

EXHIBIT "A"

CHAPTER 380

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

This Chapter 380 Economic Development Agreement (this "**AGREEMENT**") is made and entered into on the 19th day of October, 2017 (the "**EFFECTIVE DATE**") by and between the City of Corinth, Texas a home rule city and municipal corporation of the State of Texas (the "**CITY**"), the Corinth Economic Development Corporation, a non-profit corporation organized as a Type B corporation under Chapters 501 and 505 of the Texas Local Government Code (the "**CEDC**") and 6Q Hospitality, L.L.C., a Texas limited liability corporation (the "**COMPANY**"). The City, the CEDC and the Company are collectively referred to as the "**PARTIES**" or individually as a "**PARTY**". Capitalized terms not otherwise defined have the meaning given them in Article II.

RECITALS

PART 1.

The City and the CEDC seek to attract and retain a diverse range of business for economic stability and growth.

PART 2.

The Company proposes to construct (or cause to be constructed) and to operate hotel with at least 88 rooms and a 1,700 square foot conference center in the City. The Company seeks economic development incentives from the City and the CEDC for construction and operation of the hotel and conference center (the "**BUSINESS**").

PART 3.



The City and the CEDC seek to promote local economic development and to stimulate new business and commercial activity in the City. The operation of the Business will advance the City's interests by creating jobs, increasing sales and property tax revenues and enhancing the image of the City.

PART 4.

The City is authorized under Chapter 380 of the Texas Local Government Code to offer certain economic development incentives for public purposes, including the promotion of local economic development and the stimulation of business and commercial activity within the City. The City has determined that providing economic development incentives to the Business will promote local economic development and stimulate new business and commercial activity within the City.

For the reasons stated in these Recitals, which are incorporated into and made a part of this Agreement, and in consideration of the mutual benefits and obligations set forth herein, the Parties enter into this Agreement and agree to the terms and conditions set forth in this Agreement.

ARTICLE I.

DEFINITIONS

The following words will have the following meanings when used in this Agreement:

PARAGRAPH 1.01. "BUILDING IMPROVEMENTS" means new building improvements located on the Land (as hereinafter defined) consisting of a hotel with at least 88 rooms and a 1,700 square foot conference center together with all related improvements and activities, including without limitation a fitness center, an indoor swimming pool, a dining, lounge and seating area and an outdoor fire pit, built in substantial accordance with the specifications detailed in Paragraph 2.03.

PARAGRAPH 1.02. "JOB" means a full-time employment position on the Land resulting from the Business, and which position:

- (A) Is not seasonal; **AND**
- (B) Is provided with at least 30 hours of employment per week.

Any position not meeting such criteria does not qualify as a “**JOB**” for purposes of this Agreement.

PARAGRAPH 1.03. “**LAND**” means the real property within the corporate limits of the City of Corinth, Texas upon which the activities of the Company’s hotel and conference center will be located.

PARAGRAPH 1.04. “**PERSONAL PROPERTY**” means all construction materials, furniture, fixtures, supplies, equipment, inventory or other personal property attributable to the Business on the Land subject to state and local sales and use taxes imposed by Chapter 151 of the Texas Tax Code.

PARAGRAPH 1.05. The “**TERM**” of this Agreement will commence on the Effective Date and continue until the 31st day of December, 2029, unless sooner terminated as provided in this Agreement, except that the Company’s obligation to submit in calendar year 2030 a Compliance Certificate (as defined in Paragraph 6.02. hereof) for calendar year 2029 and the City’s obligation, if any, to complete the Grant Payments due under this Agreement for calendar year 2029 will continue until satisfied, subject to the limitations of this Agreement.

ARTICLE II.

OBLIGATIONS OF THE COMPANY

PARAGRAPH 2.01. The Company will operate, maintain and manage the Business on the Land under a franchise agreement with Marriott International, Inc. as a Fairfield Inn and Suites during the Term, a copy of which is shown in Exhibit “A.1.”, attached to this Agreement and made a part of this Agreement for all purposes, or a hotel franchisor of comparable quality upon written approval of the CEDC.

PARAGRAPH 2.02. The Company will acquire a “**TEXAS DIRECT PAYMENT PERMIT**”, which is that permit issued by the State of Texas authorizing the Company to self-assess and pay applicable state and local sales and use taxes directly to the State of Texas related to selected portions of the Company’s taxable purchases. Such taxable purchases will be limited to the addition of Personal Property on the Land. The Company shall acquire the Texas Direct Payment Permit from the Texas Comptroller of Public Accounts before building permits for construction of the Building Improvements on the Land are issued by

the City. The Company will provide the City with a true and correct copy of the Texas Direct Payment Permit, a copy of which will be shown in Exhibit "A.2.", attached to this Agreement and made a part of this Agreement for all purposes. The Company will maintain its Texas Direct Payment Permit for the duration of the Term. The Company will be responsible for completion and submittal of the Texas Direct Payment Permit Application, together with all other information that the Texas Comptroller of Public Accounts may request. Failure to meet this obligation is not susceptible to a cure (as hereinafter defined), and will result in automatic forfeiture by the Company of the right to any refund of sales and use tax revenues for the applicable calendar year during which such failure occurs. The City will not be deemed liable for retroactive payment for such forfeited refund.

PARAGRAPH 2.03. The Company will ensure that construction of the Building Improvements on the Land will be of an elevated quality and provide a market presence for the Business on the Land. The construction will be in substantial accordance with the specifications in this Paragraph 2.03. and shown in Exhibit "A.3.", attached to this Agreement and made a part of this Agreement for all purposes. To that end:

(A) The exterior walls of all construction, with the exception of openings for doors and windows and architectural features such as cornices, will be limited to:

- (1) Fired brick.
- (2) Granite.
- (3) Manufactured stone.
- (4) Marble.
- (5) Natural stone.

(B) The outdoor fire pits will be constructed of stone.

(C) The conference center will have openings for windows.

(D) The conference center will overlook natural areas to the extent reasonably possible.

(E) The conference center will consist of two (2) rooms, a board room and a meeting room. The board room will have the capacity to accommodate at least ten (10) occupants in accordance with all applicable ordinances, and the meeting room will have the capacity to accommodate at least 80

occupants in accordance with all applicable ordinances. An accordion wall may separate the board room from the meeting room in accordance with all applicable ordinances. The area allocated to the board room and the meeting room will be as follows:

- (1) **BOARD ROOM** — 350 square feet.
- (2) **MEETING ROOM** — 1,350 square feet.

(F) The conference center will have state of the art audio and visual systems, standard interior finishes of high quality, high speed internet access, projectors, televisions, tables, chairs, podiums and other related furnishings.

PARAGRAPH 2.04. The Company will ensure that construction of the Building Improvements on the Land will conform to all applicable ordinances and laws.

PARAGRAPH 2.05. The Company will ensure that as of January 1, 2021 the assessed value of the Land is at least \$1,200,000.00 and the assessed value of the completed Building Improvements on the Land is at least \$8,800,000.00 as determined by the Denton County Appraisal District. Collectively, the assessed value of the Land and the assessed value of the completed Building Improvements on the Land will be at least \$10,000,000.00 (the “**MINIMUM ASSESSED VALUE**”). The Company will maintain such Minimum Assessed Value for the duration of the Term, except as otherwise provided in this Paragraph 2.05. For purposes of this Agreement, the Minimum Assessed Value does not include the assessed value of any addition of Personal Property on the Land as determined by the Denton County Appraisal District. It is acknowledged and agreed between the Parties that the Company will have the right to protest the assessed value, as determine by the Denton County Appraisal District, of the Land and/or the completed Building Improvements on the Land during the Term, but under no circumstances will the Company protest the value of the Land and/or the completed Building Improvements on the Land at an amount less than the Minimum Assessed Value. It is acknowledged and agreed between the Parties that the assessed value of the Land and/or the completed Building Improvements on the Land as determined by the Denton County Appraisal District may change during the Term. Accordingly, the Minimum Assessed Value may be adjusted in any given tax year during calendar years 2022 through 2029 as provided herein. In the event the total assessed

value of all property within the corporate limits of the City decreases from the preceding tax year by ten (10) percent or more, as determined by the Denton County Appraisal District, the Minimum Assessed Value will be decreased commensurate with the percentage decrease in the total assessed value of property within the corporate limits of the City for that tax year. In the event the total assessed value of all property within the corporate limits of the City increases from the preceding tax year by ten (10) percent or more, as determined by the Denton County Appraisal District, the Minimum Assessed Value will be increased commensurate with the percentage increase in the total assessed value of property within the corporate limits of the City for that tax year. Failure to meet this obligation is not susceptible to a cure, and will result in automatic forfeiture by the Company of the right to any refunds of sales and use tax revenues and/or hotel occupancy taxes for the applicable calendar year during which such failure occurs. The City will not be deemed liable for retroactive payment for such forfeited refunds.

PARAGRAPH 2.06. The Company will hire at least 22 persons in Jobs, on or before the 31st day of January, 2021, and will maintain such level of employment (the “**MINIMUM JOBS REQUIREMENT**”) for the duration of the Term. The Company will ensure that 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 the Business on the Land.

PARAGRAPH 2.07. The Company will endeavor to recruit and hire residents of the City and the surrounding communities for its Jobs with commercially reasonable diligence. At the reasonable request of the City, the Company will provide documentation of its efforts to comply with this Paragraph 2.07. to the City.

PARAGRAPH 2.08. The Company will commence operation of the Business on the Land on or before the 1st day of October, 2020, and will continuously operate, maintain and manage the Business for the duration of the Term.

PARAGRAPH 2.09. The Company will advertise and market the Business on the Land as being geographically located in **CORINTH** or **CITY OF CORINTH** rather than any other proper geographic name with commercially reasonable diligence.



PARAGRAPH 2.10. From the date the Company commences operation of the Business on the Land in Paragraph 2.08. above, the Company will provide at the City's or the CEDC's request, and at no expense to the City or the CEDC, access to the conference center for the duration of the Term. Such access will be four (4) times per month for the City, and four (4) times per month for the CEDC, and is subject to availability on the dates requested.

PARAGRAPH 2.11. From the date the Company commences operation of the Business on the Land in Paragraph 2.08. above, the Company will provide space for the display and dissemination of City tourist information for the duration of the Term.

PARAGRAPH 2.12. From the date the Company commences operation of the Business on the Land as provided in Paragraph 2.08. above, the Company will provide at the City's or the CEDC's request, and at a corporate rate to the City and the CEDC, up to four (4) room nights per month for public purposes and economic development use as designated by the City or the CEDC subject to room availability on the nights requested for the duration of the Term. The Company will upgrade the rooms provided under this Paragraph 2.11. to king suites to the extent that king suite space is available.

PARAGRAPH 2.13. During the Term, the Company will use the refunded hotel occupancy taxes in accordance with the terms of this Agreement for purposes authorized by Chapter 351 of the Texas Tax Code, in an amount not less than the full amount of the refunded hotel occupancy taxes. The Company will, with submittal of its annual Compliance Certificate (as hereinafter defined) to the City Manager of the City, submit financial records satisfactory to the City Manager of the City verifying the expenditures of the refunded hotel occupancy taxes for purposes authorized by Chapter 351 of the Texas Tax Code.

PARAGRAPH 2.14. In performing its obligations under this Article, the Company will comply with all applicable ordinances and laws.

ARTICLE III.

ECONOMIC DEVELOPMENT INCENTIVE PROVIDED BY THE CITY

PARAGRAPH 3.01. Subject to the requirements and limitations of this Article, other terms and conditions of this Agreement and the Company's compliance with this Agreement, the City agrees to refund the Company amounts in the manner set forth in this Article.

PARAGRAPH 3.02. As consideration for the Company's performance of its obligations under this Agreement:

(A) The City will refund the Company amounts equal to 100 percent of the City's and the CEDC's share of sales and use tax revenues attributable to the addition of new Personal Property on the Land collected by the Texas Comptroller of Public Accounts and paid to and actually received by the City and the CEDC (collectively for purposes of this Article, the "City"). Said sales and use tax revenues will be collected under a Texas Direct Payment Permit, and the Company will provide all use tax certificates for the applicable calendar year for which a refund of sales and use taxes is to be made under this Sub-paragraph 3.02. (A). The Company will provide such additional documentation as may be reasonably requested by City to evidence, support and establish the sales and use taxes paid directly to the State of Texas pursuant to the Company's Texas Direct Payment Permit.

(B) The City will refund the Company amounts equal to 75 percent of the City's share of hotel occupancy taxes generated from the operation of the Business on the Land that are paid to and actually received by the City.

(C) In the event the Company does not generate sales and use tax revenues that are attributable to the addition of new Personal Property on the Land for any applicable calendar year, the Company will still be entitled to the refund of any amounts of hotel occupancy taxes provided under Sub-paragraph 3.02. (B).

(D) In the event the Company does not generate hotel occupancy taxes from the operation of the Business on the Land for any applicable calendar year, the Company will still be entitled to the refund of any amounts of sales and use tax revenues provided under Sub-paragraph 3.02. (A).

(E) The refunds under Sub-paragraph 3.02. (A) and (B) will be collectively referred to as the "**GRANT PAYMENTS**".



PARAGRAPH 3.03. The City will make Grant Payments to the Company for up to ten (10) calendar years, commencing in calendar year 2019 and ending in calendar year 2029. Any sales and use tax revenues and hotel occupancy taxes generated in calendar year 2018 will be included in the Grant Payments for calendar year 2019.

PARAGRAPH 3.04. Grant Payments due to the Company will be made by the City on or before March 31 of the calendar year immediately following the calendar year in which sales and use tax revenues and hotel occupancy taxes upon which the total Grant Payment amount is based are generated. For example, sales and use tax revenues and hotel occupancy taxes collected by the Texas Comptroller of Public Accounts and received by the City in calendar year 2020 will be paid by the City to the Company on or before March 31, 2021. Notwithstanding the foregoing, the City will not be required to make a Grant Payment during any applicable calendar year unless and until:

(A) The sales and use tax revenues for the preceding calendar year are received by the City from the Texas Comptroller of Public Accounts and provided such sales and use tax revenues generated from the addition of new Personal Property on the Land are collected under a Texas Direct Payment Permit issued by the Texas Comptroller of Public Accounts to the Company;

(B) The hotel occupancy taxes for the preceding calendar year are received by the City from the Texas Comptroller of Public Accounts;

(C) The ad valorem taxes for the preceding calendar year are received by the City from the Denton County Tax Assessor-Collector;

(D) The funds are appropriated by the Corinth City Council for the specific purpose of making a Grant Payment under this Agreement as part of the City's ordinary budget and appropriations approval process; **AND**

(E) The Company has submitted all information required under this Agreement that is necessary to verify its compliance with the Agreement and the City determines that the Company is in compliance with the Agreement.

ARTICLE IV.

ECONOMIC DEVELOPMENT INCENTIVE PROVIDED BY THE CEDC

PARAGRAPH 4.01. Subject to the requirements and limitations of this Article, other terms and conditions of this Agreement and the Company's compliance with this Agreement, the CEDC agrees to reimburse the Company in the manner set forth in this Article.

PARAGRAPH 4.02. As consideration for the Company's performance of its obligations under this Agreement, The CEDC will reimburse the Company in the amount of \$150,000.00 for impact fees and expenses, costs and fees incurred by the Company for obtaining all permits, licenses and inspections from the City and any other governmental agencies necessary for construction of the Building Improvements and the operation of the Business on the Land (the "**REIMBURSEMENT AMOUNT**"). The CEDC will pay the Reimbursement Amount to the Company within 30 calendar days of the Company providing the Executive Director of the CEDC a copy of the receipts showing amounts paid for all impact fees, permits, licenses and inspections from the City and any other governmental agencies and permanent certificate of occupancy. The CEDC will not be required to pay the Reimbursement Amount to the Company unless and until the Company completes construction of the Building Improvements on the Land as provided in Paragraph 2.03. above, and provides the Executive Director of the CEDC with a copy of the receipts showing amounts paid and permanent certificate of occupancy.

PARAGRAPH 4.03. Except as otherwise provided in this Article, the CEDC will have no other obligation to the Company.

ARTICLE V.

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

As of the Effective Date, the Company represents and warrants to the City, as follows:

PARAGRAPH 5.01. The Company is a duly organized, validly existing Texas Limited Liability Company, in good standing under the laws of the State of Texas and is authorized to conduct business or

own real property in the State of Texas. The activities that the Company proposes to carry on at the Land may lawfully be conducted by the Company.

PARAGRAPH 5.02. The execution, delivery and performance by the Company of this Agreement are within the Company's powers and have been duly authorized as shown in Exhibits "A.4." and "A.5.", attached to this Agreement and made a part of this Agreement for all purposes.

PARAGRAPH 5.03. This Agreement is the legal, valid and binding obligation of the Company, and is enforceable against the Company 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.

PARAGRAPH 5.04. The Company is not in violation or default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which they are parties or by which they or any of their property is bound that would have any material adverse effect on the Company's ability to perform under this Agreement.

PARAGRAPH 5.05. 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.

ARTICLE VI.

INFORMATION

PARAGRAPH 6.01. The Company will, at such times and in such form as the City may request from the Company, provide information concerning the performance of the Company's obligations under this Agreement.

PARAGRAPH 6.02. Commencing in the calendar year 2020 and continuing each calendar year thereafter for the duration of the Term, the Company will submit to the City Manager of the City, on or before January 31, a certified statement in a form acceptable to the City Manager of the City, and signed

by an authorized officer of the Company, providing the following information (the “**COMPLIANCE CERTIFICATE**”):

(A) A statement that it is in full compliance with the Minimum Jobs Requirement, with such statement detailing an employee roster of all persons employed by the Business on the Land, the wages earned per hour, the hours of employment per week, the job titles and the total number of persons hired and employed in the preceding calendar year and cumulatively since commencing operation of the Business on the Land as provided in Paragraph 2.08. above;

(B) A copy of invoices and related documentation verifying the Company expenditure of refunded hotel occupancy taxes; **AND**

(C) A statement that it is in full compliance with its obligations under this Agreement or, if not in full compliance, a statement disclosing the nature of any non-compliance and reasons therefor.

After timely receipt of the Compliance Certificate from the Company, the City will have 30 calendar days to notify the Company in writing of any questions related to the Compliance Certificate and the Business that the City may have concerning any of the information provided by the Company, and the Company will diligently work in good faith to respond to such questions to the reasonable satisfaction of the City.

PARAGRAPH 6.03. The Company agrees that authorized employees of the City will have the right to access and review the business records of the Company that relate to the Company’s compliance with the terms and conditions of this Agreement at any reasonable time and upon at least seven (7) calendar days’ prior notice to the Company in order to determine compliance with this Agreement. Said authorized employees of the City will be accompanied by authorized officers or employees of the Company when accessing and reviewing the business records. At all times until the expiration of this Agreement, authorized employees of the City will have access to the Building Improvements and the Business on the Land for the purpose of inspecting them to ensure that the Building Improvements on the Land are constructed, installed, maintained and used in accordance with the terms and conditions of this Agreement.



PARAGRAPH 6.04. Subject to the requirements of the Texas Public Information Act (Chapter 552 of the Texas Government Code), or order of a court of competent jurisdiction, the Company may be required to disclose or make available to the City any information relating to this Agreement. The Company agrees to cooperate with the City in response to any request for information under the Public Information Act or court order. The City will endeavor to provide the Company with advance written notice of any such request for information or court order so that the Company may seek any relief to which the Company believes that it is entitled. The City's obligations under this Article do not impose a duty upon the City to challenge any court order or ruling of the Texas Attorney General to release information in response to a specific request for information under the Public Information Act.

ARTICLE VII.

**PERSONAL LIABILITY OF PUBLIC OFFICIALS AND LIMITATIONS ON CITY
OBLIGATIONS**

PARAGRAPH 7.01. No official or employee of the City or the CEDC will be personally responsible for any liability arising under or growing out of this Agreement.

PARAGRAPH 7.02. The Grant Payments made and any other financial obligation of the City hereunder will be paid solely from lawfully available funds that have been budgeted and appropriated each applicable fiscal year during the Term by the City as provided in this Agreement. Under no circumstances will the City's obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. Consequently, notwithstanding any other provision of this Agreement, the City will have no obligation or liability to pay any Grant Payments or other payments unless the City budgets and appropriates funds to make such payments during the fiscal year in which such Grant Payments or other payments are payable under this Agreement. If the City fails to budget and appropriate funds to make any Grant Payments, then it will immediately notify the Company of such non-appropriation and the Company may elect, at its sole discretion and option, terminate this Agreement, effective upon written notice to City.

For purposes of this Agreement, the "FISCAL YEAR" means the fiscal year of the City commencing on October 1, and ending on September 30.

PARAGRAPH 7.03. Except for the right to terminate as provided in Paragraph 7.02. above, the Company will have no other recourse against the City for the City's failure to budget and appropriate funds during any fiscal year to meet the purposes and satisfy its obligations under this Agreement.

PARAGRAPH 7.04. Indemnification. **THE COMPANY HEREBY AGREES TO DEFEND, INDEMNIFY AND FOREVER HOLD THE CITY'S OFFICERS, AGENTS AND EMPLOYEES (COLLECTIVELY FOR PURPOSES OF THIS ARTICLE, THE "CITY") HARMLESS FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, CLAIMS, LAWSUITS, JUDGMENTS, ATTORNEY FEES, COSTS, EXPENSES AND DEMANDS BY THE STATE OF TEXAS THAT THE CITY HAS BEEN PAID ERRONEOUSLY, OVER-PAID OR INCORRECTLY ALLOCATED HOTEL OCCUPANCY TAXES OR SALES AND USE TAXES ATTRIBUTED TO THE SALE OF TAXABLE ITEMS BY THE COMPANY CONSUMMATED AT THE LAND FOR ANY SALES TAX REPORTING PERIOD DURING THE TERM OF THIS AGREEMENT ("CLAIM"). IT BEING THE INTENTION OF THE PARTIES THAT THE COMPANY SHALL BE RESPONSIBLE FOR THE REPAYMENT OF HOTEL OCCUPANCY TAXES AND SALES AND USE TAXES REFUNDED TO THE COMPANY HEREIN BY THE CITY THAT INCLUDES HOTEL OCCUPANCY TAX RECEIPTS AND SALES AND USE TAX RECEIPTS THAT THE STATE OF TEXAS HAS DETERMINED WERE ERRONEOUSLY PAID, COLLECTED, DISTRIBUTED OR ALLOCATED TO THE CITY. THE INDEMNIFICATION PROVIDED HEREIN SHALL NOT APPLY TO ANY LIABILITY RESULTING SOLELY FROM THE ACTIONS OR NEGLIGENCE OF THE CITY.**

ARTICLE VIII.

DEFAULT, TERMINATION AND REMEDIES



PARAGRAPH 8.01. The Parties acknowledge and agree that this Agreement will automatically terminate and the Parties herein will be relieved of their obligations and rights set forth herein in the event the Company fails to maintain its franchise agreement with Marriott International, Inc. or a hotel franchisor of comparable quality approved in writing by the CEDC as provided in Paragraph 2.01. above.

PARAGRAPH 8.02. In the event this Agreement is terminated under Paragraph 8.01. above, the Company will repay to the City the full amount of all Grant Payments made and will repay to the CEDC the full amount of the Reimbursement Amount within 60 calendar days. To ensure such payment is timely, the City and the CEDC will be entitled to record a lien against the Land to secure the full amounts of the Grant Payments and Reimbursement Amount.

PARAGRAPH 8.03. Except as otherwise provided herein, at any time during the Term of this Agreement that the Company is not in compliance with its obligations under this Agreement, the City may send written notice of such non-compliance to the Company. If such non-compliance is not cured within 30 calendar days after the Company's receipt of such written notice or, if non-compliance is not reasonably susceptible to cure within 30 calendar days and a cure is not begun within such 30-day period and thereafter, continuously and diligently pursued to completion on a schedule to be approved by the City (in either event, a "CURE"), then the City may, at its sole discretion and option, terminate this Agreement. The Term will not be extended as a result of any cure period under this Paragraph 8.03. For purposes of this Agreement, a "CURE" or "CURED" means the correction or elimination of any default(s) or violation(s) of the terms and conditions of this Agreement.

PARAGRAPH 8.04. Upon breach of any obligation under this Agreement by the Company, in addition to any other remedies expressly set forth in this Agreement with respect to such breach, the City may pursue such remedies as are available at law or in equity for breach of contract. Similarly, with regard to violations of applicable ordinances of the City, the City may seek such relief as is available for violation of so such ordinances, including fines and injunctive relief.

PARAGRAPH 8.05. The City may deduct from any Grant Payments due to the Company, as an offset, any delinquent and unpaid fees, sums of money or other fees, charges or taxes assessed and owed to or for the benefit of the City.

PARAGRAPH 8.06. A “**FORCE MAJEURE EVENT**” means an event beyond the reasonable control of a Party obligated to perform an act or take some action under this Agreement including, but not limited to, any acts of God; earthquake; fire; explosion; war; civil insurrection; acts of the public enemy; act of civil or military authority; sabotage; terrorism; floods; lightning; hurricanes; tornadoes; severe snow storms or utility disruption; strikes; lockouts; or major equipment failure or the failure of any major supplier to perform its obligations. A Force Majeure Event pauses a Party’s performance obligation for the duration of the event, but does not excuse it. A Party will not be deemed to be in default or otherwise in violation of any term or condition of this Agreement to the extent such Party’s action, inaction or omission is the result of a Force Majeure Event. If a force majeure event occurs and such event prevents a Party from fulfilling its obligations hereunder, the applicable time period for performing such obligations will only be extended by the period of delay resulting from the Force Majeure Event. The Parties agree to use commercially reasonable diligence in order to promptly resolve any Force Majeure Event that adversely and materially impacts their performance under this Agreement.

PARAGRAPH 8.07. THE CITY AND THE CEDC WILL NOT BE OBLIGATED TO PAY ANY INDEBTEDNESS OR OBLIGATION OF THE COMPANY. EXCEPT TO THE EXTENT OF THE CITY’S OR THE CEDC’S PROPORTIONAL RESPONSIBILITY ARISING BECAUSE THE CITY OR THE CEDC IS NEGLIGENT OR ENGAGED IN ANY MISCONDUCT OR CRIMINAL ACTIVITY, THE COMPANY HEREBY AGREES TO DEFEND, INDEMNIFY AND FOREVER HOLD THE CITY AND THE CEDC, AND THEIR OFFICIALS AND EMPLOYEES, HARMLESS FROM ANY AND ALL LIABILITIES ARISING FROM CLAIMS CAUSED BY OR RESULTING FROM THE COMPANY’S BREACH OF THIS AGREEMENT.

PARAGRAPH 8.08. The Company may terminate this Agreement at any time for convenience with at least ten (10) calendar days’ prior written notice.

ARTICLE IX.

MISCELLANEOUS

PARAGRAPH 9.01. This Agreement, including the Recitals and the Exhibits hereto, contains the entire agreement between the Parties with respect to the transactions contemplated herein.

PARAGRAPH 9.02. This Agreement may only be amended, altered, or terminated by written instrument signed by all Parties.

PARAGRAPH 9.03. All notices required and/or permitted by this Agreement will be delivered to the following by certified mail or electronic mail transmission. Each Party will notify the other Parties in writing of any change in information required for notice under this Paragraph 9.03.

(A) **IF TO THE CITY:**

Bob Hart, City Manager
City of Corinth, Texas
3300 Corinth Parkway
Corinth, Texas 76208
E-mail: Bob.hart@cityofcorinth.com

(B) **IF TO THE CEDC:**

Jason Alexander, Executive Director
City of Corinth, Texas
3300 Corinth Parkway
Corinth, Texas 76208
E-mail: Jason.alexander@cityofcorinth.com

(C) **IF TO THE COMPANY:**

Jay Patel, Managing Member
6Q Hospitality, L.L.C.
205 Bayou Court



Coppell, Texas 75019

E-mail: Jay@bwdallas.com

PARAGRAPH 9.04. This Agreement will be construed under the laws of the State of Texas and the United States of America. This Agreement is performable in Denton County, Texas. Mandatory venue for any action under this Agreement will be in the state court of appropriate jurisdiction for the action in Denton County, Texas. Mandatory venue for any matters in federal court will be in the United States District Court for the Eastern District of Texas, Sherman Division.

PARAGRAPH 9.05. In the event any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective while this Agreement is in effect, such provision will be automatically deleted from this Agreement and the legality, validity and enforceability of the remaining provisions of this Agreement will not be affected thereby, and in lieu of such deleted provision, there will be added as part of this Agreement a provision that is legal, valid and enforceable and that is as similar as possible in terms and substance as possible to the deleted provision.

PARAGRAPH 9.06. The term “WILL” is mandatory in this Agreement.

PARAGRAPH 9.07. The Company agrees that the City will assume no liability or responsibility by approving plans, issuing permits or approvals or making inspections related to any matter arising under this Agreement.

PARAGRAPH 9.08. Nothing contained in this Agreement, and no action of the City under this Agreement, will constitute a waiver of any immunity of the City to suit or to liability or of any limitations on liability granted by law or the Texas Constitution.

PARAGRAPH 9.09. It is acknowledged and agreed between the Parties that the City, the CEDC and the Company, in executing this Agreement, and in performing their respective obligations, are acting independently, and not in any form of partnership or joint venture. **THE CITY AND THE CEDC WILL ASSUME NO RESPONSIBILITY OR LIABILITY TO ANY THIRD PARTIES IN CONNECTION WITH THIS AGREEMENT, AND THE COMPANY AGREES TO INDEMNIFY, DEFEND AND**



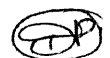
FOREVER HOLD THE CITY AND THE CEDC, AND THEIR OFFICERS, AGENTS AND EMPLOYEES, HARMLESS FROM ANY SUCH RESPONSIBILITIES OR LIABILITIES.

PARAGRAPH 9.10. This Agreement is for the exclusive benefit of the Parties and no third party may claim any right, title or interest in any benefit arising under this Agreement. The Company may not assign any of its rights, or delegate or sub-contract any of its duties under this Agreement, in whole or in part, without the prior written consent of the City, except that: (i) the Company may assign this Agreement to an affiliate with such assignment to be effective only upon receipt by the City of written notice thereof, together with documentation establishing the relationship of the affiliate to the Company to the satisfaction of the City; or (ii) the Company may assign this Agreement in connection with the sale of all its interest in the Business on the Land, provided that the Company will provide the City with at least 30 calendar days' written notice of such assignment for the assignment to be effective. This Agreement will be binding on and inure to the benefit of the Parties and their respective successors and assigns.

PARAGRAPH 9.11. No term or condition contained in this Agreement will be deemed to have been waived, nor will there be any estoppel to enforce any provision of this Agreement, except by written instrument of the Party charged with such waiver or estoppel.

PARAGRAPH 9.12. The Company agrees that any economic development incentive involving the use of refunded hotel occupancy taxes will be expended in a manner directly enhancing and promoting tourism and the convention and hotel industry, and only as authorized under Chapter 351 of the Texas Tax Code. The Company acknowledges that while not anticipated to occur, if it is found by a court of appropriate jurisdiction or other official administrative body that the City does not have the legal authority to enter into this Agreement regarding the use of refunded hotel occupancy taxes, such determination will cause the economic development incentive involving such use of refunded hotel occupancy taxes to immediately cease hereunder. The termination of this economic development incentive will not affect any of the other terms and conditions of this Agreement not related to the same.

PARAGRAPH 9.13. The following Exhibits are attached and made a part of this Agreement for all purposes.



- (A) **EXHIBIT "A.1."** — Marriott International, Inc. Franchise Agreement.
- (B) **EXHIBIT "A.2."** — Texas Direct Payment Permit.
- (C) **EXHIBIT "A.3."** — Building Improvements.
- (D) **EXHIBIT "A.4."** — L.L.C. Certificate of Formation.
- (E) **EXHIBIT "A.5."** — L.L.C. Certificate of Resolution.

PARAGRAPH 9.14. The Company certifies that the Company does not and will not, during the Term of this Agreement, knowingly employ an **"UNDOCUMENTED WORKER"** as such term is defined by Section 2264.01(4) of the Texas Government Code. In accordance with Section 2264.052 of the Texas Government Code, should the Company be convicted of a violation under 8 U.S.C. Section 1324a(f), then the Company will repay to the City the full amount of the Grant Payments and to the CEDC the full amount of the Reimbursement Amount under this Agreement, plus five (5) percent interest per annum from the date the Grant Payment and the Reimbursement Amount were paid. Repayment will be paid within 120 calendar days after the date the Company receives written notice of violation from the City, which notice will not be given by the City until after such conviction is final and non-appealable. Notwithstanding anything to the contrary contained in this Paragraph 9.14., the Company will not be in violation of this Paragraph 9.14. and will not be obligated to make such repayment of the Grant Payments or the Reimbursement Amount in the event that a subsidiary, affiliate or person with whom the Company contracts, such as a general contractor, is convicted of a violation under 8 U.S.C. Section 1324a(f).

PARAGRAPH 9.15. Pursuant to the requirements of Chapter 2270 of the Texas Government Code, the Company verifies that it does not boycott Israel, and it will not boycott Israel during the Term of the Agreement.

PARAGRAPH 9.16. This Agreement may be executed in multiple counterparts, each of which will be considered an original, but all of which constitute but one instrument.

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



CITY OF CORINTH, TEXAS

By: Bob Hart

Bob Hart, City Manager

CORINTH ECONOMIC DEVELOPMENT CORPORATION

By: Lowell Johnson III

Lowell Johnson III, President

6Q HOSPITALITY, L.L.C.

By: Jay Patel

Jay Patel, Managing Member



EXHIBIT "A.1."

MARRIOTT INTERNATIONAL, INC. FRANCHISE AGREEMENT

A small, handwritten mark consisting of a circle with the letters 'EP' inside, located in the bottom right corner of the page.



Marriott International, Inc.
Lodging Development

May 2, 2017

Jay Patel
6Q Hospitality, LLC
205 Bayou Court
Coppell, TX 75019
Jay@bwdallas.com

Dear Jay:

Marriott International is pleased to advise you that on April 13, 2017, the Development Committee approved your Franchise Application for a 88 room Fairfield Inn & Suites in Denton South / Corinth, TX.

This approval is contingent upon (1) satisfaction of all conditions set forth in the Franchise Application, (2) your immediate submission and Marriott's approval of any outstanding documentation requested by Marriott's Project Administration group, (3) your submittal of plans and specifications based on current Brand and project-specific criteria as stipulated in Marriott's Global Design Welcome Packet, being forwarded to you under separate cover and (4) your execution of the Franchise Agreement within sixty (60) days of the date you first receive it. If you don't execute the Franchise Agreement within such 60 days, we may withdraw this approval, unless you pay a \$10,000 fee to extend the approval for an additional 60 days, as provided in the Franchise Application. Federal law requires that you must hold the final Franchise Agreement for 7 calendar days prior to execution.

Please note that until the Franchise Agreement is fully executed, any use of Marriott's trademarks, service marks, or logos in any manner in connection with this project is prohibited. In addition, please note that you have no right to transfer this approval.

If you intend to form a separate legal entity for this project, and have not yet done so, we may allow you to execute the Franchise Agreement in the name of an existing entity with site control and subsequently transfer the Franchise Agreement, in accordance with the its terms, which provide for, among other things, no application fee in connection with certain affiliate transfers.

If you have any questions please contact me or our Project Administration group at NaloLodgingDevelopment@Marriott.com.

Sincerely,

Ronald K. Stewart
Vice President Lodging Development

cc: Project Administration

EXHIBIT "A.2."

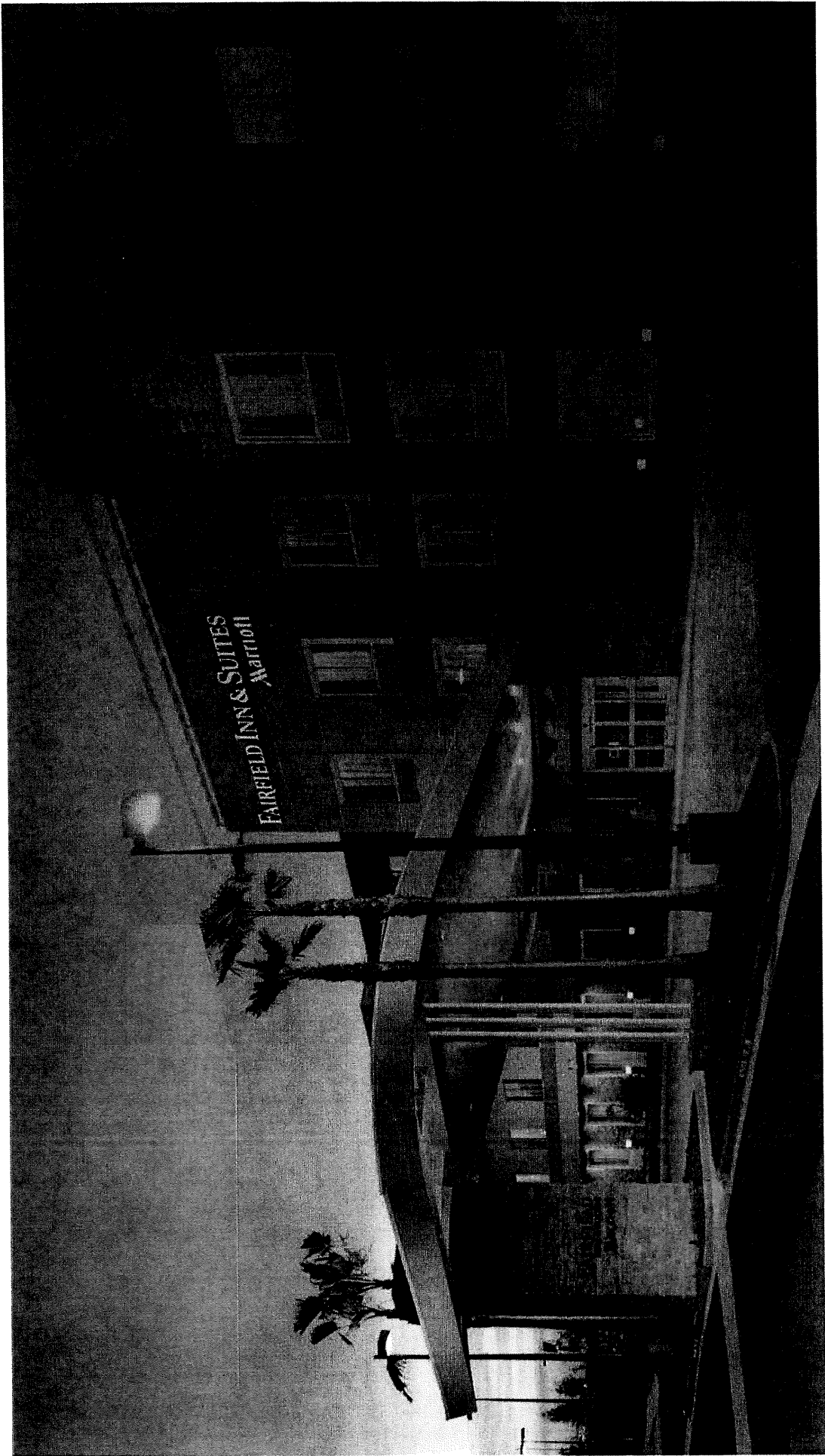
TEXAS DIRECT PAYMENT PERMIT

EP

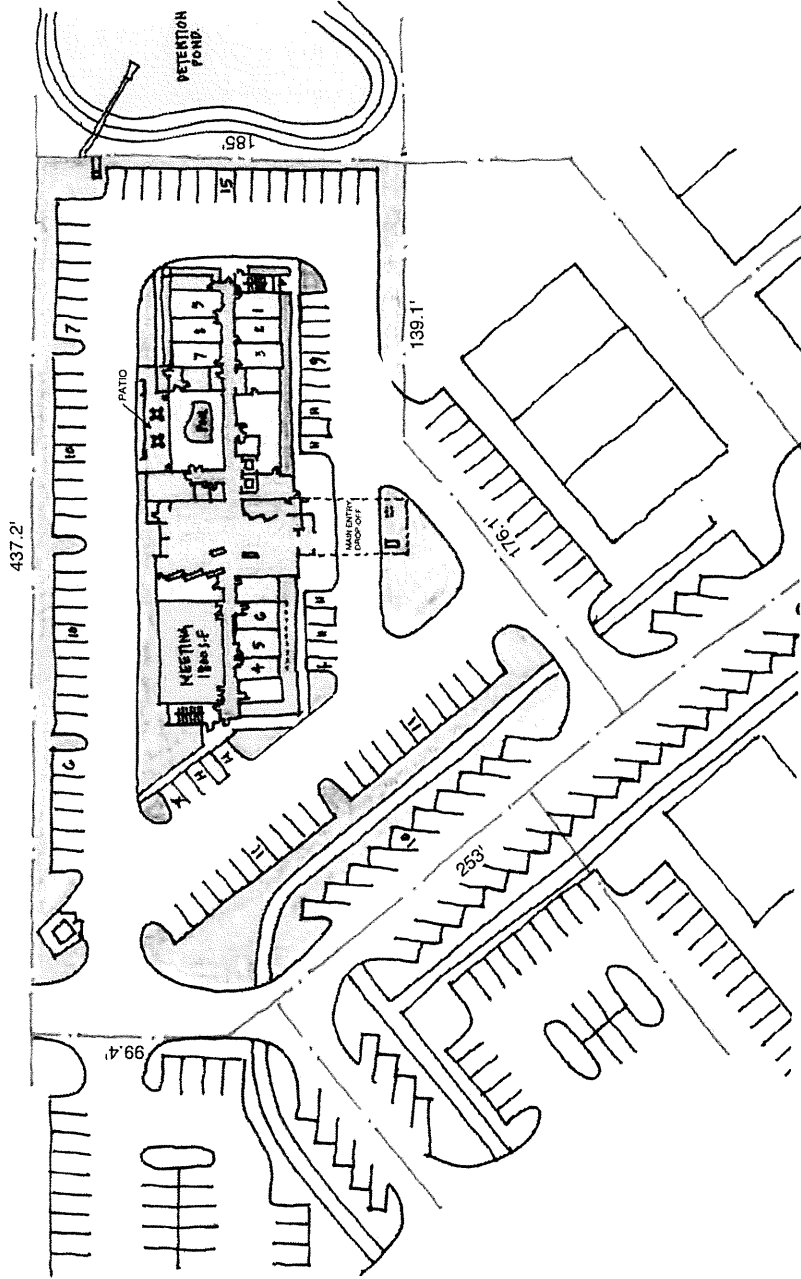
EXHIBIT "A.3."

BUILDING IMPROVEMENTS





82



- 4 STORY WARRIOTT BRAND
 93 ROOMS - FAIRFIELD INN & SUITES
1. SITE AREA = 2.07 ACRES.
 2. BUILDING AREAS =
 - GROUND = 14,500 S.F.
 - SECOND = 13,500 S.F.
 - THIRD = 13,500 S.F.
 - FOURTH = 13,500 S.F.
 - TOTAL = 55,000 S.F.
 3. ROOM BREAKDOWN:
 - GROUND = 9 ROOMS.
 - SECOND = 28 ROOMS.
 - THIRD = 28 ROOMS.
 - FOURTH = 28 ROOMS.
 - TOTAL = 93 ROOMS.
 4. PARKING PROVIDED - 96 SPACES.

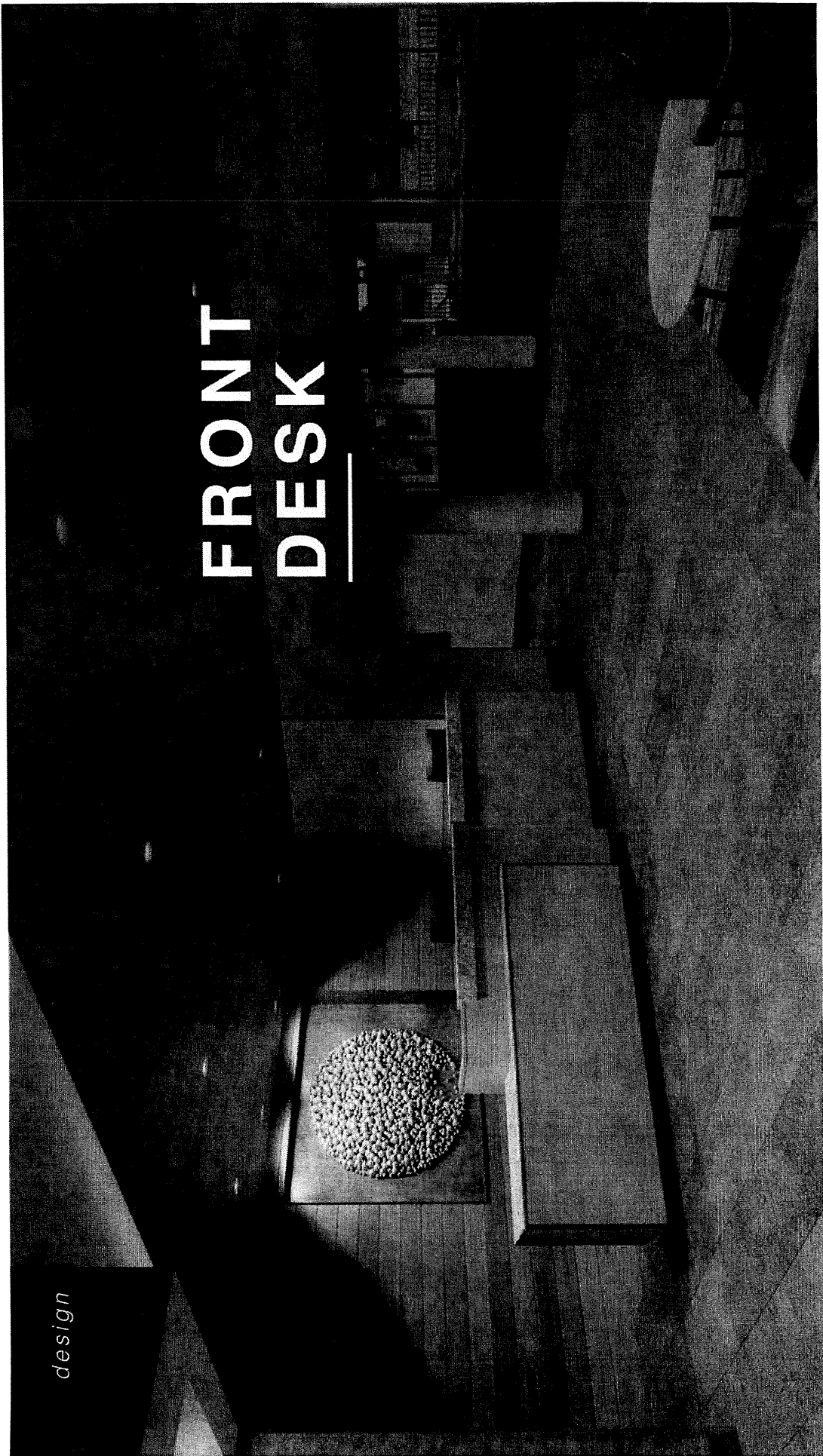
SITE PLAN

ARCHITECT:
 PRP arq. corporation
 Pankaj R Patel AIA

FAIFIELD INN & SUITES
 CORINTH, TEXAS

OWNER:
 FUSION LODGING.
 AUGUST 2017





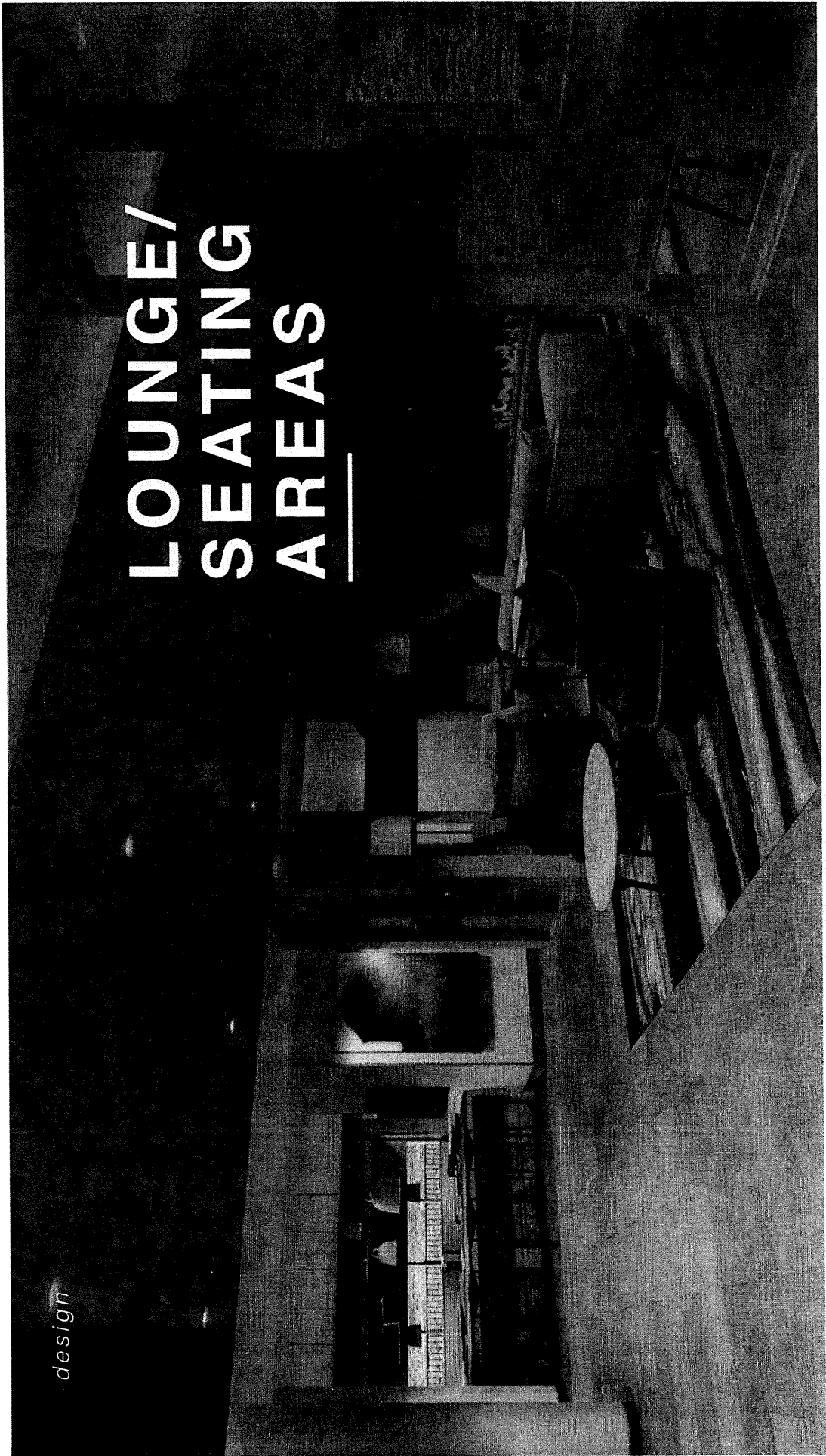
FRONT DESK

design



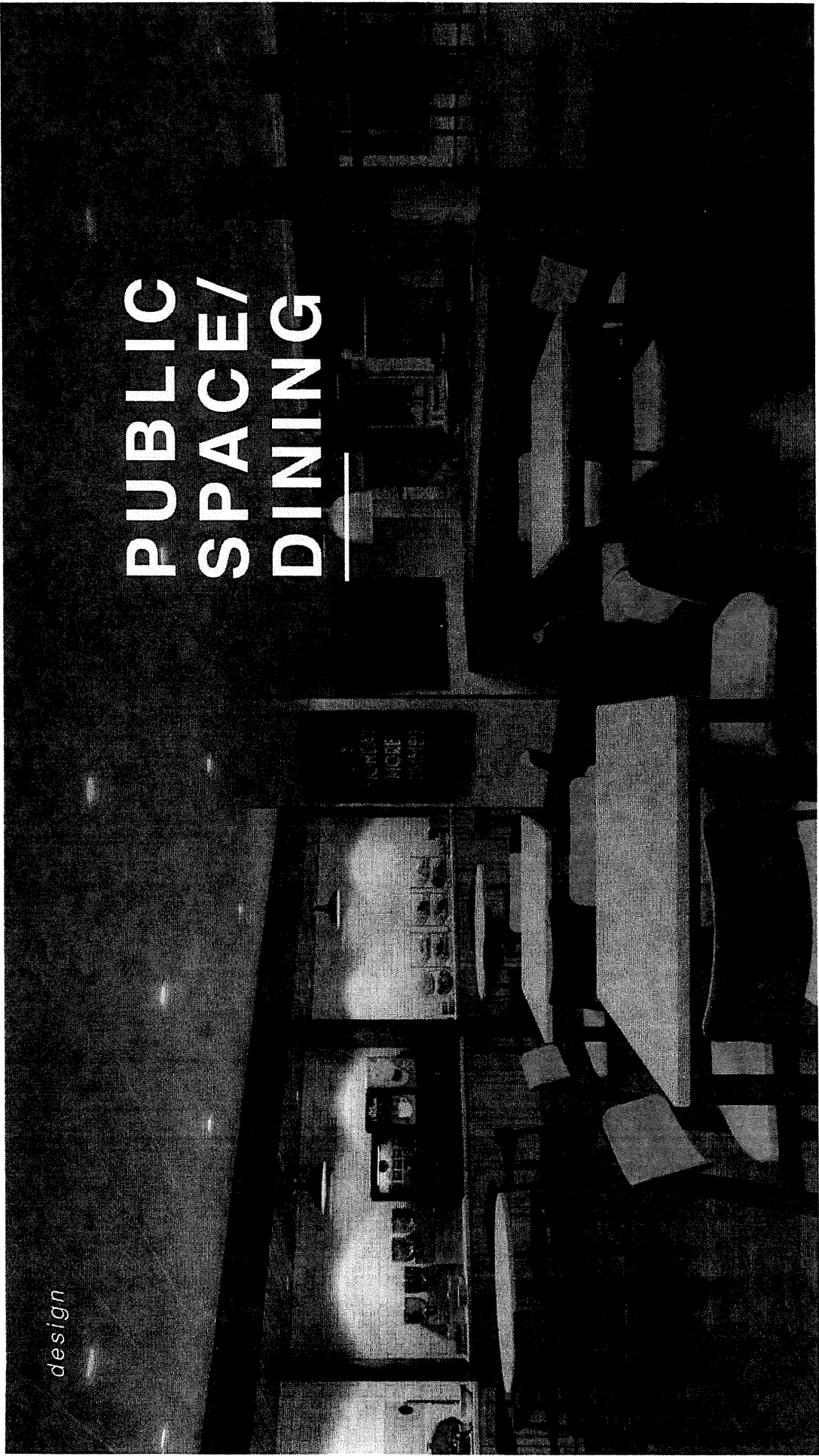
design

LOUNGE/ SEATING AREAS



design

PUBLIC SPACE/ DINING

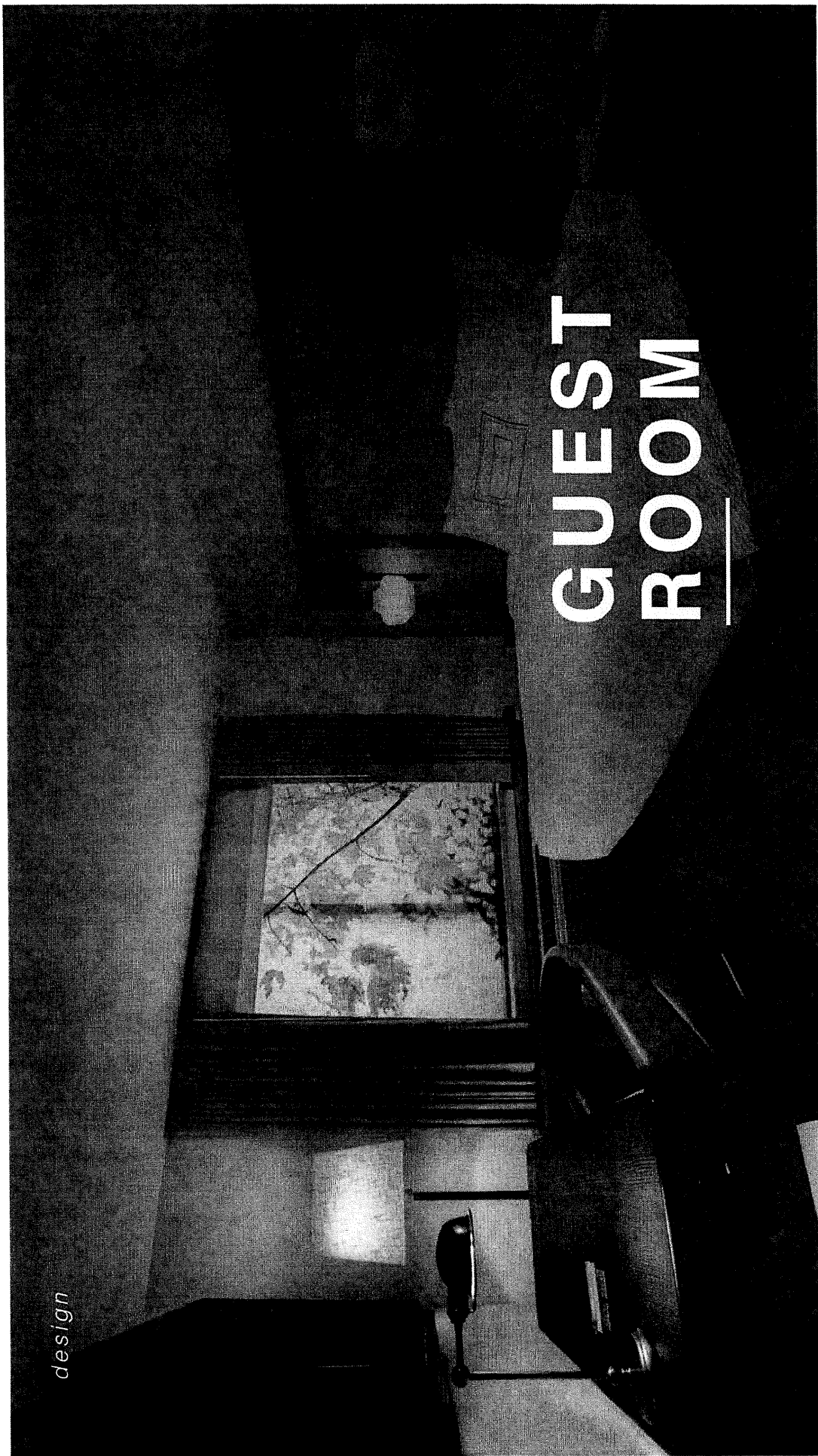


design

FITNESS

Keep up fitness routines
at our hotels





GUEST ROOM

design



design

SUITE

Rooms smartly designed
for rest and productivity

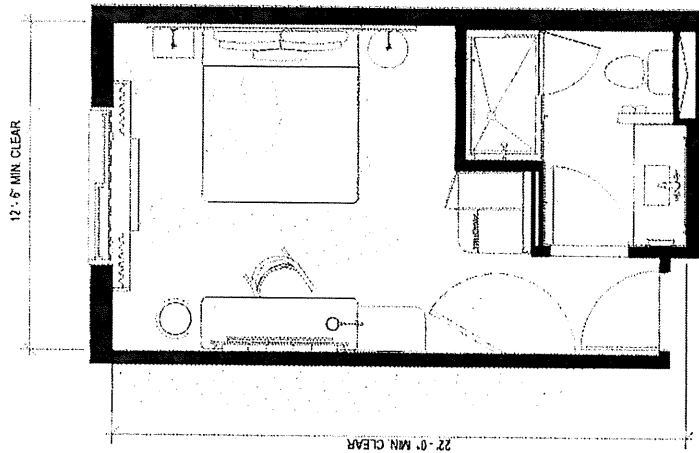
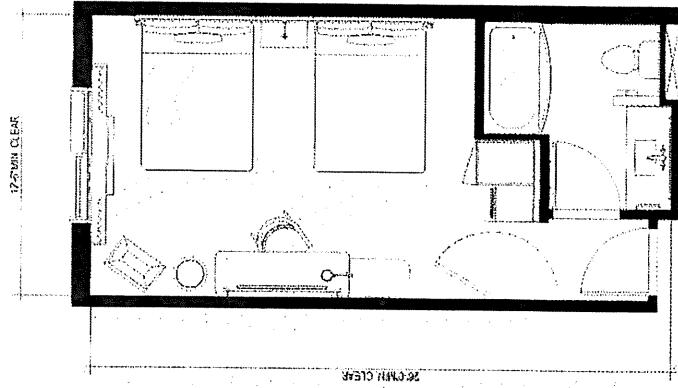
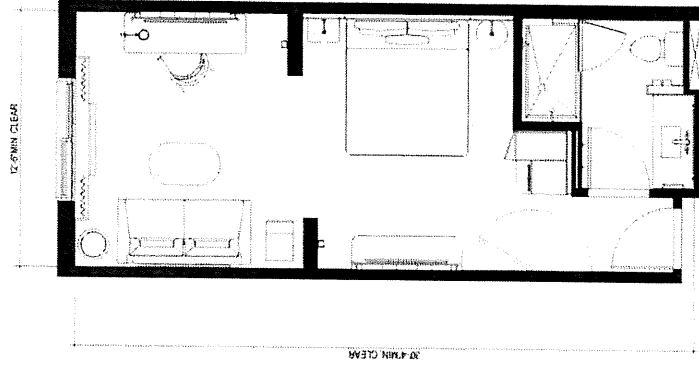
OP

GUESTROOM LAYOUTS

KING

QUEEN/QUEEN

KING SUITE



design



EXHIBIT "A.4."

L.L.C. CERTIFICATE OF FORMATION

EP

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Rolando B. Pablos
Secretary of State

Office of the Secretary of State

March 22, 2017

Attn: Legalzoom.com, Inc.

Legalzoom.com, Inc.
101 N. Brand Blvd, 10th Floor
Glendale, CA 91203 USA

RE: 6Q Hospitality, LLC
File Number: 802679624

It has been our pleasure to file the certificate of formation and issue the enclosed certificate of filing evidencing the existence of the newly created domestic limited liability company (llc).

Unless exempted, the entity formed is subject to state tax laws, including franchise tax laws. Shortly, the Comptroller of Public Accounts will be contacting the entity at its registered office for information that will assist the Comptroller in setting up the franchise tax account for the entity. Information about franchise tax, and contact information for the Comptroller's office, is available on their web site at <http://window.state.tx.us/taxinfo/franchise/index.html>.

The entity formed does not file annual reports with the Secretary of State. Documents will be filed with the Secretary of State if the entity needs to amend one of the provisions in its certificate of formation. It is important for the entity to continuously maintain a registered agent and office in Texas. Failure to maintain an agent or office or file a change to the information in Texas may result in the involuntary termination of the entity.

If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section
Business & Public Filings Division
(512) 463-5555

Enclosure

Phone: (512) 463-5555
Prepared by: Bridget Mouton

Come visit us on the internet at <http://www.sos.state.tx.us/>

Fax: (512) 463-5709
TID: 10285

Dial: 7-1-1 for Relay Services
Document: 723515720002

A handwritten signature in the bottom right corner of the page.



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
CINCINNATI OH 45999-0023

Date of this notice: 03-24-2017

Employer Identification Number:
82-0928457

Form: SS-4

Number of this notice: CP 575 G

For assistance you may call us at:
1-800-829-4933

6Q HOSPITALITY LLC
JAY PATEL SOLE MBR
7034 MESA VERDE AVE
IRVING, TX 75063

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 82-0928457. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

IMPORTANT REMINDERS:

- * Keep a copy of this notice in your permanent records. **This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you.** You may give a copy of this document to anyone asking for proof of your EIN.
- * Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- * Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub.

Your name control associated with this EIN is 6QHO. You will need to provide this information, along with your EIN, if you file your returns electronically.

Thank you for your cooperation.

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Rolando B. Pablos
Secretary of State

Office of the Secretary of State

CERTIFICATE OF FILING OF

6Q Hospitality, LLC
File Number: 802679624

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Limited Liability Company (LLC) has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 03/22/2017

Effective: 03/22/2017



A handwritten signature in black ink, appearing to read "R. Pablos".

Rolando B. Pablos
Secretary of State


Phone: (512) 463-5555
Prepared by: Bridget Mouton

Come visit us on the internet at <http://www.sos.state.tx.us/>

Fax: (512) 463-5709
TID: 10306

Dial: 7-1-1 for Relay Services
Document: 723515720002

Handwritten initials, possibly "RBP", enclosed in a circle.

Secretary of State P.O. Box 13697 Austin, TX 78711-3697 FAX: 512/463-5709 Filing Fee: \$300	 Certificate of Formation Limited Liability Company	Filed in the Office of the Secretary of State of Texas Filing #: 802679624 03/22/2017 Document #: 723515720002 Image Generated Electronically for Web Filing
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Article 1 - Entity Name and Type

The filing entity being formed is a limited liability company. The name of the entity is:

6Q Hospitality, LLC

Article 2 - Registered Agent and Registered Office

A. The initial registered agent is an organization (cannot be company named above) by the name of:

United States Corporation Agents, Inc.

OR

B. The initial registered agent is an individual resident of the state whose name is set forth below:

C. The business address of the registered agent and the registered office address is:

Street Address:

9900 Spectrum Drive Austin TX 78717

Consent of Registered Agent

A. A copy of the consent of registered agent is attached.

OR

B. The consent of the registered agent is maintained by the entity.

Article 3 - Governing Authority

A. The limited liability company is to be managed by managers.

OR

B. The limited liability company will not have managers. Management of the company is reserved to the members. The names and addresses of the governing persons are set forth below:

Managing Member 1: **Jay Patel**

Title: **Managing Member**

Address: **7034 Mesa Verde Ave. Irving TX, USA 75063**

Article 4 - Purpose

The purpose for which the company is organized is for the transaction of any and all lawful business for which limited liability companies may be organized under the Texas Business Organizations Code.

Supplemental Provisions / Information



[The attached addendum, if any, is incorporated herein by reference.]

Organizer

The name and address of the organizer are set forth below.

Cheyenne Moseley 101 N. Brand Blvd., 11th Floor, Glendale, CA 91203

Effectiveness of Filing

A. This document becomes effective when the document is filed by the secretary of state.

OR

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Cheyenne Moseley

Signature of Organizer

FILING OFFICE COPY

GP

EXHIBIT "A.5."

L.L.C. CERTIFICATE OF RESOLUTION

A small, handwritten mark consisting of the letters 'EP' enclosed within a hand-drawn circle, located in the bottom right corner of the page.

L.L.C. CERTIFICATE OF RESOLUTION

The undersigned Members of 6Q Hospitality, L.L.C., a limited liability company duly organized under the laws of the State of Texas (the "L.L.C."), hereby certify that the following resolutions were duly adopted by said Members of the L.L.C. on the 01 day of October,

20 17 and that such resolutions have not been modified or rescinded as of the date hereof:

RESOLVED, that Jay Patel, is hereby authorized and directed for and on behalf of the L.L.C. to execute all legal documents with regard to entering into an economic development incentive agreement with the City of Corinth, Texas (the "CITY") and the Corinth Economic Development Corporation (the "CEDC") to construct and operate a hotel and conference center in the City of Corinth, Texas as approved by him/her as being in the best interests of the L.L.C.; and to take any and all further actions which may be necessary or appropriate to commence and complete said construction and operation of the hotel and conference center in such a manner as being, in his/her opinion, in the best interests of the L.L.C.

RESOLVED, that this action may be executed in counterparts and by facsimile signatures, each of which shall be deemed an original and all of which together shall constitute one action.

IN WITNESS, WHEREOF, the undersigned has executed this instrument as of this 01 day of October, 20 17.

Written Name of Member and Title: Jay Patel managing member

Signature Name of Member: [Handwritten Signature]

[Handwritten Initials]

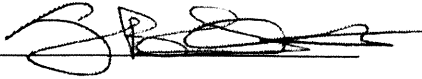
Date:

10 / 01 / 2017.

Written Name of Member and Title:

Sunil B Patel, member.

Signature Name of Member:



Date:

10 / 01 / 2017.

Written Name of Member and Title:

Jay Patel.

Signature Name of Member:

.

Date:

10 / 01 / 2017.

