



**LITTLE ELM ECONOMIC DEVELOPMENT CORPORATION  
BOARD OF DIRECTORS**

**Monday, February 15, 2021 - 6:00 p.m.**

**REGULAR VIRTUAL MEETING  
100 WEST ELDORADO PARKWAY  
TOWN OF LITTLE ELM TOWN CENTER**

**AGENDA**

1. **Notice Regarding Public Participation Little Elm EDC Board of Directors and EDC Staff Attendance.**

Due to the COVID-19 (coronavirus) public health emergency, and in an effort to reduce in-person meetings that assemble large groups of people, Governor Greg Abbott has granted a temporary suspension of certain rules to allow for (1) board members and employees to participate in meetings via video conference call or other remote electronic means without a physical quorum of board members being present at the site of the meeting; and (2) the use of videoconferencing and other remote means to allow the public to observe the meeting and, when required, to participate in the public meeting.

In an effort to reduce the spread of the virus, for the February 15, 2021, Economic Development Corporation meeting, individuals will be able to address the Board on any topic through submission of the web form below. Forms received will be recorded into the record and be given to the Board Members.

To access the video conference online, follow these instructions:

- To join the Zoom meeting, click <https://zoom.us/j/96462705236>.

Note: A physical quorum of the Economic Development Corporation Board may not be present during the meeting as some Board Members may choose to participate in the meeting remotely as permitted by Governor Abbott's suspension of various statutes that may be interpreted to require face-to-face interaction between members of the public and board members.

2. **Roll Call and Call to Order of Regular Virtual Meeting.**  
Identification of Quorum and call to order.
3. **Discussion and Action** to approve Minutes from January 19, 2021, Special Virtual Meeting.  
(Jennette Espinosa, EDC Executive Director)

4. **Discussion and Action to approve First Amendment to Ground Lease Purchase Agreement and HUD Addendum** for Certain Multi-Family Property in Little Elm, Denton County, Texas. (Jennette Espinosa, EDC Executive Director)
5. **Discussion and Action** to approve AIA Document A101-2017, AIA Document A201-2017 between Twin Shores and Little Elm EDC for Construction of civil, LA, Irrigation and lighting for Lakefront Parking lot in the area of Main Street and Eldorado Parkway. (Jennette Espinosa, EDC Executive Director & Wesley Brandon, Town Engineer)
6. **BRE/COVID Update:** Discussion and update regarding COVID-19 and existing businesses. (Natasha Roach, EDC Coordinator)
7. **Director's Report.** (Jennette Espinosa, EDC Executive Director)
8. **Executive Closed Session of the Board of Director's:** The Little Elm EDC will now hold a Closed Session meeting pursuant to the provisions of Chapter 551 of the Texas Government Code in accordance with the authority contained in:
  1. **Section 551.087** of the Texas Government Code to discuss or deliberate regarding commercial of financial information that the LE EDC has received from a business prospect, and or to deliberate the offer of a financial or other incentive with a business prospect.
9. **Reconvene in to Open Session:** The Little Elm EDC will now hold a Closed Session meeting pursuant to the provisions of Chapter 551 of the Texas Government Code in accordance with the authority contained in:
  1. **Section 551.087** of the Texas Government Code to discuss or deliberate regarding commercial of financial information that the LE EDC has received from a business prospect, and or to deliberate the offer of a financial or other incentive with a business prospect.
10. **Adjournment**

Respectfully,

Jennette Espinosa

**Executive Director**

This is to certify that the above notice was posted on [www.littleelm.org](http://www.littleelm.org), Town of Little Elm website, under Agendas and Minutes prior to 5:00 p.m. this 12th day of February 2021.



## **Town Council Meeting**

**Date:** 02/15/2021  
**Agenda Item #:** 3.  
**Department:** Economic Development Corporation  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Jennette Espinosa, EDC Executive Director

---

### **AGENDA ITEM:**

**Discussion and Action** to approve Minutes from January 19, 2021, Special Virtual Meeting. (Jennette Espinosa, EDC Executive Director)

---

### **Attachments**

Minutes January 13, 2021 Special Virtual Meeting

# DRAFT



**MINUTES  
LITTLE ELM ECONOMIC DEVELOPMENT CORPORATION  
100 W. Eldorado Parkway**

**SPECIAL VIRTUAL MEETING  
Tuesday, January 19, 2021  
5:00 PM**

**Present:** Ken Eaken, President; Casey Russell, Vice President; Taylor Girardi, Treasurer; Michel Hambrick, Secretary; Michael McClellan, Board Member

**Absent:** Jack Gregg, Board Member; Marce E. Ward, Board Member; Jeff Moore, EDC Attorney

**Staff Present:** Jennette Espinosa, EDC Executive Director  
Natasha Roach, EDC Coordinator  
Jason Barth, EDC Accountant

1. **Notice Regarding Public Participation Little Elm EDC Board of Directors and EDC Staff Attendance.**
2. **Roll Call and Call to Order of Special Virtual Meeting.**  
*Identification of Quorum and call to order.*
3. **Discussion and Action to approve Minutes from December 14th, 2020 Regular Virtual Meeting.** (Jennette Espinosa, EDC Executive Director)

Motion by Treasurer Taylor Girardi, seconded by Board Member Michael McClellan

AYE: President Ken Eaken, Treasurer Taylor Girardi, Secretary Michel Hambrick, Board Member Michael McClellan

**4 - 0 Passed - Unanimously**

4. **Discussion and Action to approve Financials for FY 2019 - 2020.** (Jason Barth, Integrity Accounting & Payroll)

Motion by Board Member Michael McClellan, seconded by Treasurer Taylor Girardi

AYE: President Ken Eaken, Treasurer Taylor Girardi, Secretary Michel Hambrick, Board Member Michael McClellan

**4 - 0 Passed - Unanimously**

5. **Discussion and Action to approve Ground Lease Purchase Agreement** for Certain Multi-Family Property in Little Elm, Denton County, Texas. (Jennette Espinosa, EDC Executive Director)

Motion by Treasurer Taylor Girardi, seconded by Secretary Michel Hambrick

AYE: President Ken Eaken, Treasurer Taylor Girardi, Secretary Michel Hambrick, Board Member Michael McClellan

**4 - 0 Passed - Unanimously**

6. **Discussion and Action to approve Ground Lease Purchase Agreement** for Certain Retail Property in Little Elm, Denton County, Texas. (Jennette Espinosa, EDC Executive Director)

Motion by Secretary Michel Hambrick, seconded by Treasurer Taylor Girardi

AYE: President Ken Eaken, Treasurer Taylor Girardi, Secretary Michel Hambrick, Board Member Michael McClellan

**4 - 0 Passed - Unanimously**

7. **Discussion and Action to approve Westside Planning Study Agreement** between the Town of Little Elm, Little Elm EDC, and Kimley Horn. (Jennette Espinosa, EDC Executive Director)

Casey Russell, Vice President joined the meeting at 5:20 pm. **No Action Taken** on this item.

8. **BRE/COVID Update** (Natasha Roach, EDC Coordinator)

**No Action Taken** on the is item.

9. **Director's Report.** (Jennette Espinosa, Executive Director)

**No Action Taken** on the is item.

10. **Executive Closed Session of the Board of Directors:** The Little Elm EDC will now hold a Closed Session meeting pursuant to the provisions of Chapter 552 of the Texas Government Code accordance with the authority contained in:

- **Section 551.087** of the Texas Government Code to discuss or deliberate regarding commercial or financial information that the LE EDC has received from a business prospect, and or to deliberate the offer of a financial or other incentive with a business or prospect.

Board **did not** enter in to Executive Session

11. **Reconvene into Open Session:** The Little Elm EDC will now reconvene into Regular Session pursuant to the provisions of Chapter 551 of the Texas Government Code in accordance with the authority contained in:
- Section 551.087 of the Texas Government Code to discuss or deliberate regarding commercial or financial information that the LE EDC has received from a business prospect, and or to deliberate the offer of a financial or other incentive with a business or prospect.

Board **did not** enter in to Executive Session

12. Adjournment.

Meeting was **Adjourned at 5:49 pm.**

Respectfully,

Jennette Espinosa  
**Executive Director**

Passed and approved this \_\_\_\_\_ day of \_\_\_\_\_ 2020



## Town Council Meeting

**Date:** 02/15/2021  
**Agenda Item #:** 4.  
**Department:** Economic Development Corporation  
**Strategic Goal:** Promote and expand Little Elm's identity  
**Staff Contact:** Jennette Espinosa, EDC Executive Director

---

### AGENDA ITEM:

**Discussion and Action to approve First Amendment to Ground Lease Purchase Agreement and HUD Addendum** for Certain Multi-Family Property in Little Elm, Denton County, Texas. (Jennette Espinosa, EDC Executive Director)

### DESCRIPTION:

This agreement is between the Little Elm Economic Development Corporation (Landlord) and Village at Lakefront, LLC (Ground Lessee)

ChadNic purchased this development from Palladium/NE on December 29th and the original agreement was executed at the January 19, 2021, Council Meeting.

**Amendment:** Per HUD's request for their loan application, ChadNic is requesting a change to the Term of the Agreement.

They are requesting that this Agreement be extended an additional five (5) years so that there will be only fifty (50) years remaining at the time this agreement is executed.

**Addendum:** HUD, the lender for CHadNic, is requesting an Addendum be included in the Ground Lease Purchase Agreement between Little Elm Economic Development Corporation (Landlord) and Village at Lakefront, LLC (Ground Lessee), that is specific to HUD requirements.

The Lease Amendment and Addendum is required in connection with a mortgage loan insured by the U.S. Department of Household and Urban Development (HUD) for multifamily projects pursuant to the National Housing Act.

### BUDGET IMPACT:

Lease amount and terms remain the same as in the original Executed Agreement.

Rent remains at \$69,696.00 annually of which payments started 12 months after the C.O. was obtained December 5, 2017. Option for "eligible to purchase" is applicable the 8th lease year after obtaining their CO for the amount of \$1,115,000.00.

**RECOMMENDED ACTION:**

Staff recommends that EDC approve the HUD LEase Amendment and Addendum to the Ground Lease Purchase Agreement for Certain Multi-Family Property in Little Elm, Denton County, Texas, as presented.

---

**Attachments**

First Amendment Ground Lease for Certain Multi Family Property

Hud Lease Addendum



**FIRST AMENDMENT  
TO  
GROUND LEASE PURCHASE AGREEMENT  
FOR CERTAIN MULTI-FAMILY PROPERTY IN LITTLE ELM, DENTON COUNTY,  
TEXAS**

**THIS FIRST AMENDMENT TO GROUND LEASE PURCHASE AGREEMENT** (this “**First Amendment**”) is made and entered into on the \_\_\_\_ day of \_\_\_\_\_, 2021 (the “**Effective Date**”) by and between **LITTLE ELM ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation, having its principal address as 100 W. Eldorado Parkway, Little Elm, Texas 75068-5060 (“**Landlord**” or “**Little Elm EDC**”), and **VILLAGE AT LAKEFRONT, LLC**, a Texas limited liability company, or its permitted assigns (“**Ground Lessee**” or “**Village at Lakefront**”).

**RECITALS:**

**WHEREAS**, on or about **January 19, 2021**, the Landlord and Ground Lessee entered into the Ground Lease Purchase Agreement concerning an approximate 6.4 acres of land (the “**Original Agreement**”); and

**WHEREAS**, the Landlord and Ground Lessee now desire to amend Section 2.2 of the Original Agreement to provide for a fifty-five (55) year lease term.

**NOW, THEREFORE**, for and in consideration of the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Landlord and Ground Lessee agree as follows:

**SECTION 1. FINDINGS INCORPORATED.**

The foregoing recitals are hereby incorporated into the body of this First Amendment and shall be considered part of the mutual covenants, consideration and promises that bind the parties.

**SECTION 2. AMENDMENT TO ORIGINAL AGREEMENT.**

(a) **Amendment to Original Agreement.** That Section 2.2 of the Original Agreement is hereby amended to read as follows:

“2.2 **Term of Agreement.** The term of the Agreement (the “**Term**”) shall commence on the Effective Date and shall terminate fifty-five (55) Lease Years after the Commencement Date for the Multifamily Development. This Agreement will terminate without further notice when the Term specified in this **Section 2.2** expires and any holding over by Ground Lessee after the Term expires will not constitute a renewal of this Agreement or give Ground Lessee any rights under the Agreement in or to the Premises. In connection therewith, Ground Lessee shall have the right at Ground Lessee’s expense, to examine and copy all books, records, files, documents, reports, and other information of the Landlord relating to the Premises,

including all leases, service agreements, insurance policies, and construction and maintenance related documents; provided that such examination and copying shall not interfere with the Landlord's business operations."

### SECTION 3. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this First Amendment:

- (a) **Amendments.** This First Amendment constitutes the entire understanding and agreement of the parties as to the matters set forth in this First Amendment. No alteration of or amendment to this First Amendment shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.
- (b) **Applicable Law and Venue.** This First Amendment shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Denton County, Texas. Venue for any action arising under this First Amendment shall lie in the state district courts of Denton County, Texas.
- (c) **Binding Obligation.** This First Amendment shall become a binding obligation on the signatories upon execution by all signatories hereto. Landlord warrants and represents that the individual executing this First Amendment on behalf of Landlord has full authority to execute this First Amendment and bind Landlord to the same. Ground Lessee warrants and represents that the individual executing this First Amendment on Ground Lessee's behalf has full authority to execute this First Amendment and bind it to the same.
- (d) **Caption Headings.** Caption headings in this First Amendment are for convenience purposes only and are not to be used to interpret or define the provisions of the First Amendment.
- (e) **Counterparts.** This First Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.
- (f) **Effective Date.** The effective date (the "Effective Date") of this First Amendment shall be the date of the latter to execute this First Amendment by the Landlord and Ground Lessee.
- (g) **Original Amendment and Any Other Amendments.** All of the terms, conditions, and obligations of the Original Amendment and any other amendments remain in full force and effect except where specifically modified by this First Amendment.
- (h) **Severability.** The provisions of this First Amendment are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this First Amendment is for any reason held by a court of competent jurisdiction to be contrary to law or contrary to any rule or regulation have the force and effect of the law, the remaining portions of the First Amendment shall be enforced as if the invalid provision had never been included.

Initial for Identification: \_\_\_\_\_  
Little Elm EDC

\_\_\_\_\_  
Village at Lakefront

- (i) **Time is of the Essence.** Time is of the essence in the performance of this First Amendment.

**[The Remainder of this Page Intentionally Left Blank]**

Initial for Identification: \_\_\_\_\_  
Little Elm EDC

\_\_\_\_\_  
Village at Lakefront

**EXECUTED IN MULTIPLE ORIGINAL COUNTERPARTS**, which constitute but one and the same instrument, as of the day and year first above written. Upon the final execution hereof by Landlord and Ground Lessee, the last to sign of such parties shall complete the date on the first page thereof.

**LANDLORD:**

**LITTLE ELM ECONOMIC  
DEVELOPMENT CORPORATION**

a Texas non-profit corporation

By: \_\_\_\_\_

Ken Eaken, President

Date: \_\_\_\_\_

**STATE OF TEXAS**

§

§

**COUNTY OF DENTON**

§

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2021, by Ken Eaken, President of the Little Elm Economic Development Corporation, a Texas non-profit corporation, on behalf of said non-profit corporation.

\_\_\_\_\_  
Notary Public, State of Texas

Initial for Identification: \_\_\_\_\_  
Little Elm EDC

\_\_\_\_\_  
Village at Lakefront

**GROUND LESSEE:**

**VILLAGE AT LAKEFRONT, LLC,**  
a Texas limited liability company,

By: Village Management, Inc.,  
a Texas corporation, Manager

By: \_\_\_\_\_  
John L. Bailey, President of Manager

**STATE OF TEXAS**

§

§

**COUNTY OF DALLAS**

§

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2021,  
by John L. Bailey, President of Village Management, Inc., as Manager of Village at Lakefront,  
LLC, a Texas limited liability company, on behalf of said Texas company.

\_\_\_\_\_  
Notary Public, State of Texas

Initial for Identification: \_\_\_\_\_  
Little Elm EDC

\_\_\_\_\_  
Village at Lakefront

## Lease Addendum - Multifamily

U.S. Department of Housing  
and Urban Development  
Office of Housing

OMB Approval No. 2502-0598  
(Exp. 9/30/2021)

**Public Reporting Burden** for this collection of information is estimated to average 0.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number. While no assurance of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information Act request.

**Warning:** Federal law provides that anyone who knowingly or willfully submits (or causes to submit) a document containing any false, fictitious, misleading, or fraudulent statement/certification or entry may be criminally prosecuted and may incur civil administrative liability. Penalties upon conviction can include a fine and imprisonment, as provided pursuant to applicable law, which includes, but is not limited to, 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802, 24 C.F.R. Parts 25, 28 and 30, and 2 C.F.R. Parts 180 and 2424.

Project Name: \_\_\_\_\_  
HUD Project No: \_\_\_\_\_

THIS **LEASE ADDENDUM** is attached to and made part of that certain lease agreement entered into on the 15 day of February, 2021, between **LITTLE ELM ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation ("Landlord") and **VILLAGE AT LAKEFRONT, LLC**, a Texas limited liability company ("Tenant") (collectively, the "**Parties**") (the "**Ground Lease**").

The Lease Addendum is required in connection with a mortgage loan insured by the U.S. Department of Housing and Urban Development ("**HUD**") for multifamily projects pursuant to the National Housing Act, as amended, found at 12 U.S.C. § 1701, *et seq.* ("**Act**"), and made by the following HUD-approved lender, Dwight Capital, LLC, ("**Lender**"). The insured loan is secured by a Security Instrument on the leasehold estate set forth in the Ground Lease.

The definition of any capitalized term or word used in this Lease Addendum and not otherwise defined can be found in the Security Instrument and/or Note between Lender and Tenant; or the Regulatory Agreement between Tenant and HUD. The terms "HUD" and "Lender" as used in the Lease Addendum shall also include their successors and assigns, and the Tenant is the same legal entity as the Borrower under the Security Instrument. All references to "days" in this Lease Addendum shall mean calendar days.

Notwithstanding anything else in the **Ground Lease** to which this Lease Addendum is attached, and for valuable consideration, the receipt and sufficiency of which the Parties hereto hereby acknowledge and agree, and to induce the Lender to make the Loan to the Tenant described in the Security Instrument, and to induce HUD to insure said Loan, so long as this leasehold estate is subject to a security instrument insured, reinsured, or held by HUD or given to HUD in connection with a resale, or the Property is acquired and held by HUD because of a default under the Security Instrument, Landlord and Tenant acknowledge and agree to the following provisions.

## **Ground Lease**

The leasehold estate consists of the ground (land) only; all buildings, improvements, alterations and fixtures now or in the future located thereon are owned in fee simple by the Tenant. As such, the term “**Property**” means the legally described land subject to the Ground Lease **except** the buildings, improvements, alterations and fixtures now or in the future located on the land.

1. **Compliance with HUD Requirements.** Pursuant to the Act, the following provisions may not be waived under any circumstances, whether for a new ground lease or an existing ground lease:
  - (a) the term of the Ground Lease and all other Ground Lease provisions comply with the section of the Act and related federal regulations under which the Note is endorsed for mortgage insurance;
  - (b) the Landlord owns the Property in fee simple, and the leasehold estate is granted directly by the Landlord to the Tenant;
  - (c) the leasehold estate underlying the Ground Lease constitutes a mortgageable real property interest under state law;
  - (d) the Ground Lease and related Ground Lease documents do not conflict with any Program Obligations<sup>[1]</sup> promulgated by HUD with respect to such mortgage insurance; and
  - (e) all ground rent amounts have prior written approval by HUD.
  
2. **Modifications.** The Ground Lease and this Lease Addendum shall not be modified without the written consent of HUD and Lender. Modifications of the Ground Lease and this Lease Addendum that are not authorized in writing by HUD and Lender are void and unenforceable.
  
3. **Conflict Provision.** The provisions of this Lease Addendum benefit Lender and HUD and are specifically declared to be enforceable against the parties to the Ground Lease and all other persons by Lender and HUD. In the event of any conflict, inconsistency or ambiguity between the provisions of this Lease Addendum and the provisions of any other part of the Ground Lease, the provisions of this Lease Addendum shall prevail and control.

---

<sup>[1]</sup> “**Program Obligations**” means (1) all applicable statutes and any regulations issued by the Secretary pursuant thereto that apply to the Project, including all amendments to such statutes and regulations, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and (2) all current requirements in HUD handbooks and guides, notices, and mortgagee letters that apply to the Project, and all future updates, changes and amendments thereto, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and provided that such future updates, changes and amendments shall be applicable to the Project only to the extent that they interpret, clarify and implement terms in this Lease Addendum rather than add or delete provisions from such document. Handbooks, guides, notices, and mortgagee letters are available on “HUDCLIPS,” at [www.hud.gov](http://www.hud.gov).

**4. Recording.** The full Ground Lease agreement and incorporated HUD Lease Addendum, or a memorandum of ground lease (if permitted under state law), must be recorded in the applicable land records office. If a memorandum of ground lease or a short form ground lease is to be recorded, it must set forth the following information, in addition to compliance with state law requirements:

- (a) names of the Parties;
- (b) legal description;
- (c) term and renewals;
- (d) reference to the HUD Lease Addendum; and
- (e) specific reference to HUD's option to purchase in Section 7 (unless Section 7 is expressly waived in writing by HUD in accordance with Program Obligations).

**5. Estoppel Certificate.** As a condition of HUD's acceptance of a ground lease transaction, an estoppel certificate identifying the Ground Lease documents and signed by the Landlord, dated within thirty (30) days of the Note endorsement, must be provided to Lender and HUD at closing. The Landlord must confirm in writing to Lender and HUD that the Security Instrument is authorized, the Ground Lease is in full force and effect, there are no defaults or pending defaults under the Ground Lease or conditions that would give rise to defaults given the passage of time, and that the legal description of the Property is correct. The document must provide the language required by 24 CFR Section 200.62, and also include the "Warning" language found at the beginning of this Lease Addendum.

Upon a reasonable request from Tenant, Lender, or HUD, Landlord further agrees to promptly provide from time to time an estoppel certificate to confirm the terms of, and no default under, the Ground Lease.

**6. Consent for Mortgage.** Landlord agrees that the Tenant is authorized to obtain a loan, the repayment of which is to be insured by HUD and secured by the Security Instrument on this leasehold estate and the Improvements. The Tenant is further authorized to execute all documents necessary as determined by Lender or HUD and otherwise to comply with Program Obligations for obtaining such an insured loan.

**7. HUD Option to Purchase.** *Intentionally Omitted.*

**8. Conveyance by Tenant.** If approved in writing by HUD in advance, the Tenant may convey, assign, transfer, lease, sublease or sell all or any part of its leasehold interest in the Property without the need for approval or consent by any other person or entity.

**9. Insurance.**

- (a) Insurance policies shall be in an amount, and with such company or companies and in such form, and against such risks and hazards, as shall be approved



by Lender and HUD in accordance with Program Obligations.

- (b) The Landlord shall not take out separate insurance concurrent in form or contributing in the event of loss with that specifically required to be furnished by the Tenant to Lender. The Landlord may at its own expense, however, take out separate insurance which is not concurrent in form or not contributing in the event of loss with that specifically required to be furnished by the Tenant to Lender.

## 10. Condemnation.

- (a) If all or any part of the Property or the Improvements or the leasehold estate shall be taken or damaged by condemnation, that portion of any award attributable to the Improvements or the Tenant's interest in the leasehold estate or damage to the Improvements or the Tenant's interest in the leasehold estate shall be paid to Lender or otherwise disposed of as may be provided in the Security Instrument. Any portion of the award attributable solely to the underlying fee estate (exclusive of any Improvements) shall be paid to the Landlord. After the date of taking, the annual ground rent shall be reduced ratably by the proportion which the award paid to the Landlord bears to the total value of the Property as established by the amount HUD is to pay, as set forth in Section 7 of this Lease Addendum.
- (b) In the event of a negotiated sale of all or a portion of the Property and/or the Improvements, in lieu of condemnation, the proceeds shall be distributed and annual ground rent reduced as provided in cases of condemnation above, but the approval of HUD and Lender shall be required as to the amount and division of the payments to be received.

**11. Tenant Default on Ground Lease; Cure Rights; Termination.** The Landlord may terminate the Ground Lease prior to the expiration day of the full term of this Ground Lease (“**Expiration Date**”) after a Tenant default under this Ground Lease (“**Ground Lease Event of Default**”), but only under the following circumstances and procedures.

- (a) If any Ground Lease Event of Default shall occur, then and in any such event, the Landlord shall at any time thereafter during the continuance of such Ground Lease Event of Default and prior to any cure, give written notice of such default(s) (“**Notice of Default**”) to the Tenant, Lender, and HUD, specifying the Ground Lease Event of Default and the methods of cure, or declaring that a Ground Lease Event of Default is incurable. If the Ground Lease Event of Default is a failure to pay money, the Landlord shall specify and itemize the amounts of such default. Failure to pay money shall be specified as a separate default and not combined with a non-monetary Ground Lease Event of Default.

- (b) Within sixty (60) days from the date of giving the Notice of Default to the Tenant, the Tenant must cure a monetary default by paying the Landlord all amounts specified in the Notice of Default and must cure any specified Ground Lease Event of Default that is capable of being cured within such period.
- (c) During the period of one hundred-eighty (180) days commencing upon the date Notice of Default received by Lender and HUD, Lender or HUD may:
  - (1) cure any Ground Lease Event of Default; and
  - (2) commence foreclosure proceedings or institute other state or federal procedures to enforce Lender's or HUD's rights with respect to the Property or the Tenant Improvements.
- (d) If HUD or Lender commences foreclosure or other enforcement action within such one hundred-eighty (180) days, then its cure period shall be extended during the period of the foreclosure or other action and for ninety (90) days after the ownership of the Tenant's rights under the Ground Lease is established in or assigned to HUD or such Lender or a purchaser at any foreclosure sale pursuant to such foreclosure or other action. The transfer of the Tenant's rights under the Ground Lease to Lender, HUD or purchaser, pursuant to such foreclosure or other action shall be deemed a termination of any incurable Ground Lease Event of Default and such terminated Ground Lease Event of Default shall not give the Landlord any right to terminate the Ground Lease. Such purchaser may cure a curable Ground Lease Event of Default within said ninety (90) days.
- (e) If the Tenant, Lender or HUD reasonably undertake to cure any Ground Lease Event of Default during the applicable cure period and diligently pursues such cure, the Landlord shall grant such further reasonable time as is necessary to complete such cure. If, after the expiration of all of the foregoing cure periods, no cure, or termination of an existing Ground Lease Event of Default has been achieved as aforesaid, then and in that event, the Ground Lease shall terminate, and, on such date, the term of this Ground Lease shall expire and terminate and all rights of the Tenant under the Ground Lease shall cease and the Improvements, subject to the Security Instrument and the rights of Lender thereunder, shall be and become the property of the Landlord. All costs and expenses incurred by or on behalf of the Landlord (including, without limitation, reasonable attorneys' fees and expenses) occasioned by any default by the Tenant under this Ground Lease shall constitute additional rent hereunder. The Landlord shall have no right to terminate this Ground Lease except as provided in this Section 11.

## **12. Lender/HUD Option for New Ground Lease.**

- (a) Upon termination of this Ground Lease pursuant to Section 11 above, the Landlord shall immediately seek to obtain possession of the Property and

Improvements. Upon acquiring such possession, the Landlord shall notify HUD and Lender in writing. Lender and HUD shall each have six (6) months from the date of receipt of such notice of acquisition to elect to take, as Tenant, a new ground lease on the Property and on the Improvements.

- (b) Such new ground lease shall have a term equal to the unexpired portion of the term of this Ground Lease immediately prior to such termination and shall, except as otherwise provided herein, be on the same terms and conditions as contained in this Ground Lease, including without limitation, the option to purchase set forth under Section 7 above, except that Lender's or HUD's liability for ground rent shall not extend beyond their occupancy under such ground lease. The Landlord shall tender such new ground lease to Lender or HUD within thirty (30) days after a request for such ground lease and shall deliver possession of the Property and Improvements immediately upon execution of the new ground lease.
- (c) Upon executing a new ground lease, Lender or HUD shall pay to the Landlord any unpaid ground rent due or that would have become due under this Ground Lease to the date of the execution of the new ground lease, including any taxes which were liens on the Property or the Improvements and which were paid by the Landlord, less any net rentals or other income which the Landlord may have received on account of the Property and Improvements since the date of default under this Ground Lease.

**13. Landlord Cooperation for Needed Authorizations.** The Landlord agrees that within ten (10) days after receipt of written request from the Tenant, it will join in any and all applications for permits, licenses or other authorizations required by any Governmental Authority in connection with any work which the Tenant may do hereunder and will also join in any grants for easements for electric, telephone, telecommunications, cable, gas, water, sewer and such other public utilities and facilities as may be reasonably necessary in the operation of the Property or of any Improvements and if, at the expiration of such ten (10) day period, the Landlord shall not have joined in any such application, or grants for easements, the Tenant shall have the right to execute such application and grants in the name of the Landlord, and for that purpose, the Landlord hereby irrevocably appoints the Tenant as its attorney-in-fact to execute such papers on behalf of the Landlord, only to the extent that a public body as Landlord may do so within the exercise of its municipal powers and responsibilities.

**14. Taxes.** Nothing in this Ground Lease shall require the Tenant to pay any franchise, estate, inheritance, succession, capital levy or transfer tax of the Landlord or any income excess profits or revenue tax, or any other tax, assessment charge or levy upon the rent payable by the Tenant under this Ground Lease.

**15. Notices.** All notices, demands and requests which are required to be given by the Landlord, Tenant, Lender or HUD in connection with the Ground Lease and this Lease

Addendum shall be in writing and shall be sent by registered or certified mail, postage prepaid, and addressed to the address of the party as given in this instrument unless a request for a change in this address has been sent to the party giving the notice by registered or certified mail prior to the time when such notice is given.

All notices shall be addressed as follows:

If to Lender: Dwight Capital, LLC  
C/O Peaseley & Derryberry  
504 Autumn Springs Court, Suite 26  
Franklin, TN 37067  
Attn: Felicia Frasch  
931-273-3032

If to HUD: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If to Tenant: Village at Lakefront, LLC  
14109 Inwood Road  
Farmers Branch, Texas 75244-8232  
Attn: John L. Bailey  
Telephone: 214-865-6777

If to Landlord: Little Elm Economic Development Corporation  
100 W. Eldorado Parkway  
Little Elm, Denton County, Texas 75068-5060  
Attn: Jennette Espinosa, Executive Director  
Telephone: 214-975-0455

**16.No Merger.** There shall be no merger of this Ground Lease or the leasehold estate created by this Ground Lease with the fee estate of the Property or of the Improvements or any interest therein by reason of the fact that the same person or entity may acquire or hold, directly or indirectly, this Ground Lease or the leasehold estate hereby created or any interest therein and the fee estate of the Property or of the Improvements. No such merger shall occur unless and until HUD specifically consents and agrees in writing to such merger.

Each signatory below hereby certifies that each of their statements and representations contained in Ground Lease and this Lease Addendum and all their supporting documentation thereto are true, accurate, and complete. This Lease Addendum has been made, presented, and delivered for the purpose of influencing an official action of HUD in insuring the Loan, and may be relied upon by HUD as a true statement of the facts contained therein.



IN WITNESS WHEREOF, the parties hereto have executed this Lease Addendum as of the day and year first written above.

**LANDLORD:**

**LITTLE ELM ECONOMIC  
DEVELOPMENT CORPORATION**

a Texas non-profit corporation

By: \_\_\_\_\_  
Ken Eaken, President

Date: \_\_\_\_\_

**STATE OF TEXAS**

§

§

**COUNTY OF DENTON**

§

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2021, by Ken Eaken, President of the Little Elm Economic Development Corporation, a Texas non-profit corporation, on behalf of said non-profit corporation.

\_\_\_\_\_  
Notary Public, State of Texas

**TENANT:**

**VILLAGE AT LAKEFRONT, LLC,**  
a Texas limited liability company,

By: Village Management, Inc.,  
a Texas corporation, Manager

By: \_\_\_\_\_  
John L. Bailey, President of Manager

**STATE OF TEXAS**

§

§

**COUNTY OF DALLAS**

§

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2021,  
by John L. Bailey, President of Village Management, Inc., as Manager of Village at Lakefront,  
LLC, a Texas limited liability company, on behalf of said Texas company.

\_\_\_\_\_  
Notary Public, State of Texas



## Town Council Meeting

**Date:** 02/15/2021  
**Agenda Item #:** 5.  
**Department:** Economic Development Corporation  
**Strategic Goal:** Maintain operational integrity and viability  
**Staff Contact:** Jennette Espinosa, EDC Executive Director

---

### AGENDA ITEM:

**Discussion and Action** to approve AIA Document A101-2017, AIA Document A201-2017 between Twin Shores and Little Elm EDC for Construction of civil, LA, Irrigation and lighting for Lakefront Parking lot in the area of Main Street and Eldorado Parkway. (Jennette Espinosa, EDC Executive Director & Wesley Brandon, Town Engineer)

### DESCRIPTION:

Twin Shores will serve as the contactor on the Lakefront Parking Lot and the Entertainment Venue. This agreement is applicable to the Parking Lot portion of the project.

### BUDGET IMPACT:

The Town of Little Elm will be reimbursing the Little Elm Economic Development Corporation through funds acquired via bonds.

### RECOMMENDED ACTION:

Staff recommends that the EDC Board approve the agreements as presented.

\*\*Agreements will be made available at the time of the meeting.

---





## Town Council Meeting

**Date:** 02/15/2021  
**Agenda Item #:** 6.  
**Department:** Economic Development Corporation  
**Strategic Goal:** Provide a safe and welcoming environment for Little Elm residents and visitors  
**Staff Contact:** Jennette Espinosa, EDC Executive Director

---

### AGENDA ITEM:

**BRE/COVID Update:** Discussion and update regarding COVID-19 and existing businesses. (Natasha Roach, EDC Coordinator)

---



## **Town Council Meeting**

**Date:** 02/15/2021  
**Agenda Item #:** 7.  
**Department:** Economic Development Corporation  
**Strategic Goal:**  
**Staff Contact:** Jennette Espinosa, EDC Executive Director

---

### **AGENDA ITEM:**

**Director's Report.** (Jennette Espinosa, EDC Executive Director)

---



## Town Council Meeting

**Date:** 02/15/2021  
**Agenda Item #:** 8.  
**Department:** Economic Development Corporation  
**Strategic Goal:**  
**Staff Contact:** Jennette Espinosa, EDC Executive Director

---

### AGENDA ITEM:

**Executive Closed Session of the Board of Director's:** The Little Elm EDC will now hold a Closed Session meeting pursuant to the provisions of Chapter 551 of the Texas Government Code in accordance with the authority contained in:

1. **Section 551.087** of the Texas Government Code to discuss or deliberate regarding commercial of financial information that the LE EDC has received from a business prospect, and or to deliberate the offer of a financial or other incentive with a business prospect.
-



## Town Council Meeting

**Date:** 02/15/2021  
**Agenda Item #:** 9.  
**Department:** Economic Development Corporation  
**Strategic Goal:**  
**Staff Contact:** Jennette Espinosa, EDC Executive Director

---

### AGENDA ITEM:

**Reconvene in to Open Session:** The Little Elm EDC will now hold a Closed Session meeting pursuant to the provisions of Chapter 551 of the Texas Government Code in accordance with the authority contained in:

1. **Section 551.087** of the Texas Government Code to discuss or deliberate regarding commercial of financial information that the LE EDC has received from a business prospect, and or to deliberate the offer of a financial or other incentive with a business prospect.
-



## **Town Council Meeting**

**Date:** 02/15/2021  
**Agenda Item #:** 10.  
**Department:** Economic Development Corporation  
**Strategic Goal:**  
**Staff Contact:**

---

**AGENDA ITEM:**  
**Adjournment**

---