

BRIDGE REALTY PARTNERS, INC.

5850 Granite Parkway
Suite 150
Plano, TX 75024
972-987-8981

February 29, 2016

Mr. Bill Burke
Collin County Government

BBurke@co.collin.tx.us

VIA ELECTRONIC MAIL

RE: Estimated 6 +/- useable acres out of 11.403 acres Lot 1 Block 2, Collin County Justice Center Addn., Collin County, TX (“Property”)

Dear Mr. Burke:

This letter of intent (hereinafter "Letter ") shall outline the terms and conditions upon which our client St. Ives Holdings, L.L.C. and/or assigns ("Lessee") will negotiate a definitive ground lease (the "Lease") with Collin County (“Lessor”) to lease the Property described herein. The basic terms and conditions of the lease will be as follows:

1. PROPERTY

Approximately 6 net usable acres out of 11.403 acres +/-, as shown on site plan attached hereto as Exhibit “A” (“Property”)

2. GROUND LEASE RATE

The Ground Lease Rate for the Property will be “Subject to Purchasing Bid”

3. GROUND LEASE TERM

Fifty (50) years with five (5) five (5) year options.

4. RENT COMMENCEMENT

Lessee will commence payment of rent, taxes and insurance on the date which is the earlier of:

- a. Ninety (90) days after issuance of building Certificate of Occupancy, or
- b. Ten (10) months after issuance of building permit
- c. One Year after signing Letter of Intent

5. CONTEMPLATED IMPROVEMENTS

Buildings for office, retail, and other related uses together with appurtenant improvements, including sidewalks, landscaping, paving and lighting. The buildings will be parked in accordance with municipal code.

6. INSPECTION OF THE PROPERTY

Lessee may, at Lessee's sole cost and expense, inspect and review the Property and all records pertaining to the Property on or before the one hundred eighty (180) days after the Effective Date of the Lease Agreement (the "Inspection Period") in order that Lessee may determine whether or not the use and occupancy of the Property is suitable for the purpose contemplated by Lessee. If such inspection and review reveals any facts or conditions unacceptable to Lessee, or if Lessee determines that the Property is not suitable for Lessee's contemplated purposes for any reason or no reason whatsoever, then Lessee may, at Lessee's sole option, elect to terminate the Lease by written notification to Lessor of such termination prior to the expiration of the Inspection Period. In the alternative, if Lessee determines that it will not be able to satisfy itself that all conditions are acceptable to Lessee during the Inspection Period, then Lessee may extend the Inspection Period for up to two (2) thirty (30) day periods, by written notice to Lessor before the expiration of the Inspection period. The Inspection Period shall terminate upon the expiration of such period or earlier upon Lessee's express written waiver of said Period or Lessee's commencement of construction activities.

7. CONDITIONS

A. Within **ten (10)** days after full execution of the Lease, Lessor shall cause to be delivered to Lessee a current title commitment for the Property.

B. Within **ten (10)** days after full execution of the Lease, Lessor shall deliver to Lessee existing surveys and/or recorded plats of the Property. Within sixty (60) days thereafter, if required, Lessee will prepare an updated survey of the Property by a duly licensed surveyor with cost up to \$3,500.00 credited to Lessee from the first monthly installment of base rent.

C. Lessee shall have **twenty (20)** days after receipt of the survey and title commitment to review same and to deliver in writing to Lessor such objections as Lessee may have to anything contained in them. If objections are made, Lessor shall have **twenty (20)** days to cure such objections or Lessee may terminate the Lease prior to the end of the Inspection Period or waive such objections.

D. Within **ten (10)** days after full execution of the Lease, Lessor shall cause to be delivered to Lessee copies of all contracts, ECR's, PUD documents, licenses, environmental reports and assessments, permits and all other agreements relating to the Property (collectively, the "Due Diligence Materials"). On or before the expiration of the Inspection Period, Lessee and its counsel shall have approved the condition of the title to the Property, the survey and the Due Diligence Materials and Lessee shall have received its building permits and other entitlements necessary for Lessee's proposed development and use of the Property.

8. FIRST RIGHT TO PURCHASE

Lessee shall have the first right of refusal to purchase the Property if the event Lessor elects to sell the Property, which must be exercised within thirty (30) days of receipt of a third party offer that Lessor is willing to accept.

9. ASSIGNMENT.

It is expressly agreed and stipulated that Lessee may assign the Lease without the prior approval, either written or oral, of Lessor.

10. SUMMARY AND CONCLUSION.

This proposal contemplates that a definitive and binding ground lease will be negotiated, and if agreed upon, executed, setting forth in details, the respective rights and obligations of Lessee and Lessor consistent with the basic provisions of this proposal. Upon acceptance by Lessor of this proposal, Lessee and Lessor hereby agree to proceed to negotiate the ground lease for execution at the earliest possible date, in accordance with provisions contained herein. Upon the execution of the ground lease, Lessee and Lessor and the respective officers, employees, agents, attorneys, architects, engineers and consultants are to cooperate with each other in order to facilitate the contemplated development of the Property.

This letter of intent is expressly conditioned upon and subject to entering into mutually satisfactory definitive written agreements as to all aspects of the transaction and is not binding upon the parties in any way, except to the extent that it reflects the intent to proceed to negotiate definitive written agreements with respect to the lease of the Property on the general terms and conditions herein contained. Unless such written agreements are entered into, neither party shall be under any obligation to the other, irrespective of this letter and of any negotiations, agreements or understandings heretofore or hereafter existing between either party, it being understood that no contractual relationship shall exist between the parties unless and until the definitive agreements shall have been executed in writing.

If the provisions of this letter are acceptable to you, please indicate by countersigning the enclosed duplicate original copy hereof and returning same to the undersigned, **before 5:00 p.m. on March 24, 2016.**

Sincerely,

James E. Gissler
Bridge Realty Partners, L.L.C.

AGREED AND ACCEPTED:

By: _____

Date: _____

Exhibit "A"



TRACT 3 - CONCEPT PLAN
BLOOMDALE ROAD & US HIGHWAY 75
CITY OF MCKINNEY