paid and incurred by the Company and attributable to the Project for up to ten (10) years. The Annual Grants are to be paid on March 1 of each calendar year, (or the immediately following business day if March 1 is not a business day), beginning with March 1 of the first full calendar year following the Commencement Date, provided the City has timely received the Real Property Taxes assessed and paid against the Premises in full for the respective tax year (i.e., the tax year immediately preceding the year in which an Annual Grant is made; and such Real Property Taxes with respect to that immediately preceding tax year are used to determine the amount of each Annual Grant).

The Incentive Payments shall be based the following criteria:

Real Property Tax Assessed Value	Years of Eligibility	Percentage of Real Property Taxes Reimbursed
\$75 million+	10	65%
\$50 million+ to \$75 million	8	60%
\$35 million+ to \$50 million	7	50%
\$20 million+ to \$35 million	5	45%
\$10 million+ to \$20 million	5	40%
\$5 million+ to \$10 million	3	30%

It is understood that the amount of the Annual Grant may vary from year to year based on the amount of the Real Property Tax Assessed Value and tax actually paid by Company for the Project. It is also understood that if the Real Property Tax Assessed Value drops to a level for which the number of years of eligibility have already been exhausted, no payment may be received that year – for example, if Real Property Tax Assessed Value has been at the \$50 million + to \$75 million level for seven years, and in year eight, the Real Property Tax Assessed Value drops to \$45 million, no Annual Grant would be due that year, as the \$35 million+ to \$50 million level has only seven years of eligibility. If Real Property Tax Assessed Value returned to the \$50 million + level the next year, a payment would be due, as that level has a total of eight years of eligibility. Real Property Tax Annual Grants shall be available only for up to the first

ten (10) years following the payment of Real Property tax for the first full calendar year after completion of the Project's construction.

Notwithstanding the foregoing, the City shall have no obligation to pay Company any Annual Grant until receipt of the Real Property Tax Report (annual, detailed verification of the Real Property Tax report including certification by Company of Real Property Tax paid to each taxing entity). The City agrees to provide the Annual Grant to Company within thirty (30) days following receipt and acceptance of the Real Property Tax Report.

For illustration purposes only, assume that the Real Property Taxes assessed against the Premises for tax year 2017 is \$100,000.00. Then, the amount of the first Annual Grant for Tax Year 2017 would be \$65,000.00 ($\$100,000.00 \times 65\%$), and would be paid on March 1, 2018.

The Annual Grants herein do not apply in any Tax Year where the Value of the Real Property Improvements is less than Five Million Dollars (\$5,000,000) on December 31 of such year.

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

3.3 Current Revenue. The Annual Grants made hereunder shall be paid solely from lawfully available funds that have been appropriated by the City; provided however the City agrees during the term of this Agreement to make a good faith effort to appropriate funds each year to pay the Annual Grant for the then ensuing fiscal year. Further, the time period during which an Annual Grant may be paid shall automatically be extended by one year for every year in which the City does not appropriate funds for an Annual Grant payable pursuant to the terms of this Agreement. Notwithstanding any other provision of this Agreement, the City shall have no obligation or liability to pay any grants except as allowed by law. The City shall not be required to pay any Annual Grants if prohibited under federal or state legislation or a decision of a court of competent jurisdiction.

3.4 Tax Protest. In the event the Company or the owner of the Premises timely and properly protests or contests (including any motion to correct the appraisal roll) the Taxable Value and/or the taxation of the Premises, or any portion thereof, with the applicable appraisal district (or its successor), and such protest and/or contest results in a final determination that changes the appraised value and/or the Taxable Value of the Premises or the amount of ad valorem taxes assessed and due for the Premises, or portion thereof, after an Annual Grant has been paid for such Premises for such tax year, the Annual Grant for such tax year shall be adjusted (increased or decreased as the case may be) accordingly on the date of payment of the next Annual Grant payment date, or within sixty (60) business days after such determination in the event no further Annual Grant payments are due under the Agreement.

3.5 Refunds and Corrections. In the event the City determines in its reasonable discretion that the amount of an Annual Grant paid by the City to the Company was incorrect, the Company shall, within sixty (60) days after receipt of written notification thereof from the City specifying the amount by which such Annual Grant exceeded the correct amount to which the Company was entitled (together with such records, reports and other information reasonably necessary to support such determination), pay such amount to the City. Notwithstanding the foregoing, the City shall only be entitled to request such a refund and Company shall only be obligated to pay such refund to the City within six (6) months of the date such Annual Grant is paid by the City to

Company. If the City determines that the amount by which such Annual Grant was less than the correct amount to which the Company was entitled, the City shall, within sixty (60) days, pay the adjustment to the Company and provide such records, reports and other information reasonably necessary to support such determination. If the Company disputes the City's determination, the parties shall seek to amicably resolve the matter, subject to either party's right to pursue any available rights or remedies in connection therewith.

3.6 Indemnification. THE COMPANY AGREES TO DEFEND, INDEMNIFY AND HOLD THE CITY, ITS OFFICERS, AGENTS AND EMPLOYEES (COLLECTIVELY FOR PURPOSE OF THIS SECTION, THE "CITY") HARMLESS FROM AND AGAINST ANY AND ALL REASONABLE LIABILITIES, CLAIMS, LAWSUITS, JUDGMENTS, BY THE STATE OF TEXAS THAT THE CITY HAS BEEN PAID ERRONEOUSLY, OVER-PAID OR INCORRECTLY ALLOCATED USE TAX ATTRIBUTED TO THE COMPANY DIRECT PAYMENT PERMIT AND THE COLLECTION OR PAYMENT OF USE TAX BY COMPANY FOR TAXABLE ITEMS USED OR CONSUMED IN THE CITY FOR ANY GRANT PERIOD DURING THE TERM OF THIS AGREEMENT (COLLECTIVELY, A "CLAIM"). IT BEING THE INTENTION OF THE PARTIES THAT THE COMPANY SHALL BE RESPONSIBLE ONLY FOR THE REPAYMENT OF ANY GRANTS PAID TO THE COMPANY HEREIN BY THE CITY THAT INCLUDES USE TAX RECEIPTS THAT THE STATE OF TEXAS HAS DETERMINED WERE PAID ERRONEOUSLY, DISTRIBUTED, OR ALLOCATED TO THE CITY, THE PROVISIONS OF THIS SECTION SHALL SURVIVE TERMINATION OF THIS AGREEMENT. THE PROVISIONS OF THIS SECTION ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND DO NOT CREATE ANY OBLIGATIONS FROM OR GRANT ANY CONTRACTUAL OR OTHER RIGHTS TO ANY OTHER PERSON OR ENTITY, OTHER THAN OBLIGATIONS, IF ANY, THAT ARISE FROM THE COMPANY TO THE CITY TO PERFORM OBLIGATIONS CREATED BY THIS SECTION.

Article IV

Conditions to the Economic Development Grant

The obligation of the City to provide the Annual Grant(s) shall be conditioned upon the Company's continued compliance with and satisfaction of each of the terms and conditions of this Agreement, including the conditions set forth below:

4.1 During the period of time beginning on the Commencement Date and continuing thereafter until the Expiration Date, or earlier termination of the Agreement, the Company agrees to continuously own, lease or make available for lease the Improvements and shall not allow the operation of the Improvements in conformance with the Required Use to cease for more than sixty (60) days except in connection with, and to the extent of a Casualty or an Event of Force Majeure.

4.2 The Company shall commence Project construction on the Premises within six (6) months of the execution date of this Agreement or the Agreement will terminate, subject to any

notice and cure rights allowed pursuant to Article V herein.

4.3 The Company shall not have an uncured breach or material default of this Agreement or been in arrears for any ad valorem taxes owed to the City; nothing contained herein shall preclude a good faith tax protest under section 3.4 of this Agreement.

4.4 The Company shall substantially complete construction of the Project on the Premises within eighteen (18) months of the Effective Date of this Agreement.

4.5 The Company shall comply with all the terms and conditions of this Agreement.

Article V

Termination and Default

5.1 This Agreement terminates upon Company's receipt of the last Annual Grant due and payable hereunder, and may be terminated prior to such date upon any one or more of the following:

- (a) by mutual written agreement of the parties;
- (b) by either party, if the other party defaults or breaches any of the material terms or conditions of this Agreement and such default or breach is not cured as described in Section 5.2 below;
- (c) by City, if any Impositions owed to the City or the State of Texas by Company shall have become delinquent and Company has not timely and properly initiated proceedings to protest or contest such taxes or Impositions and such default or breach is not cured as described in Section 5.2 below;
- (d) by City, if Company suffers an Event of Bankruptcy or Insolvency; or
- (e) 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 in its entirety.
- (f) should Company fail to return fully signed and executed agreement(s) to the City within 30 days of approval of agreement(s) by the Lancaster City Council, the agreement(s) and the incentive offer they represent, shall be deemed to be withdrawn and shall have no further effect.

5.2 Unless and to the extent stated elsewhere in this Agreement, a party will be in default under this Agreement if that party breaches any term or condition of this Agreement and such breach remains uncured after sixty (60) calendar days following receipt of written notice from the other party referencing this Agreement, the nature of the alleged default and the steps necessary to cure such default (or, if the party in breach has diligently and continuously attempted to cure following receipt of such written notice but reasonably requires more than sixty (60) calendar days to cure, then such additional amount of time as is reasonably necessary to effect cure, as determined by both parties mutually and in good faith). Such amounts shall be due, owing, and payable to the City within sixty (60) days after the expiration of the above mentioned sixty (60) day period. The Parties acknowledge that the City will suffer damages in

the event of the Company's default under this Agreement. The Parties acknowledge that actual damages in the event of default and termination would be speculative and difficult to determine. Company's obligation to pay any amounts hereunder shall survive termination of this Agreement.

5.3 In the event the Agreement is terminated by the City pursuant to Section 5.1(b), (c), or , the Company shall not be entitled to receive any subsequent Annual Grants under this Agreement but shall have no obligation to refund to the City any Annual Grants (or portion thereof or interest accrued thereon) previously paid by the City to the Company. Under all other sections, if termination shall occur, the Company shall not be entitled to receive any subsequent Annual Grants under this Agreement and as liquidated damages pay to the City all taxes. As identified in Section 3.1, which otherwise would have been paid to the City for the Land and Improvements without benefit of this Agreement for the calendar year in which this Agreement is terminated with interest at the statutory rate for delinquent taxes as determined by Section 33.01 of the Texas Code, as amended, but without penalty.

5.4 In the event the Agreement is terminated by the City pursuant to Section 5.1(e), the Company shall, only if such legislation or court decision requires, immediately refund to the City an amount equal to the annual Grant(s) paid by the City to the Company immediately preceding the date of such termination. The repayment obligation of Company set forth in this section 5.3 hereof shall survive termination.

Article VI

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 the Company and City, in satisfying the conditions of this Agreement, have acted independently, and the City assumes no responsibilities or liabilities to third parties in connection with these actions.

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 among the parties.

6.4 **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. The undersigned officers and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto.

6.5 **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 such other address as such party may subsequently designate in writing) or on the day actually received if

sent by courier or otherwise hand delivered.

If intended for City, to:

City of Lancaster
Attn: Opal Mauldin-Jones
City Manager
P. O. Box 940
211 North Henry Street
Lancaster, Texas 75146-0946

With a copy to:

David T. Ritter
Brown & Hofmeister, LLP
740 East Campbell Road, Suite 800
Richardson, Texas 75081

If intended for Company:

CH Realty VII/I Dallas Houston School Rd, L.P.
Attn: Asset Manager
3819 Maple Avenue
Dallas, Texas 75219

With a copy to:

Winstead PC
Attn: Greg Zimmerman
500 Winstead Building
2728 N. Harwood St.
Dallas, Texas 75201

6.6 **Entire Agreement.** This Agreement is the entire Agreement between the parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written Agreement between the parties that in any manner relates to the subject matter of this Agreement, except as provided in any Exhibits attached hereto.

6.7 **Governing Law.** The Agreement shall be governed by the laws of the State of Texas, without giving effect to any conflicts of law rule or principle that might result in the application of the laws of another jurisdiction; and exclusive venue for any action concerning this Agreement shall be in 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 **Amendment.** Except as otherwise provided, this Agreement may only be amended by the mutual written agreement of the parties. Within ten (10) business days prior to the expiration of any performance deadline stated within this Agreement, Company may submit to the City Manager a written request for extension, along with a reasonable justification for the delay and the requested duration extension, but no longer than ninety (90) days. The City Manager or his/her designee may approve of the extension in writing without the need for formal amendment of this Agreement signed by both parties. Such written approval shall thereafter amend the performance deadline so stated.

6.9 **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.

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

6.11 **Successors and Assigns.** This Agreement may not be assigned without the City's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, except to: (1) a Company Affiliate; or (2) for collateral assignment purposes for Company's lender(s). Neither the Company nor its legal representatives or successors in interest shall, by operation of law or otherwise, assign, mortgage, pledge, encumber or otherwise transfer this Agreement or any part hereof, or the interest of the Company under this Agreement in either case except to a Company Affiliate, or Company's lender(s), without obtaining the City's prior written consent. Any attempted assignment by the Company, except to a Company Affiliate, or to Company's lender(s) in violation of the terms and provisions of this Agreement shall be void and shall constitute a material breach of this Agreement.

6.12 **Estoppel Certificate.** Upon written request by Company to the City, the City will provide Company with a certificate stating, as of the date of the certificate, (i) whether this Agreement is in full force and effect and, if Company is in breach of this Agreement, the nature of the breach; (ii) a statement as to whether this Agreement has been amended and, if so, the identity of each amendment; and (iii) any other factual matters reasonably requested that relate to this Agreement.

6.13 **Recitals.** The recitals to this Agreement are incorporated herein.

6.14 **Counterparts.** This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

6.15 **Survival of Covenants.** Any of the representations, warranties, covenants, and obligations of the parties, as well as any rights and benefits of the parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

6.16 **Conditions Precedent.** This Agreement is subject to and conditioned upon the following conditions which are conditions precedent to the obligations of the parties: (i) Company shall diligently and faithfully, in a good and workmanlike manner, make or cause the construction and finish out improvements to the Premises in accordance with all applicable state and local laws and regulations or a valid waiver thereof; (ii) Company shall obtain a Certificate of Occupancy for the Premises.

[signatures begin on the following page]

EXECUTED in triplicate originals on this 25th day of September, 2017.

CITY OF LANCASTER, TEXAS

By: Opal Mauldin-Jones
Opal Mauldin-Jones, City Manager

ATTEST:

By: Sorangel O. Arenas
Sorangel O. Arenas, City Secretary

APPROVED AS TO FORM:

By: David T. Ritter
David T. Ritter, City Attorney

ACKNOWLEDGEMENT

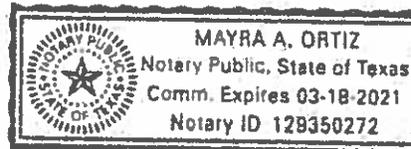
THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Opal Mauldin-Jones, City Manager of the City of Lancaster, a Texas non-profit corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said corporation, and that he executed the same as the act of said corporation for the purpose and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND SEAL OF OFFICE this the 25th day of September, 2017.

Mayra A. Ortiz
Notary Public, State of Texas

My Commission Expires:
03-18-2021



EXECUTED on this 18 day of October, 2017.

**CH REALTY VII/1 DALLAS HOUSTON
SCHOOL RD, L.P, a Delaware limited partnership**

By: CH Realty VII/1 Dallas Houston School Rd
GP, L.L.C., a Delaware limited liability
company, its general partner

By: Fund VII Managers, L.L.C.,
a Texas limited liability company
its manager

By: Ben C. Doherty
Ben C. Doherty
Vice President

ACKNOWLEDGEMENT

THE STATE OF TEXAS §
§
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Ben C. Doherty, Vice President of Fund VII Managers, LLC, a Texas limited liability company, manager of CH Realty VII/1 Dallas Houston School Rd GP, LLC, a Delaware limited liability company, general partner of CH Realty VII/1 Dallas Houston School Rd, LP, a Delaware limited partnership, known to me to be the person and agent whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of said entities, and that he executed the same as the act of said entities for the purpose and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND SEAL OF OFFICE this the 18 day of October, 2017.

Rachel Doran
Notary Public, State of Texas

My Commission Expires:
08-09-2021



EXHIBIT "A" LEGAL DESCRIPTION

No.: 001281127

SITUATED in the City of Lancaster, in the Marady Parks Survey, Abstract No. 1120 of Dallas Texas County, and being a part of that certain called 77.49 acre tract of land described in a deed from- Ecanae, Inc. to 12, recorded in Volume 2003011, Page 6116, Deed Records, Dallas County, Texas (D.R.D.C.T.) and being more particularly described by metes & bounds as follows:

BEGINNING at a 1/2 inch iron rod, topped with a red plastic cap, stamped "RPLS 4701" (hereinafter referred to as "with cap"), found at the intersection of the south right-of-way line of Fabrication Drive (60' wide RO.W.) and the East right-of-way line of West longhorn Drive (60' wide RO.W.) as dedicated by a Street Dedication Pint, recorded Lu Volume 67205, Page 2752, Deed Records of Dallas County, Texas (O.R.D.C.T.);

THENCE: North 89 deg. 53 min. 14 sec. East, along the south line of said Fabrication Drive, a distance of 477.50 feet to a 112 inch iron rod, with cap, found for corner;

THENCE: South 00 deg. 06 min. 46 sec, East, departing from the south line of said Fabrication Drive, a distance of 505.00 feet to a 1/2 inch iron rod, with cap, found on the north right-of-way line of South longhorn Drive (60' wide ROW.);

THENCE: South 89 deg. 53 min. 14 sec. West, along the north line of said South Longhorn Drive, a distance of 452.50 feet to a 1/2 inch iron rod, with cap, found for corner at the beginning of a curve to the right having a radius of 25.00 feet and a chord that bears North.45 deg. 06 min. 46 sec, West...35.36

THENCE: Continuing along the north right-of-way of said South Longhorn Drive and along said curve to the right, through a central angle of 90 deg. 00 min. 00 sec and along an arc distance of 39.27 feet to a 1/2 inch iron rod, with cap, set for corner at the end of said curve, on the east right-of-way line of the above mentioned West Longhorn Drive;

THENCE: North 00 deg. 06 min. 46 sec. West, along the east line of said West Longhorn Drive, a distance of 480.00 feet to the POINT OF BEGINNING and containing 241,005 square feet or 5.533 acres land.