

State of Texas §  
Collin County §  
Commissioners Court §

Court Order  
2022-529-06-13

An order of the Collin County Commissioners Court approving an agreement.

The Collin County Commissioners Court hereby approves a ground lease agreement with LifePath Systems for property located at the southeast corner of Bloomdale Road and Community Avenue, McKinney, Texas, as detailed in the attached documentation.

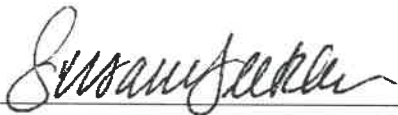
A motion was made, seconded, and carried by a majority of the court members in attendance during a regular session on Monday, June 13, 2022.

Not Present

Chris Hill, County Judge



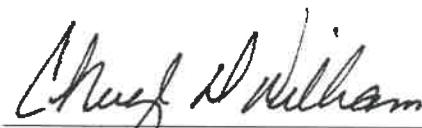
Darrell Hale, Commissioner, Pct 3



Susan Fletcher, Commissioner, Pct 1



Duncan Webb, Commissioner, Pct 4



Cheryl Williams, Commissioner, Pct 2



ATTEST: Stacey Kemp, County Clerk

## GROUND LEASE

1. PARTIES AND PURPOSE. This GROUND LEASE (this "Lease") is between **COLLIN COUNTY TEXAS, a political subdivision of the State of Texas** ("Landlord") and **Collin County Mental Health Mental Retardation Center d/b/a LifePath Systems, a Local Behavioral Health and Intellectual Disabilities Authority formed under Chapter 534 of the Texas Health and Safety Code** ("Tenant"). Landlord and Tenant are referred to herein collectively as the "Parties" or the "parties." Tenant was created by the Landlord to operate the Collin County Mental Health Mental Retardation Center and to carry out programs to assist citizens with mental health issues, intellectual disabilities, mental disabilities or substance abuse problems, and Tenant has since been recognized as a Local Behavioral Health and Intellectual Disabilities Authority by the Texas Department of Health and Human Resources. The Parties acknowledge that the services provided by Tenant are vital to the public health of the citizens of Collin County and that it is in the best interests of the citizens of Collin County that Landlord provide to Tenant the ground lease rights set forth in this Lease.

2. PREMISES. Landlord grants and leases to Tenant and Tenant takes and leases from Landlord the approximately 11.493 acre tract of land (the "Premises") described in the attached Exhibit A, and as depicted on the attached Exhibit A-1, together with all rights and appurtenances thereto belonging or in any wise incident or appertaining thereto. Landlord further grants to Tenant, and its employees, suppliers, contractors, authorized representatives and invitees, the non-exclusive right to use the means of ingress and egress to the Premises.

3. CONSTRUCTION.

(a) Tenant's Improvements. Tenant agrees at its expense to promptly make application for all permits necessary for the construction on the Premises of, at minimum, an approximately 45,000 square foot office building and associated drives, walkways, parking lots and other improvements (collectively, the "Improvements") where Tenant will house the primary offices of its chief executive officer and other executive officers, along with its operations and facility for providing services related to mental health issues, intellectual disabilities, mental disabilities or substance abuse problems. Any and all improvements to the Premises are subject to review and approval by Landlord as set forth herein, or its designee, but the Tenant remains responsible for designing, constructing, and maintaining the Premises. Tenant shall at its sole cost and expense submit to and seek approval from all applicable governing municipal or regulatory bodies and agencies all documents required to obtain such permits including, without limitation, re-plats, site plans, architectural plans, engineering plans, and construction plans. The Improvements shall conform in all respects with the ordinances, regulations, and standards of the City of McKinney, as applicable, and all other all governmental or quasi-governmental authorities having jurisdiction. All construction shall be at Tenant's sole cost and expense and shall be performed by Tenant in a good and workmanlike manner, free and clear of mechanics' and materialmen's liens. The Tenant shall be responsible for extending all utility lines (including, without limitation, gas lines, sanitary sewer lines, water lines, electrical lines, and telephone, cable and fiber optic lines) to the Premises.

(b) Tenant's Preliminary Plans and Specifications: including Elevations. Tenant shall at its own expense engage an architect to prepare preliminary plans, specifications, and elevations and shall prepare and submit to Landlord within nine (9) months after the Conditions Precedent

GROUND LEASE

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have been satisfied preliminary elevations in sufficient detail to show the design, character, and appearance of the building(s) to be erected.

(c) Landlord's Objections to Proposed Elevations. Within fifteen (15) business days after Tenant's submission of proposed elevations, Landlord shall inform Tenant in writing of any objections to the preliminary elevations, and, in that event, Tenant shall have ten (10) business days to propose in writing corrective amendments that Landlord shall accept or reject within the next five (5) business days. Failure of Landlord to inform Tenant of its objections within such periods shall constitute Landlord's approval of the preliminary elevations. Landlord's approval of the preliminary elevations shall not be deemed approval by Landlord of the final plans or the complete detailed elevations required to the extent they pertain to matters in addition to or different from the preliminary elevations.

(d) Tenant's Preparation of Final Plans and Elevations. After receiving Landlord's initial approval, Tenant, at Tenant's own expense, shall proceed with the preparation of complete and final plans, and elevations, and complete detailed specifications covering each building trade concerned in the construction of the proposed improvements and shall submit the final elevations to Landlord for its approval within twelve (12) months after the Conditions Precedent have been satisfied.

(e) Landlord's Objections to Final Elevations. Within fifteen (15) business days after Tenant's submission of the final elevations, Landlord shall inform Tenant in writing of any objections to the final elevations, and, in such event, Tenant shall have ten (10) business days to propose in writing corrective amendments that Landlord shall accept or reject within the next five (5) business days.

(f) Signs. Tenant shall have the right to install, maintain, and replace in, on, or over or in front of the Premises or in any part of the premises such signs and advertising matter as Tenant may desire, and Tenant shall comply with any applicable requirements of governmental authorities having jurisdiction and shall obtain any necessary permits for such purposes. As used in this section, the word "sign" shall be construed to include any placard, light, or other advertising symbol or object, irrespective of whether it is temporary or permanent. Tenant shall use its best efforts to install signs that are representative of signs used by Landlord in the surrounding area.

(g) Right to Make Agreements for Utility Easements. With Landlord's prior written consent, Tenant shall have the right to enter into reasonable agreements with utility companies creating easements in favor of such companies as are required in order to service the building on the Premises. Landlord agrees that it will not unreasonably withhold, delay, or condition its consent to such agreements and will execute any and all documents, agreements, and instruments and to take all other actions, in order to effectuate such consented-to agreements, all at Tenant's cost and expense.

(h) Landlord's Delivery Requirements. Landlord shall deliver possession of the Premises to the Tenant upon execution of this Lease by both parties ("Delivery Date").

(i) Tenant's Construction of the Improvements. Tenant, after the Conditions Precedent have been satisfied, covenants and agrees to construct with due diligence the

Improvements in a good and workmanlike manner and in accordance with the building construction plans approved by Landlord, as the same may be modified from time to time. Landlord's approval shall not be unreasonably withheld, conditioned, or delayed. In addition to the other insurance requirements set forth in this Lease, from the commencement of construction until completion of the Improvements, Tenant shall maintain or cause its contractors to maintain, general liability and other types of insurance in commercially reasonable amounts and otherwise reasonably satisfactory in form and content to Landlord and insuring Landlord and Tenant against all hazards normally insured against in the construction of projects similar to the Improvements.

(j) Payment and Performance Bonds. Prior to the commencement of construction of the Improvements, Tenant shall have delivered to Landlord recorded copies of performance and payment bonds acceptable to Landlord, in dual obligee form, covering the performance of Tenant's contractor and such principal subcontractors for the Improvements as Landlord may designate.

4. TERM.

(a) Initial Term. Unless sooner terminated or extended as herein provided, the term of this Lease shall be for forty-five (45) years (the "Term"). The Term shall commence on the date this Lease has been executed by both parties (the "Commencement Date"). Tenant hereby agrees to diligently pursue the construction and completion of the Improvements promptly after execution of this Agreement and satisfaction of all Conditions Precedent.

(b) Options. Landlord grants to Tenant two (2) successive options to extend the Term upon the same terms, covenants and conditions of this Lease, for any period of time up to but not exceeding ten (10) years for each option (each, an "Extended Term"). The two (2) successive options to extend the Term are contingent upon the Tenant utilizing the Premises as a mental and behavioral health facility. If Tenant elects to exercise one or more options, Tenant shall notify Landlord at least one (1) year prior to the expiration of the Term or the Extended Term in effect at the time of the notice.

5. RENT. Tenant agrees to pay Landlord \$10.00 in rent per year, due on each annual anniversary of the effective date of this Lease.

6. PERMITTED USE. The Premises must be operated by Tenant as a facility for providing services for mental health issues, intellectual disabilities, mental disabilities or substance abuse problems operated by Tenant primarily for the benefit of the citizens of Collin County and for associated offices and operations by Tenant (the "Permitted Use") or other non-profit organizations providing services similar to, or augment or support, Tenant's use of the Premises. Should Tenant cease to use the Premises for the Permitted Use at any time during the lease term, the Lease is cancelled and the Premises will revert, at no cost, to Landlord. For purposes of clarity, in the event less than seventy-five percent (75%) of either (a) the Premises, (b) the building square footage constructed upon the Premises, or (c) the parking lot square footage is utilized by Tenant for Tenant's direct operation of the Permitted Use, then Tenant shall be deemed to have breached its obligation to use the Premises for the Permitted Use.



7. UTILITIES. Tenant agrees to pay all charges for gas, electricity, telephone, sewer, water and any other utilities used by Tenant on the Premises. Tenant will be responsible for ensuring that all billing statements for all utilities will be mailed directly to Tenant for payment.

8. TAXES. Tenant agrees to pay prior to delinquency any real and personal property taxes levied upon the Improvements (including the Building), Tenant's leasehold interest in the Premises, and Tenant's personal property, including trade fixtures, inventory, and equipment located on the Premises.

9. MAINTENANCE. Tenant agrees to maintain, at its sole cost and expense, for the Term and any Extended Term, the Premises and any Improvements at any time located on the Premises in good repair and a safe, sanitary, and orderly condition, free from waste or nuisance, casualty damage and reasonable wear and tear excepted.

10. ALTERATIONS. Following the completion of the construction of the Improvements, Tenant may make such interior alterations or interior additions to buildings located on the Premises at any time as Tenant may desire so long as the alterations and additions are constructed expeditiously with good materials in a good and workmanlike manner and in accordance with all requirements imposed by law and so long as Tenant obtains the prior written consent of Landlord, which consent shall not be unreasonably withheld, condition, or delayed. Such alterations or additions will be made in a good workmanlike manner without cost to Landlord, and shall be free and clear of mechanics' and materialmen's liens provided that if any such lien is filed, Tenant shall either promptly bond or discharge the same or it may contest the same in good faith.

11. TRADE AND OTHER FIXTURES. Subject to Section 10 above and to the approval of local governing authorities and the acquisition of any required permits, Tenant may at its expense install or cause to be installed on the interior of any building on the Premises such equipment and trade and other fixtures as are reasonably necessary or desirable for the operation of its business (the "Fixtures").

12. PERMITS/LICENSES. Landlord hereby grants to Tenant the right to apply for and obtain, in Landlord's name or otherwise, any permits or licenses required from the landowner by applicable governmental authorities necessary or desirable for Tenant to construct and perform maintenance, remodeling, alterations and repairs at the Premises, in accordance with the terms and conditions of this Lease and Landlord agrees to execute any documents reasonably requested by Tenant in connection therewith.

13. CASUALTY DAMAGE. If the Improvements, or any portion thereof, constructed on the Premises is damaged or destroyed by fire or any other casualty, regardless of the extent of the damage or destruction, Tenant must, within ten (10) days thereafter, notify Landlord of such damage. If the Improvements should be damaged or destroyed, Tenant shall proceed, with due diligence, to do one of the following within six (6) months from the date of damage or destruction: (a) restore or replace the Improvements constructed by Tenant; or (b) demolish and remove the damaged or unusable improvements and fill, grade, pave or landscape the Premises. Should the above damage occur during the last ten (10) year period of the Lease, Tenant shall have the option to cancel the remaining term, but should Tenant elect to cancel, Landlord shall be entitled to the proceeds of all insurance collected, after deduction of: (i) the demolition and other costs set forth in subsection (b); and (ii) Tenant's then

current book value for the Improvements. All proceeds in excess of \$100,000.00 from the property insurance maintained by Tenant pursuant to this Lease shall be paid to Tenant and Landlord jointly and shall be used for the repair, reconstruction, or replacement of the damaged building or other improvement unless otherwise provided hereunder or agreed in writing by the parties.

14. **INSURANCE.** Commencing on Landlord's Delivery Date and continuously thereafter throughout the Term and any Extended Term, Tenant agrees, at Tenant's expense, to maintain in force commercial general public liability insurance carried by one or more insurance companies duly authorized or admitted to transact business in Texas and reasonably acceptable to Landlord covering the Premises with combined single limit coverage of \$2,000,000. Tenant shall also procure and maintain on the Improvements "special form" property insurance, carried by one or more insurance companies duly authorized or admitted to transact business in Texas and reasonably acceptable to Landlord, with a limit of 100% of its replacement cost. Until completion of construction of the Improvements, Tenant at its sole expense shall maintain or cause to be maintained builder's risk insurance covering the construction of the Improvements, in an amount not less than the full insurable value of the Improvements and materials supplied in connection with the Improvements. Tenant shall, within thirty (30) days of the Tenant's Condition Precedent Notice or the Conditions Precedent Deadline, whichever is later, furnish Landlord a certificate from the insurer evidencing Tenant's liability insurance and naming Landlord as additional insured under the liability policies described above. Each certificate shall provide that the insurer will not cancel the policy except after 30 days prior written notice to Landlord. Tenant also shall deliver to Landlord at least 30 days prior to the expiration date of each policy or policies (or of any renewal policy or policies), certificates for the renewal policies of that insurance. Tenant shall furnish Landlord with certified copies of the policies providing the required insurance. Landlord and Tenant each may carry such additional insurance policies as may be desired by such party.

Notwithstanding anything in this Lease to the contrary, Landlord and Tenant on behalf of themselves and all others claiming under them, including any insurer, waive all claims against each other, including all rights of subrogation, for loss or damage to their respective property (including, but not limited to, the Premises, the Improvements and all personal property and fixtures located thereon or therein) arising from fire, smoke damage, windstorm, hail, vandalism, theft, malicious mischief and any of the other perils normally insured against in an "all risk" of physical loss insurance policy, regardless of whether insurance against those perils is in effect with respect to such party's property and regardless of the negligence of either party. To the extent of any conflict between the preceding sentence and any other provision of this Lease the provision of the preceding sentence shall control. Landlord and Tenant shall each secure with respect to each insurance policy maintained by it which is applicable to the Premises, or any fixtures or personal property located thereon or therein, an appropriate policy provision or endorsement by which each insurance company waives subrogation against the other party. If either party so requests, the other party shall deliver satisfactory evidence of such waiver of subrogation by the other party's insurer(s).

15. **INDEMNITY.** Commencing on the Commencement Date and continuing thereafter throughout the Term, and any Extended Term, Tenant shall, to the extent allowed by law, indemnify and hold Landlord harmless from any claim, liability, loss, cost or obligation owed to or asserted against Landlord by any third party, arising from injury to or death of any person, or damage to or loss of property, on the Premises or connected with the use, condition, or occupancy of the Premises, including any damage or injury caused by the use of the Premises

by Tenant, its agents, employees, invitees, or contractors, excepting grossly negligent acts or omissions of Landlord, its agents, employees or contractors or the failure of Landlord to perform its obligations under this Lease. And, except where Landlord, its agents, employees or contractors have been grossly negligent or except where Landlord has failed to perform its obligations under this Lease, Tenant shall, to the extent allowed by law, so indemnify and hold Landlord harmless from the same EVEN THOUGH CAUSED OR ALLEGED TO BE CAUSED BY THE JOINT, COMPARATIVE, OR CONCURRENT NEGLIGENCE OR FAULT OF LANDLORD OR ITS AGENTS, AND EVEN THOUGH ANY SUCH CLAIM, CAUSE OF ACTION, OR SUIT IS BASED UPON OR ALLEGED TO BE BASED UPON THE STRICT LIABILITY OF LANDLORD OR ITS AGENTS. THIS INDEMNITY PROVISION IS INTENDED TO INDEMNIFY LANDLORD AND ITS AGENTS AGAINST THE CONSEQUENCES OF THEIR OWN NEGLIGENCE OR FAULT AS PROVIDED ABOVE WHEN LANDLORD OR ITS AGENTS ARE JOINT, COMPARATIVELY, OR CONCURRENTLY NEGLIGENT WITH TENANT.

16. ASSIGNMENT OR SUBLEASE.

(a) Tenant shall not assign this Lease or any interest in this Lease, sell, lease, sublease, or license all or portion of the Premises, including any of the Improvements (in a single transaction or series of related transactions with the same or related tenant) or permit any assignment of any such lease or sublease, in each instance, without Landlord's prior written consent, which consent may be withheld for any or no reason. For purposes of this Lease, any change in control of Tenant by merger, consolidation, sale of assets, or other means of transferring control of Tenant or its business, shall be deemed to be an assignment of this Lease and a sale of the Improvements. Any such assignment, sublease, lease, contract to sell, sale or other conveyance in violation of the foregoing shall be void. Any sublease or license shall be subject to the terms and conditions of this Lease, and any such subtenant or licensee shall be required to assume the obligations of the Tenant set forth herein. With respect to any assignment, sublease, sale, or license of all or any portion of the Premises, Tenant shall always remain primarily liable as a principal and not as a guarantor for the payment of any rent and all other sums due Landlord under this Lease and for compliance with and performance of all of the covenants and conditions of this Lease on the part of Tenant to be performed. Should Tenant generate any revenues from any such sale, lease, sublease, or license or from any business Tenant conducts upon or directly related to the Premises other than revenues generated by Tenant from Tenant's direct operation of the Permitted Use ("Non-Permitted Use Revenue"), then Tenant must pay to Landlord twenty-five percent (25%) of the Non-Permitted Use Revenue generated by Tenant. During the Term of this Lease, and during any Extended Term, within 30 days after the end of each of Tenant's fiscal quarters, Tenant will provide Landlord with Tenant's quarterly financial statements, containing such information and in such form as Landlord shall reasonably require and certified to by Tenant's Chief Executive Officer or such other officer of Tenant as Landlord shall approve, and such financial statement shall be accompanied by a payment to Landlord of 25% of all gross revenue received from Non-Permitted Use Revenue during the quarter covered by the quarterly financial statement.

(b) As a condition precedent to Landlord's consideration of any proposed assignment, sale, sublease, or license by Tenant as described in subsection 16(a) above, Tenant shall provide to Landlord the following documents and information: (a) the full name of proposed assignee, purchaser, subtenant, or licensee, (b) the intended use of the space to be assigned, sold, subleased, licensed or otherwise occupied by the proposed assignee, purchaser, subtenant, or licensee; and (c)

the form of assignment, purchase contract, sublease, or license agreement. Tenant shall reimburse Landlord for its reasonable accountants', engineers', attorneys', and other professionals' fees and other reasonable expenses incurred in connection with considering any request for its consent to a sublease.

17. EMINENT DOMAIN.

(a) Unless this Lease is terminated pursuant to subsection 17(b) below, if a portion of the Premises shall be taken by condemnation or other eminent domain proceedings pursuant to any law, general or special, by an authority ("Condemning Authority") having the power of eminent domain, or is sold to a Condemning Authority under threat of the exercise of that power and such portion is not material to Tenant's use and occupancy of the Premises, this Lease shall continue in effect.

(b) If a portion of the Premises is so taken or sold, and that portion is material to Tenant's use and occupancy of the Premises, or if all of the Premises is so taken or sold, Tenant may terminate this Lease by giving written notice to Landlord. And, so long as Tenant has previously delivered such written notice to Landlord, this Lease shall then terminate on the day following the vesting of title in the Condemning Authority, except to the extent provided below and except with respect to obligations and liabilities of Landlord and Tenant under this Lease that have arisen on or before the date of termination. Tenant's obligation with respect to taxes, assessments and other charges and other items of additional rent shall be prorated as of the date of termination, and upon termination Tenant shall satisfy and cause to be released any Leasehold Mortgages, liens or other encumbrances placed or suffered to be placed on the Premises by Tenant. In the event that Tenant shall fail to exercise its option to terminate this Lease as provided in this subsection, or in the event that a part of the Premises shall be taken under circumstances under which Tenant will have no such option, Tenant shall have the sole responsibility for restoring the Improvements to a complete architectural unit.

(c) Any award or compensation paid on account of any taking or sale described in this Article shall be paid to any Mortgagee described in Article 24 to the extent such award or compensation is required to be paid to such holder; and the balance shall be divided between Landlord and Tenant as follows: first to Tenant for the value of Tenant's leasehold interest in the Premises; next to Tenant for the value of any Improvements taken less the value of Landlord's reversionary interest in those Improvements (calculated as if this Lease does not terminate until the expiration of the Term and all Extended Terms exercised prior to the time Tenant receives notice of such taking or sale); and the remainder, if any, to Landlord.

18. ATTORNEYS' FEES. If suit is brought to enforce any terms, covenants or conditions of this Lease, the parties agree that the losing party shall pay the prevailing party's reasonable attorneys' fees, including reasonable attorneys' fees incurred in enforcing a judgment, which shall be fixed by the court and court costs. As used herein, the term "prevailing party" shall mean the party, which has succeeded upon a significant issue in the litigation and achieved a material benefit with respect to the claims at issue, taken as a whole.

19. DEFAULT.

(a) Default. The following events shall be deemed to be events of default under this Lease (each a "Default"): (a) Tenant fails to pay all or any portion of rent or any other amount to be paid



under this Lease by Tenant and the failure continues for thirty (30) days after Tenant's receipt of written notice from Landlord; or (b) Tenant fails to perform or observe any other covenant or condition to be performed or complied with by Tenant under this Lease, and the failure continues for 30 days after written notice by Landlord to Tenant; or, if the default complained of is not a monetary default and is of such a nature that it cannot reasonably be completely cured or remedied within such 30-day period, Tenant fails to commence to cure the default during the 30-day period, or does not thereafter, diligently prosecute such remedy or cure to completion, then Landlord shall have the right, at its option, to give a written notice specifying a date on which this Lease (and any existing subleases) shall terminate, and on that date, subject to the provisions of this Section relating to the survival of Tenant's obligations, this Lease and any existing subleases shall terminate and expire by limitation.

(b) Landlord's Remedies. Upon the occurrence of any Default, Landlord may, at its option and without further notice to Tenant and without judicial process, do any one or more of the following: (i) terminate this Lease, in which event Tenant will immediately surrender possession of the Premises to Landlord; (ii) enter upon and take possession of the Premises and expel or remove Tenant therefrom, with or without having terminated this Lease; or (iii) change or re-key all locks to entrances to the Premises, and Landlord will have no obligation to give Tenant a new key to the Premises until such Default is cured.

(c) Damages. If Landlord terminates this Lease by reason of a Default, or takes possession of the Premises without terminating the Lease, then Tenant must pay to Landlord the sum of: (i) all unpaid rent and other indebtedness accrued under this Lease to the date of such repossession, and (ii) the total rent that Landlord would have received under this Lease for the remainder of the Term or any Extended Term (as such rent becomes due), minus any net sums thereafter received by Landlord through re-letting the Premises (including the Improvements) during said period (after deducting expenses incurred by Landlord in connection with re-letting). Any amounts collected by the Landlord in excess of the Rent shall belong to the Landlord. Actions to collect amounts due by Tenant may be brought one or more times without the necessity of Landlord's waiting until the expiration of the Term or any Extended Term.

(e) Recovery of Premises. If Landlord elects to terminate this Lease due to Tenant's default, Landlord may recover the Premises from Tenant and any existing subtenants. Tenant's obligations to pay sums due under this Lease shall survive any termination of this Lease due to Tenant's default.

(f) Remedies Not Exclusive. No right or remedy conferred upon or reserved to Landlord in this Lease is intended to be exclusive of any other right or remedy. Each and every right and remedy shall be cumulative and in addition to any other right or remedy given under this Lease or existing at law or in equity.

(g) Right to Cure Defaults. If Tenant shall fail to make any payment of taxes, assessments or other charges, maintain required insurance coverages, or perform any other act required to be made or performed under this Lease, Landlord, without waiving or releasing any obligation or default, may (but shall be under no obligation to) upon reasonable notice to Tenant, make the payment or perform the act for the account and at the expense of Tenant. All sums so paid by Landlord shall constitute additional rent and shall be paid by Tenant to Landlord on demand.

20. CONDITIONS PRECEDENT. Tenant shall promptly proceed with reasonable diligence to satisfy each of the following conditions precedent (the “Conditions Precedent”):

- (a) all permits, licenses and approvals, with conditions acceptable to Tenant, required for the construction of the Improvements having been obtained by and at the expense of Tenant;
- (b) all permits, licenses and approvals, with conditions acceptable to Tenant, required for the uses set forth in Article 6, having been obtained by and at the expense of Tenant; provided, with respect to permits which cannot be issued until events occur which will not occur prior to the Conditions Precedent Deadline (as defined below) (such as commencement or completion of construction), Tenant shall be satisfied that such permits will be issued;
- (c) samples, test borings, percolation, groundwater and other tests (including, but not limited to, testing for hydrocarbons, hazardous substances, toxic pollutants, soil bearings, asbestos and other contaminants, herein collectively “Hazardous Materials”) being obtained by Tenant as agent for Landlord, and at the expense of Tenant showing environmental conditions satisfactory to Tenant and the appropriate governmental authorities;
- (d) Tenant’s review and approval of the Survey and Commitment (each as defined in Article 21 below);
- (e) Tenant’s determination that all other property conditions are acceptable to Tenant;
- (f) Tenant’s confirmation that the Premises constitute a separately platted lot, created by a plat (the “Plat”) with the City of McKinney;
- (g) Tenant’s determination that the current condition of the Premises, including without limitation the existing locations of utilities, are such that Tenant will be able to construct the Improvements and obtain a certificate of occupancy following completion of construction of the Improvements;
- (h) Tenant has, at its sole cost and expense, obtained the approval of the City of McKinney for and permits for construction of all curb cuts required for access to the Premises as shown on Site Plan; and
- (i) the obtaining of any ingress/egress and access rights, with terms acceptable to Tenant, contemplated on the Site Plan. Such rights shall be in recordable form at Tenant’s discretion and expense.

If Tenant has not sent Landlord written notice that all Conditions Precedent have been waived by Tenant or satisfied (“Tenant’s Conditions Precedent Notice”) on or before the date two hundred and seventy (270) days after full execution and delivery of this Lease, (as extended below, the “Conditions Precedent Deadline”), this Lease may be terminated by either party upon written notice to the other, provided that any such termination by Landlord shall be vitiated if Tenant sends Tenant’s Conditions Precedent Notice within ten (10) days of receipt of Landlord’s notice of termination.

Notwithstanding anything contained to the contrary in this Article, if Tenant has commenced the permitting process and is, with reasonable diligence, pursuing the permitting process to

completion, and Tenant has not received notice of the denial of any such permit or approval, then the Conditions Precedent Deadline shall be automatically extended without the requirement of any notice or agreement for the period of time until such decision is rendered and all appeal periods have expired.

Should Tenant elect to appeal any adverse administrative ruling, initiate legal proceedings or defend any third party action to satisfy any of the Conditions Precedent, the Conditions Precedent Deadline, shall be extended for the period of time Tenant continues to pursue the satisfaction of same through such appeal or legal proceedings.

Notwithstanding the foregoing provisions of this Article or any other provisions of this Lease, if Tenant determines, in Tenant's reasonable business judgment, at any time prior to the expiration of the Tenant's Conditions Precedent Deadline, that (i) there is a reasonable likelihood that one or more of the conditions precedent will not be satisfied, or (ii) development of the Premises (including access) and/or permitting for such development or Tenant's intended use shall be commercially and/or economically impractical, then Tenant shall have the right to terminate this Lease in accordance with the provisions of this Article by giving written notice thereof to Landlord.

21. LEASEHOLD TITLE POLICY. Within the time period provided for in Article 20 of this Lease, Tenant shall have the right, but not the obligation, at Tenant's expense, to obtain (i) through a title company reasonably acceptable to Tenant ("Title Company") preliminary title documentation and extended coverage leasehold title insurance and (ii) a boundary survey by a surveyor acceptable to Tenant locating and describing the Premises, showing all boundaries and corners of the Premises properly and securely marked by pins, and certifying as to easements and encroachments. Upon Tenant's request, a preliminary title commitment (the "Commitment") shall be issued giving the current condition of title to the Premises, together with copies of all instruments necessary to fully explain the scope and effect of any matters listed as exceptions in the Commitment whereby Title Company is bound to issue to Tenant or its nominee, for an amount to be determined by Tenant, a Texas leasehold policy (herein the "Title Policy"). Landlord agrees that it shall execute, record and deliver such documents as Title Company may require in order to establish Landlord's title to Premises. In the event the Commitment or the Survey reflects any matters or conditions which Tenant reasonably determines will interfere with its intended development or use of the Premises, or the rights granted Tenant in this Lease, Tenant may terminate this Lease by giving written notice thereof to Landlord prior to the expiration of the Conditions Precedent Deadline.

22. QUIET ENJOYMENT. Landlord represents and covenants that so long as no Default exists under this Lease, Tenant shall peaceably and quietly have, hold and enjoy exclusive possession of the Premises, all appurtenances belonging thereto, and all rights granted to Tenant by this Lease, for the entire duration of the Term and any Extended Term without any hindrance or interference by Landlord or any person acting by, through or under Landlord or deriving rights through the Landlord, save and except for any matters of record or which would be shown by an accurate Survey of the Premises.

23. SUBORDINATION. Tenant agrees that its leasehold interest in the Premises shall be subordinate to any mortgages hereafter to be placed on the Premises by Landlord; provided, as a condition precedent to such subordination, Landlord agrees to take whatever action is necessary (including obtaining written documentation from its mortgagee) to assure that each such mortgagee shall expressly covenant, or each such mortgage shall expressly provide, that so long as no Default

exists under this Lease, Tenant's quiet possession of the Premises shall remain undisturbed, on the terms, covenants and conditions stated herein, whether or not the mortgage is in default and notwithstanding any foreclosure or other action brought by the mortgagee. Tenant shall execute and deliver to Landlord any requests for execution of documentation to affect the subordination of Tenant's leasehold interest.

24. LIENS. Tenant shall at all times have the right to encumber, by mortgage or deed of trust, or other proper instrument in the nature thereof, as security for any actual bona fide debt, its leasehold estate hereby created, or any portion thereof, together with any equipment located on the Premises owned by the Tenant not part of the leasehold estate, provided that any such security interest on Tenant's leasehold interest shall be expressly subject and subordinate to this Lease.

If a mortgagee or trustee under a deed of trust shall notify the Landlord in writing that such mortgage or deed of trust has been executed and delivered by Tenant and shall furnish Landlord with the address to which said mortgagee or trustee (hereinafter, "Mortgagee") desires copies of notices to be mailed, then the Landlord hereby agrees that it will thereafter mail to such Mortgagee at the address so given a duplicate copy of any and all notices in writing which Landlord may from time to time give or serve upon Tenant under and pursuant to the terms and provisions of this Lease.

Such Mortgagee may, at its option, at any time before the rights of Tenant shall have been forfeited to the Landlord as herein provided, pay any of the rents due hereunder, or do any other act or thing required of or permitted to Tenant by the terms of this Lease, to prevent the forfeiture or termination of this Lease, and all payments so made and all things so done and performed by or for any such Mortgagee shall be as effective to prevent a forfeiture of the rights of Tenant hereunder as the same would have been if done and performed by Tenant.

No such Mortgagee shall be or become liable to the Landlord as an assignee of this Lease or otherwise unless it expressly assumes the liability of Tenant and no assumption shall be inferred from or shall be the result of foreclosure or other appropriate proceedings in the nature thereof or shall be the result of any other action or remedy provided for by such mortgage or deed of trust.

25. BANKRUPTCY. Should Tenant make an assignment for the benefit of its creditors, or seek an order for relief under the United States Bankruptcy Code, Landlord, at its option, may immediately thereafter terminate all rights of Tenant under this Lease, if permitted by applicable law.

26. CHANGE OF OWNERSHIP. Subject to the Tenant's rights under Article 38, Landlord shall provide Tenant written notice in the event Landlord conveys title to the Premises, or assigns Landlord's interest in this Lease to another party. After receipt of such notice, rent and other payments due and future notices to Landlord shall be given to the party designated therein and Tenant shall attend to the new owner as substitute Landlord. Tenant shall, within ten (10) days of receipt of request, execute for Landlord an estoppel certificate concerning the terms of this Lease.

27. NOTICES. Any notices required or permitted hereunder shall be in writing and delivered either in person to the other party or by United States Certified Mail, Return Receipt Requested, postage fully prepaid, to the addresses set forth below or to such other address as either party may designate in writing and deliver as provided in this Article.



LANDLORD:

Collin County Commissioners Office  
2300 Bloomdale Road, Suite 2302  
McKinney, Texas 75071

With copy to:

Abernathy, Roeder, Boyd &  
Hullett, P.C.  
1700 Redbud Blvd., Ste. 300  
McKinney, TX 75069  
Attn: Jared J. Pace

TENANT:

Lifepath Systems  
1515 Heritage Drive Suite 105  
McKinney, Texas 75069

With a copy to:

Taylor, Olson, Adkins,  
Sralla, & Elam, LLP,  
6000 Western Place, Suite  
200  
Fort Worth, Texas 76107  
Attn.: Larry Collister

28. RECORDATION. This Lease shall not be filed for public record. However, Landlord and Tenant shall execute and acknowledge a memorandum of lease in substantially the form attached hereto as Exhibit B (the "Memo of Lease"). The Memo of Lease may be filed for record against the Premises by either party at any time after the full execution and delivery of this Lease.

29. BROKER(S). Landlord and Tenant covenant, warrant and represent that no broker has been involved in the negotiation or consummation of this Lease.

30. FORCE MAJEURE. Neither party shall be required to perform any term, covenant or condition of this Lease so long as such performance is delayed or prevented by force majeure, which shall mean any acts of God, strike, lockout, material or labor restriction by any governmental authority, civil riot, and any other cause not reasonably within the control of such party and which by the exercise of due diligence such party is unable, wholly or in part, to prevent or overcome. Further, the parties hereby acknowledge that while current events related to the COVID-19 pandemic are known, future impacts of the outbreak are unforeseeable and shall be considered a force majeure event to the extent that they prevent the performance of a party's obligations under this Lease.

31. HOLDOVER. Should Tenant remain in possession of the Premises after the expiration of the Term or the Extended Term, Tenant shall be deemed to be occupying the Premises as a month-to-month tenant, at a monthly rental equal to the fair market rent for the Premises as determined by a certified appraiser selected by Landlord.

32. APPLICABLE LAW AND VENUE. The laws of the State of Texas shall govern the validity, performance and enforcement of this Lease. The parties agree that all of the obligations of the parties hereto are performable in Collin County, Texas and venue for any litigation involving this Lease shall be maintained in the Texas state district courts located in Collin County, Texas, to the exclusion of all other venues. The invalidity or unenforceability of any provision of this Lease shall not affect or impair any other provision.

33. COMPLETE AGREEMENT. This Lease merges all prior negotiations and understandings between the parties and constitutes their complete agreement which is binding upon both parties and their successors and assigns. This Lease may only be amended by written agreement signed by Landlord and Tenant.

34. DUE AUTHORITY. Landlord and Tenant each warrant and represent, upon which warranty and representation the other party has relied in the execution of this Lease, that each party has full right and lawful authority to execute this Lease in the manner and upon the conditions and provisions herein contained, and that no consent to the execution of this Lease is required.

35. DRAFTING. Landlord and Tenant agree that this Lease has been drafted and negotiated by both parties, and neither party shall be deemed to be the draftsman for purposes of construing provisions of this Lease.

36. WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HEREBY IRREVOCABLY AND EXPRESSLY WAIVES ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS LEASE OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE ACTIONS OF PARTIES IN THE NEGOTIATION, ADMINISTRATION, OR ENFORCEMENT THEREOF. EACH PARTY HEREBY STIPULATES AND AGREES THAT THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY EACH SUCH PARTY, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. EACH PARTY IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY EACH PARTY.

37. FURTHER ASSURANCES. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Lease and the consummation of the transactions contemplated hereby.

38. TENANT RIGHT OF FIRST REFUSAL. If Landlord elects, during the Term (i) to sell or otherwise transfer all or any portion of the Premises, whether separately or as part of a larger parcel of which the Premises is a part, or (ii) grant to a third party by easement or other legal instrument an interest in and to that portion of the Premises occupied by Tenant, or a larger portion thereof, for the purpose of operating and maintaining communications facilities or the management thereof, with or without an assignment of this Lease to such third party, Tenant shall have the right of first refusal to meet any bona fide offer of sale or transfer on the same terms and conditions of such offer. If Tenant fails to meet such bona fide offer within thirty (30) days after written notice thereof from Landlord, Landlord may sell or grant the easement or interest in the Premises or portion thereof to such third person in accordance with the terms and conditions of such third-party offer. If the transaction described in such written notice from Landlord is consummated, the conveyance of the portion of the Premises identified in such written notice will be made subject to this Lease and the rights of Tenant hereunder, but free and clear of Tenant's right of first refusal provided under this Article 38.

Notwithstanding the above, the Tenant's right of first refusal described above shall not apply to the following: (a) any sale, transfer or conveyance to (i) any entity that controls, is controlled by or is under common control with Landlord, or (ii) an entity that acquires all or substantially all of the assets of Landlord; provided, however, that any sale, transfer or conveyance described in items (i) or (ii) above shall be made subject to this Lease and the Tenant's right of first refusal.

39. EFFECTIVE DATE. This Lease is effective on the last signature date set forth below.

*[the remainder of this page is intentionally left blank; signature pages to follow]*

EXECUTED BY TENANT this 27 day of May, 2022.

**TENANT:**

**Collin County Mental Health Mental Retardation Center d/b/a LifePath Systems, a Local Behavioral Health and Intellectual Disabilities Authority formed under Chapter 534 of the Texas Health and Safety Code**

**Tammy Mahan**  
Digitally signed by Tammy Mahan  
DN: cn=Tammy Mahan, o=LifePath  
Systems, ou=CEO,  
email=tmahan@lifepathsystems.org, c=US  
Date: 2022.05.27 11:57:09 -05'00'


By: \_\_\_\_\_  
Print: Tammy Mahan  
Title: Chief Executive Officer



EXECUTED BY LANDLORD this 13<sup>th</sup> day of June, 2022.

**LANDLORD:**

**COLLIN COUNTY, TEXAS a political subdivision of the State of Texas**

By:   
Print: Chris Hill  
Title: County Judge

Exhibits:

- (x) Exhibit A: Legal Description – Premises
- (x) Exhibit A-1: Depiction of the Premises
- (x) Exhibit B: Memorandum of Lease

**EXHIBIT A**

**LEGAL DESCRIPTION OF PREMISES**

[to be provided]



**EXHIBIT B**  
**FORM OF MEMORANDUM OF LEASE**

[see following pages]



## MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE shall evidence that there is in existence a Lease as described herein. The parties have executed this Memorandum of Lease for recording purposes only as to the Lease hereinafter described, and it is not intended to and shall not modify, amend, supersede or otherwise affect the terms and provisions of said Lease.

1. Name of Document: GROUND LEASE
2. Name of Landlord: COLLIN COUNTY, TEXAS, a political subdivision of the State of Texas
3. Name of Tenant: Collin County Mental Health Mental Retardation Center d/b/a LifePath Systems, a Local Behavioral Health and Intellectual Disabilities Authority formed under Chapter 534 of the Texas Health and Safety Code
4. Address of Landlord: Collin County Commissioners Office  
2300 Bloomdale Road, Suite 2302  
McKinney, Texas 75071  
Attn: \_\_\_\_\_
5. Address of Tenant: Lifepath Systems  
1515 Heritage Drive Suite 105  
McKinney, Texas 75069  
  
Attn: Tammy Mahan
6. Date of Lease: \_\_\_\_\_
7. Premises/Leased Property: See Exhibit A attached hereto.
8. Commencement Date: The Term commenced on \_\_\_\_\_.
9. Initial Lease Term: Forty-Five (45) Years
10. Options to Extend: Two (2) successive options to extend the Term for ten (10) years each upon the same terms, covenants and conditions of the Lease for a nominal annual payment of \$10.00.
11. Permits/Licenses: Landlord hereby grants to Tenant the right to apply for and obtain, in Landlord's name or otherwise, any permits or licenses required from the landowner by applicable governmental authorities necessary or desirable for Tenant to construct and perform maintenance, remodeling, alterations and repairs at the Premises, or to otherwise use the Premises in accordance with the terms and

conditions of this Lease and Landlord agrees to execute any documents reasonably requested by Tenant in connection therewith.

This Memorandum of Lease may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

A copy of the Ground Lease is on file with Landlord and Tenant at their respective addresses set forth above.

[The Remainder of this Page Intentionally Left Blank.  
Signature and Acknowledgment Pages Follow.]

IN WITNESS WHEREOF, the parties have executed this Memorandum of Lease this 13<sup>th</sup> day of June, 2022

**LANDLORD:**

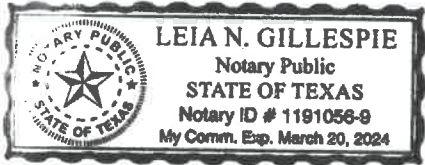
COLLIN COUNTY, TEXAS  
a political subdivision of the State of Texas

By: \_\_\_\_\_  
Print: Chris Hill  
Title: County Judge

STATE OF TEXAS                   §  
   §  
COUNTY OF COLLIN           §

BEFORE ME, the undersigned authority, on this day personally appeared Chris Hill known to me to be one of the persons whose names are subscribed to the foregoing instrument; who acknowledged to me he is the duly authorized representative for COLLIN COUNTY, TEXAS, and he executed said instrument for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 13<sup>th</sup> day of June, 2022.



Leia N. Gillespie  
Notary Public in and for the State of Texas  
My Commission Expires: March 20, 2024

**TENANT:**

Collin County Mental Health Mental Retardation Center d/b/a LifePath Systems, a Local Behavioral Health and Intellectual Disabilities Authority formed under Chapter 534 of the Texas Health and Safety Code

By: *Tammy Mahan*  
Print: Tammy Mahan  
Title: CEO

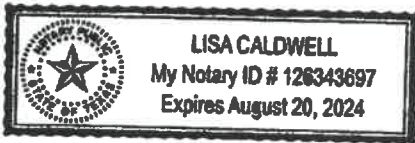
STATE OF TEXAS

§  
§  
§

COUNTY OF COLLIN

BEFORE ME, the undersigned authority, on this day personally appeared Tammy Mahan known to me to be one of the persons whose names are subscribed to the foregoing instrument, who acknowledged to me he or she is the duly authorized representative for Collin County Mental Health Mental Retardation Center d/b/a LifePath Systems, a Local Behavioral Health and Intellectual Disabilities Authority formed under Chapter 534 of the Texas Health and Safety Code, and he or she executed said instrument for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 15<sup>th</sup> day of June, 2022.



*Lisa Caldwell*  
Notary Public in and for the State of Texas  
My Commission Expires: August 20, 2024



**EXHIBIT A TO MEMORANDUM OF LEASE**

**LEGAL DESCRIPTION OF THE PREMISES**