
City of McKinney, Texas
Planning Department
221 N. Tennessee St.
McKinney, TX 75069
(972) 547-3498
mdoty@mckinneytexas.org
<http://www.mckinneytexas.org>



TAX INCREMENT REINVESTMENT ZONE NUMBER ONE

CONSTRUCTION COST REIMBURSEMENT APPLICATION PACKET

PACKET CONTENTS:

- About TIRZ No. 1
- Projects Eligible for Reimbursement
- Description of Eligible Projects
- TIRZ Boundary with Project Type Locations
- Approval Process Flowchart
- Application for TIRZ No.1 Funds
- Letter of Intent Guidelines
- Example Contract
- Example TIRZ Agreement

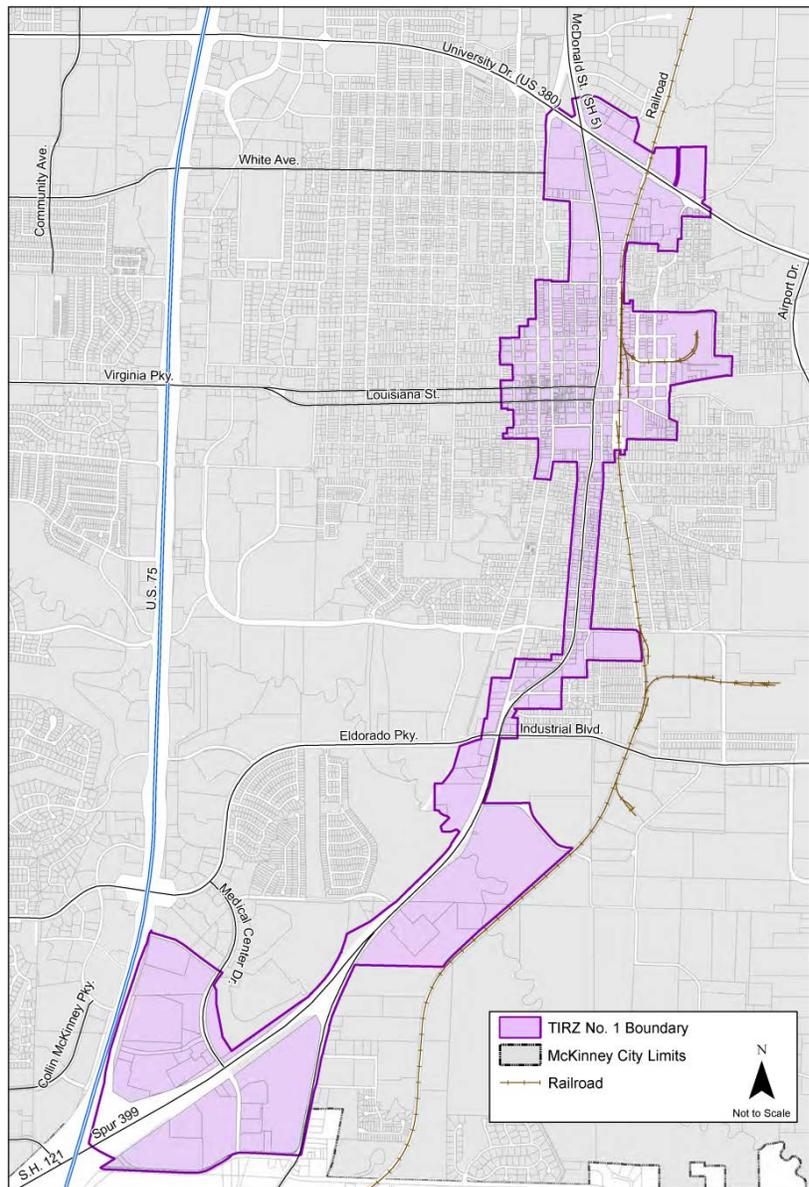
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ABOUT TAX INCREMENT REINVESTMENT ZONE (TIRZ) NO. ONE

The City of McKinney's TIRZ No. 1 (pictured to the right) was created to support the investment and development of the Town Center of the City of McKinney. The Town Center redevelopment is guided by the Town Center Study which was approved on March 18, 2008 by the McKinney City Council after a comprehensive stakeholder and design process.

TIRZ No. 1 was created to provide support for catalytic infrastructure and projects that will support continued revitalization of the Historic Town Center; link the Town Center across Highway 5 to the proposed future Transit-Oriented Development (TOD) around the future rail transit station; provide infrastructure and development support for the TOD; support the street and other infrastructure needed for the safe and pedestrian-oriented transportation circulation needed within the historic core of the Town Center; improve and remediate key locations that have suffered from historic industrialization; and provide other support allowed by law for the redevelopment of the Town Center within the TIRZ boundary.



PROJECTS ELIGIBLE FOR REIMBURSEMENT

Specific construction costs associated with the projects indicated herein shall be considered eligible for reimbursement, subject to review and approval by the TIRZ Board. The following information summarizes the projected project costs of the eligible projects.

Project Category	Specific Projects	Estimated Cost (in 2010 Dollars)
Catalyst Projects	<ul style="list-style-type: none"> • State Highway 5 (McDonald Street) • Parking Facilities • Development of new buildings (or redevelopment of existing buildings) as mixed-use/residential/civic projects • Development of a major employment center supported by associated high-density residential, retail, and entertainment uses • Transit improvements 	\$85,000,000
Vacant/Underutilized Site/Buildings		\$3,000,000
Mixed-Income Housing		\$3,000,000
Administration and Implementation		\$1,000,000
TOTAL PROJECT COST		\$91,000,000

DESCRIPTION OF ELIGIBLE PROJECTS

I. Catalyst Projects – Significant Town Center projects with individual sites, buildings or groups of buildings for which total project investment from all sources will exceed \$5.0 million per project. Catalyst projects anticipated during the life of the Town Center TIRZ are listed below and are illustrated on Figure 1:

- State Highway 5 (McDonald Street) improvements (paving, water, wastewater, storm water, and landscape/streetscape)
- Parking facilities (locations will vary per Town Center Master Plan and subsequent parking studies)
- Development of new buildings (or redevelopment of existing buildings) as mixed-use/residential/civic projects
- Development of a major employment center that is supported by associated high-density residential, retail, and entertainment uses that serve as an iconic/signature development within the community

- Transit improvements providing for the accommodation of a variety of modes over time including station platforms, rail bed reconstruction, structures, utility relocation, bus queuing areas, depot/mixed use facilities, maintenance facilities, and other supporting improvements for transit facilities construction

II. Vacant/Underutilized Sites/Buildings – Relatively smaller projects (under \$5.0 million) for the incremental redevelopment of vacant/underutilized Town Center sites or buildings. The Vacant/Underutilized Sites/Buildings Improvement Area is illustrated on Figure 1.

I and II: The following categories of TIRZ-eligible expenditures shall be applicable to both Catalyst Projects and Vacant/Underutilized Sites/Buildings:

(a) Environmental Remediation, Interior/Exterior Demolition, and Historic Façade Restoration Improvements/Easements: The City of McKinney Town Center has several buildings that contribute to the character and fabric of the Town Center, but these buildings sometimes are financially unfeasible to properly redevelop because of the cost of environmental remediation of asbestos, lead-based paint and other contaminants, interior and exterior demolition costs, and façade improvement costs. Interior and exterior demolition expenses are tied directly to the remediation expenses. These costs are TIRZ-eligible expenditures. Remediation of environmentally hazardous materials and associated improvements, using TIRZ funds, greatly improves the marketability of these buildings. This budget category is necessary for attracting highly desired mixed-use and adaptive reuse projects to the Town Center TIRZ, including attracting new retail, office, and residential uses.

Historic façade improvements and new construction under this program will be reviewed for compliance with design standards to ensure compatibility with other improved structures and investment in the Town Center area.

Acquisition and restoration of historic sites: Several key historic buildings in the Town Center are vacant or substantially underutilized. As such, these historic buildings are falling into a serious state of disrepair so as to result in the deterioration of exterior architectural features and structural elements which produce a detrimental effect upon the character of the historic Town Center as a whole (and/or the life and character of the properties themselves). Acquisition and restoration of historic buildings by public entities will be supported as a TIRZ-eligible project cost to enable the redevelopment of these structures.

Only buildings that are designated as a local or State historic landmark; that are listed on the National Register of Historic Places; or that are designated by the City's Historic Preservation Officer will be eligible for assistance under this program. The intent of this program is to support and preserve these recognized historic structures within the Town Center TIRZ.

Acquisition of a conservation or beautification easement may preserve the architectural effects of these buildings enhancing the façade of new or redeveloped structures in the Town Center. The City of McKinney, using TIRZ funds, can acquire such an interest in these architecturally or aesthetically significant structures in the TIRZ, leaving long-term maintenance to the property owner. Façade easements may include funding for projects which, first, preserve and/or rehabilitate existing facades and, secondly, aid in the restoration of facades that have been significantly altered.

As part of a proposed catalyst project, TIRZ funds may be used by public entities to purchase a vacant/underutilized property or building and costs related to purchasing the property/building and developing a redevelopment plan for the property/building, consistent with the economic development concepts and objectives of the Town Center TIRZ.

(b) Street, Utility, and Streetscape Improvements: This category includes TIRZ-eligible expenditures for improvements to local streets, including paving, utility infrastructure upgrades/relocation (water, wastewater, storm water), burial of overhead utilities as well as lighting improvements, street trees/planters, and sidewalk improvements for enhancing pedestrian linkages between the historic downtown core, the north downtown quadrant, the south downtown quadrant, and the anticipated transit station/transit village. Key street, utility, and streetscape improvements (based on the Town Center Study Phase 1 Report and vision) anticipated during the life of the TIRZ are illustrated on Figure 1.

(c) Land Acquisition: The City may consider acquiring property (using eminent domain as necessary and to the extent permitted by law) to implement the Town Center TIRZ plan. Potential land acquisitions may include:

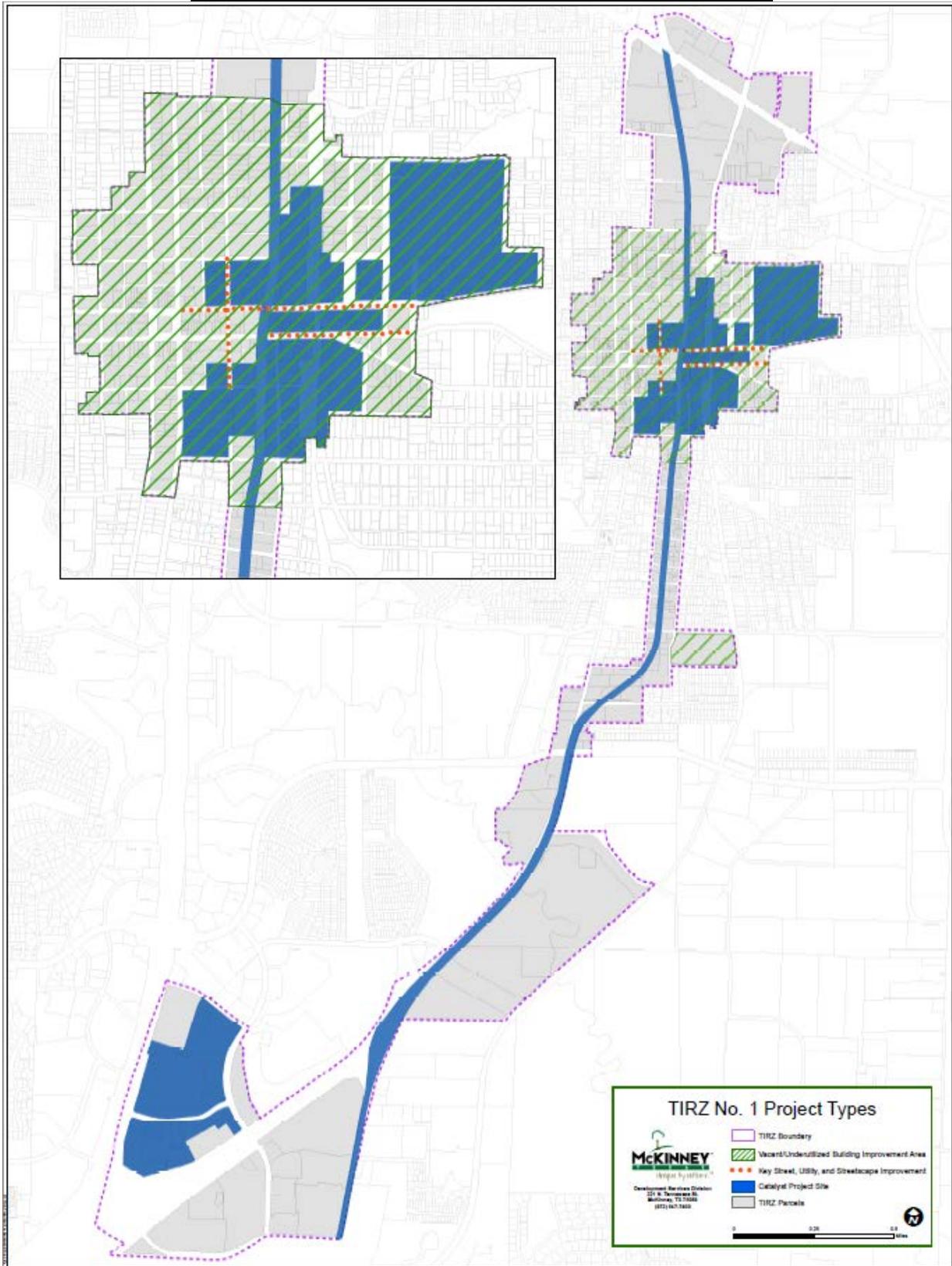
- Properties needed for pedestrian safety and accessibility, or transportation circulation;
- Pocket parks/plazas as identified in the Town Center Study Phase I Report and illustrative vision;
- Key development sites, which may be:
 - Locations generally recommended in the Town Center Study Phase II Parking Study as priority locations for public parking, or
 - Catalyst projects, or
 - Land or rights to land obtained for a redevelopment project in accordance with a development agreement.

(d) Critical Maintenance Items: The City of McKinney Town Center has several buildings that contribute to its character and fabric. These buildings can sometimes have high maintenance costs for key structural components or outdated mechanical, electrical, or plumbing systems. This category includes TIRZ-eligible expenditures for improvements to structural and foundation repairs, roof repair or replacement, gutters, mechanical, electrical, and plumbing upgrades and/or replacement.

(e) Fire Suppression: This category includes TIRZ-eligible expenditures for fire suppression improvement costs (including sprinkler systems), and fire accessibility issues. These grants could be part of a unified plan for fire suppression for the historic square or used for individual buildings.

III. Mixed-Income Housing -- Funding to encourage and assist in the creation of new affordable, workforce and mixed-income housing inside or outside the Town Center TIRZ is included. A mixture of housing types and pricing is important and desired for McKinney's Town Center consistent with the adopted Town Center Study Master Plan.

LOCATION OF PROJECT TYPES (Figure 1)



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APPROVAL PROCESS FOR THE AWARDING OF TIRZ FUNDS

STEP 1 ↓	Application submitted to the Planning Department - A complete application requesting the reimbursement of upcoming construction costs from available TIRZ funds must be submitted to the Planning Department (Mark Doty, Assistant Director – 972-547-3498 or mdoty@mckinneytexas.org) for review and consideration. The project for which funds will be awarded must be eligible for funds by being listed in the TIRZ project plan. Applications may be submitted at any time as there is no set submittal date.
STEP 2 ↓	Application Review Committee - Once a complete application is received, it will be reviewed by a group of Staff members from the Finance Department, Development Services Division, and the City Manager's Office. This group will formulate a recommendation regarding the application. The recommendation will typically be one of the following: (1) recommend funding of the entire request with a "not to exceed amount"; (2) recommend funding of a portion of the request; OR (3) do not recommend funding the request. Any issues with the application submitted will be communicated to the applicant before a recommendation is formulated.
STEP 3 ↓	TIRZ Board Meeting Scheduled - Once a recommendation has been formulated, a TIRZ Board meeting will be scheduled. Meetings are only scheduled on an as-needed basis.
STEP 4 ↓	TIRZ Board's Consideration and Action - Prior to the commencement of any construction, the TIRZ Board will consider the application, the Application Review Committee's recommendation and any other relevant information before taking action on the application. If funds are to be awarded, the TIRZ Board will adopt a resolution authorizing the execution of an agreement between the City of McKinney's TIRZ Board and the applicant, typically with a "not to exceed" dollar amount, as approved by the TIRZ Board.
STEP 5 ↓	Project Construction and Completion - If the TIRZ Board agrees to reimburse portions of a project's construction costs, it will be awarded through a loan, grant or reimbursement of project expenditures. For <u>loan and grant agreements</u> , the City will process payment in a timely manner following approval by the TIRZ Board. Depending on the agreement, project benchmarks may need to be achieved within a set period of time or repayment of the funds to the City may be required. For <u>reimbursement agreements</u> , the project should begin construction and move forward toward completion with the expectation that amounts authorized by the TIRZ Board will be reimbursed upon the satisfactory completion of the project in accordance with the executed agreement. Once the project is complete and a certificate of occupancy has been issued by the City, a detailed bill showing specific eligible construction costs should be submitted to the Planning Department for review and processing by the Application Review Committee.
STEP 6 ↓	Fund Reimbursement - If the detailed bill is generally consistent with the cost estimate approved by the TIRZ Board, payment will be processed and sent to the applicant for the project. <i>*For reimbursement agreements only*</i>
FINAL STEP	THE PROCESS IS COMPLETE.

Contact Director of Planning, Mark Doty, for more information at (972) 547-3498 or mdoty@mckinneytexas.org

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APPROVAL PROCESS FOR THE AWARDING OF TIRZ FUNDS - VACANT/UNDERUTILIZED SITE/BUILDING

STEP 1 ↓	Application submitted to the Planning Department - A complete application requesting the reimbursement of upcoming construction costs from available TIRZ funds must be submitted to the Planning Department (Mark Doty, Assistant Director – 972-547-3498 or mdoty@mckinneytexas.org) for review and consideration. The project for which funds will be awarded must be eligible for funds by being listed in the TIRZ project plan. Applications may be submitted at any time as there is no set submittal date.
STEP 2 ↓	Application Review - Once a complete application is received, it will be reviewed by the Town Center Development Coordinator. This application will be reviewed for eligibility for TIRZ funding. Vacant/Underutilized Site/Building projects are limited to \$25,000 per project, with a maximum of \$100,000 allocated per fiscal year for these projects. Funds are available on a first-come, first-serve basis. Once allocated funds have been expended for the year, all subsequent applicants will have the choice to be placed in the queue for the next fiscal year or proceed to the TIRZ Board with a recommendation from Staff to not fund the request.
STEP 3 ↓	TIRZ Board Meeting Scheduled - Once a recommendation has been formulated, a TIRZ Board meeting will be scheduled. Meetings are only scheduled on an as-needed basis.
STEP 4 ↓	TIRZ Board's Consideration and Action - Prior to the commencement of any construction, the TIRZ Board will consider the application, Staff's recommendation and any other relevant information before taking action on the application. If funds are to be awarded, the TIRZ Board will adopt a resolution authorizing the execution of an agreement between the City of McKinney's TIRZ Board and the applicant, typically with a "not to exceed" dollar amount, as approved by the TIRZ Board.
STEP 5 ↓	Project Construction and Completion - If the TIRZ Board agrees to reimburse portions of a project's construction costs, it will be awarded through a loan, grant or reimbursement of project expenditures. For <u>loan and grant agreements</u> , the City will process payment in a timely manner following approval by the TIRZ Board. Depending on the agreement, project benchmarks may need to be achieved within a set period of time or repayment of the funds to the City may be required. For <u>reimbursement agreements</u> , the project should begin construction and move forward toward completion with the expectation that amounts authorized by the TIRZ Board will be reimbursed upon the satisfactory completion of the project in accordance with the executed agreement. Once the project is complete and a certificate of occupancy has been issued by the City, a detailed bill showing specific eligible construction costs should be submitted to the Planning Department for review and processing by the Application Review Committee.
STEP 6 ↓	Fund Reimbursement - If the detailed bill is generally consistent with the cost estimate approved by the TIRZ Board, payment will be processed and sent to the applicant for the project. <i>*For reimbursement agreements only*</i>
FINAL STEP	THE PROCESS IS COMPLETE.

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APPLICATION FOR TIRZ No. 1 FUNDS

**Before submitting this application for processing, please verify that your project is eligible for reimbursement by reviewing the info provided within the application packet or the TIRZ no. 1 Project Plan.*

Submittal Checklist:	Verified Project Eligibility [<input type="checkbox"/>]	Letter of Intent [<input type="checkbox"/>]	Completed Application [<input type="checkbox"/>]
	Eligible Construction Cost Estimate(s) [<input type="checkbox"/>]		Relevant Supporting Info [<input type="checkbox"/>]

SECTION 1. GENERAL PROJECT INFORMATION

Project or Business Name:					
Location of Project:					
Physical Address of Project:					
	City:	McKinney	State:	TX	ZIP:
Property Size:	acres	CollinCAD Property ID:			
CollinCAD Geographic ID:	R-				

SECTION 2. APPLICANT INFORMATION

Name:					
Company:					
Mailing Address:					
	City:		State:		ZIP:
Email Address:					
Phone:		Fax:		Cell:	

SECTION 3. PROPERTY OWNER INFORMATION *(if different than Applicant info above)*

Name:					
Company:					
Mailing Address:					
	City:		State:		ZIP:
Email Address:					
Phone:		Fax:		Cell:	

SECTION 4. DETAILED PROJECT INFORMATION			
Project Category: <i>(check one)</i>	Catalyst []	Vacant/Underutilized Site/Buildings [] <i>*maximum of \$25,000 per project*</i>	Mixed-Income Housing []
Proposed Land Use(s): <i>(multi-family residential, restaurant, office, etc.)</i>			
Estimated Date of Project Completion:			
Current Number of Dwelling Units:	d.u.	Number of Dwelling Units Post-Construction:	d.u.
Current Area of Building/Use(s):	sq. ft.	Area of Building/Use(s) Post-Construction:	sq. ft.
Days/Hours of Business Operation:		Number of New Jobs Created:	
Estimated Annual Taxable Sales (Post Construction):	\$		
Current Appraised Value of Property and Improvements:	\$		
Estimated Appraised Value of Property and Improvements (Post-Construction):	\$		
Estimated Construction Cost for Entire Project including all Phases:	\$		
Portion of the Project for which Reimbursement is Requested: <i>(building demo, public utility improvement, fire safety improvements, etc.)</i>			
Requested Reimbursement Amount:	\$		

BY SIGNING THIS APPLICATION, I CERTIFY THAT I AM THE LEGAL OWNER OF THE ABOVE REFERENCED PROPERTY OR THAT I AM AUTHORIZED TO REPRESENT AND ACT ON THE BEHALF OF THE OWNER OF THE ABOVE REFERENCED PROPERTY. I ALSO CERTIFY THAT ALL OF THE INFORMATION PROVIDED HEREON IS ACCURATE AND TRUE SO FAR AS I AM AWARE AND UNDERSTAND THAT I AM LEGALLY RESPONSIBLE FOR THE ACCURACY OF THIS APPLICATION. I FURTHER UNDERSTAND THAT: (1) I AM NOT GUARANTEED REIMBURSEMENT, (2) REIMBURSEMENT WILL NOT BE POSSIBLE IF THERE ARE NO UNALLOCATED TIRZ FUNDS AVAILABLE, AND (3) THIS APPLICATION VESTS NO DEVELOPMENT RIGHTS AS SPECIFIED IN CHAPTER 245 OF THE TEXAS LOCAL GOVERNMENT CODE.

Applicant's Signature:

Date:

Owner's Signature:

Date:

FOR OFFICIAL USE ONLY

LETTER OF INTENT GUIDELINES

Provide a letter which describes the proposed development/business by including, but not being limited to the following information:

- Business or development owner's name and contact information
- Business or development name
- Business or development address or location
- Type of business (a brief description of the business plan or operation)
- Anticipated number of additional jobs created by the business/development
- Anticipated annual sales (if applicable)
- Anticipated benefit to the City (ad valorem and sales tax (if applicable) revenues)
- Anticipated cost of the overall project
- Is the project eligible for reimbursement per the TIRZ project plan? If so, what type of project is it and why does it qualify?
- What is the reimbursement amount being requested?
- What are the eligible costs associated with the project? (street, utility or streetscape improvements; environmental remediation; fire safety improvements, etc.)
- Any relevant information which will help adequately understand and process the proposed reimbursement application.

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EXAMPLE COST ESTIMATE

EXAMPLE COST ESTIMATE

EXAMPLE COMPANY NAME | EXAMPLE COMPANY ADDRESS, McKinney, TX 75069 | PHONE: 972-000-0000 | FAX: 972-000-0001 | WWW.EXAMPLE.COM

PROJECT NAME
PROJECT ADDRESS
McKINNEY, TX 75069

P R O P O S A L R E Q U E S T

The work request below will detail the amount of work needed for the fire suppression system.

❖ Trades Bid Total:	
• Underground Utilities: Install 6" Fire line from City main located in alley on east side of 'new restaurant' to inside kitchen area beside outside door to 1' above finished floor.	\$12,890.00
• Fire Sprinkler: Labor and Material to install wet sprinkler system throughout space starting at the 1' flange inside the building per the Fire Department.	\$12,125.00
• Alarm/Strobes: Install sprinkler monitor system with Audio/Visuals required by the Fire Department.	\$4,885.00
❖ Architectural Plans for the City of McKinney	\$2,041.00
❖ CAD Drawings for the Fire Department	\$1,025.00
❖ Management and Negotiation Fee	\$2,500.00
❖ Remodel Tax 8.25%	\$2,926.00

P R O J E C T C O S T

\$38,392.00

P R O J E C T A P P R O V A L

Approval Signature _____ DATE _____

The image above is an illustrative example of the type of detail that a required construction cost estimate should include. Highlighting of the amounts that are to be reimbursed by the TIRZ Board is highly recommended to ensure that no errors are made in the processing of the request.

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EXAMPLE AGREEMENT
PAGE 1 OF 7

REINVESTMENT ZONE NUMBER ONE, CITY OF MCKINNEY
AND
PROPERTY OWNERS
CHAPTER 380 ECONOMIC DEVELOPMENT AND PROJECT PLAN
IMPLEMENTATION AGREEMENT

WHEREAS, *PROPERTY OWNERS*, individually and dba EXAMPLE BUSINESS (hereinafter “BUSINESS”), is entering into this Chapter 380 Economic Development and Project Plan Implementation Agreement (this “Agreement”) pursuant to a program initiated by ***REINVESTMENT ZONE NUMBER ONE, CITY OF MCKINNEY*** (hereinafter “TIRZ”) pursuant to Section 311.010(h) of the Texas Tax Code and Chapter 380 of the Texas Local Government Code, for the primary purpose of renovating and improving an historic building/restaurant Project known as the BUSINESS (the “Project”) located wholly within Reinvestment Zone Number One in the “Town Center” area of the TIRZ of McKinney, Texas; and

WHEREAS, the TIRZ has agreed to an economic development grant to BUSINESS based on the timely satisfaction of the conditions and upon the timely completion of the Project, including but not limited to certain public infrastructure improvements to BUSINESS which public infrastructure is necessary to provide adequate utility service and fire suppression protection to the Project; and

WHEREAS, the TIRZ has the authority under Section 311.010(h) and Chapter 380 of the Texas Local Government Code to make loans or grants of TIRZ funds for the purposes of promoting local economic development and stimulating business and commercial activity within the TIRZ; and

WHEREAS, the TIRZ has established the Project as an eligible project under the TIRZ Project Plan as required by law and determines that a conditional grant to BUSINESS of its funds will serve the public purpose of promoting local economic development and enhancing business and commercial activity in the TIRZ and the City of McKinney, Texas; and

WHEREAS, the TIRZ has concluded and hereby finds that this Agreement clearly promotes economic development in the TIRZ and, as such, meets the requisites under Section 311.101(h) and Chapter 380 of the Texas Local Government Code and further, is in the best interests of the TIRZ, BUSINESS and the City of McKinney, Texas; and

EXAMPLE AGREEMENT
PAGE 2 OF 7

WHEREAS, the City Council has considered and approved this Agreement pursuant to applicable law.

NOW, THEREFORE, for and in consideration of the agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, TIRZ and BUSINESS agree as follows:

SECTION 1. TERM

This Agreement shall be effective from the Effective Date until July 31, 2013, unless terminated sooner under the provisions herein.

SECTION 2. DEFINITIONS

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

- a. Agreement. The word "Agreement" means this Chapter 380 Economic Development and Project Plan Implementation Agreement, together with all exhibits and schedules attached to this Agreement from time to time, if any.
- b. Grant. The word "Grant" means a payment to BUSINESS under the terms of this Agreement of up to \$13,000 in eligible Project costs.
- c. Grant Submittal Package. The words "Grant Submittal Package" mean the documentation required to be supplied to TIRZ as a condition of receipt of any Grant.
- d. Project. The word "Project" means the renovations to BUSINESS, including the required utility and fire suppression improvements, located generally at ADDRESS Street, McKinney, TX, 75069 and as more particularly shown on Exhibit A, attached hereto and made a part hereof for all purposes, (the "Eligible Costs").
- e. BUSINESS. The words "BUSINESS" mean OWNERS, jointly and severally, including their heirs and assigns.
- f. TIRZ. The letters "TIRZ" means Reinvestment Zone Number One, City of McKinney. For purposes of this Agreement, TIRZ's address is 222 N.

Tennessee, McKinney, Texas 75069.

SECTION 3. GRANT FUNDING OBLIGATION OF TIRZ

During the term of this Agreement, TIRZ shall fund a one-time grant in the amount up to Thirteen Thousand and No/100 Dollars (\$13,000.00) for Project's Eligible Costs payable upon the satisfaction of the express terms and conditions described in Section 4 below. Subject to BUSINESS's continuous satisfaction of Section 4 below, the TIRZ agrees to process the Grant within thirty (30) days after receipt of BUSINESS's Grant Submittal Package. Notwithstanding the foregoing, the Grant shall not be funded until i) the BUSINESS satisfies all applicable obligations in Section 4 and ii) the TIRZ has sufficient funds in the TIRZ Fund to satisfy the entire Grant.

SECTION 4. OBLIGATIONS OF BUSINESS

While this Agreement is in effect, BUSINESS shall comply with the following terms and conditions to be eligible for any Grant; as such conditions are described or may apply:

- a. BUSINESS shall fund and construct the Project on or before July 31, 2013.
- b. BUSINESS shall submit a Grant Submittal Package to the TIRZ staff consisting of (i) the issued building permit(s), final certificate of occupancy, a Bills Paid Affidavit in the form of attached Exhibit A, and "as built" plans for the private and any public improvements shown on Exhibit B, and (ii) all cost and payment documentation to BUSINESS's general contractor, CONTRACTOR for the Eligible Costs. The TIRZ staff, or its designee, shall verify that the expenditures were made in such amounts prior to any Grant disbursement.
- c. BUSINESS shall be in compliance with all applicable City of McKinney codes, state and federal laws, and local ordinances applicable to the Project.

SECTION 5. EVENTS OF DEFAULT.

Each of the following shall constitute an event of default under this Agreement:

EXAMPLE AGREEMENT
PAGE 4 OF 7

- a. TIRZ's failure to process any Grant payment to BUSINESS accordance with Section 3 of this Agreement.
- b. BUSINESS's violation or failure to perform any of the covenants contained in Section 4 hereinabove.

SECTION 6. EFFECT OF AN EVENT OF DEFAULT

In the event of default under Section 5, the non-defaulting party shall give written notice to the other party of any default, and the defaulting party shall have thirty (30) days to cure said default. Should said default remain uncured and the non-defaulting party is not otherwise in default, the non-defaulting party shall have the right to immediately terminate this Agreement.

As long as it shall not be in default, BUSINESS shall further have the power to enforce specific performance to collect amounts owing upon TIRZ's default without terminating this Agreement. No action shall lie for punitive damages, and no special or consequential damages shall be recovered by either party. BUSINESS shall be entitled to receive from TIRZ any Grants due BUSINESS through the date of termination.

If McKinney exercises its rights to terminate the Agreement, BUSINESS shall not be entitled to any Grant payments hereunder.

SECTION 7. MISCELLANEOUS PROVISIONS

The following miscellaneous provisions are a part of this Agreement:

- a. **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by all of the parties hereto.
- b. **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Collin County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Collin County, Texas.
- c. **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. TIRZ warrants

EXAMPLE AGREEMENT
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and represents that the individual executing this Agreement on behalf of TIRZ has full authority to execute this Agreement and bind TIRZ to the same. BUSINESS warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind it to the same.

- d. **No Waiver of Sovereign Immunity.** No party hereto waives any statutory or common law right to sovereign immunity by virtue of its execution hereof.
- e. **Execution of Agreement.** The TIRZ has authorized its Chairman to execute this Agreement on behalf of TIRZ.
- f. **Severability.** In the event any provision of this Agreement shall be determined by any court of competent jurisdiction to be invalid or unenforceable, the Agreement shall, to the extent reasonably possible, remain in force as to the balance of its provisions as if such invalid provision were not a part hereof.
- g. **Notices.** All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or when deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the addresses shown above. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, each party agrees to keep the other informed at all times of its current address.
- h. **Effective Date.** The effective date (the "Effective Date") of this Agreement shall be the date of the later to execute this Agreement by BUSINESS and TIRZ.
- i. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

[Remainder of Page Intentionally Left Blank]

EXAMPLE AGREEMENT
PAGE 6 OF 7

OWNERS

Individually and dba BUSINESS

By: _____
Name: OWNER
Title: Individually and dba BUSINESS
Date: _____

By: _____
Name: OWNER
Title: Individually and dba BUSINESS
Date: _____

***REINVESTMENT ZONE NUMBER ONE, CITY OF
MCKINNEY***

By: _____
Name: CHAIR NAME
Title: CHAIRMAN
Date: _____

ATTEST:

By: _____
Name: _____
Title: TIRZ SECRETARY
Date: _____

APPROVED AS TO FORM:

ATTORNEY
Attorney for Reinvestment Zone Number One,
City of McKinney

PREPARED IN THE OFFICES OF:

