

ASSIGNMENT OF DEVELOPMENT AGREEMENT

THIS ASSIGNMENT OF DEVELOPMENT AGREEMENT (“**Assignment**”), dated **October __, 2015**, although not necessarily executed on that date, is made by and between **SRH HOSPITALITY PFLUGERVILLE INVESTMENTS, LLC**, a Texas limited liability company (“**Assignor**”), having an office at 16800 Westgrove Drive, Suite 100, Addison, Texas 75001, and **BRANCH BANKING AND TRUST COMPANY**, a North Carolina corporation, whose address is 2001 Ross Avenue, Suite 2700, Dallas, Texas 75201, together with its successors and assigns in such capacity (“**Assignee**”), and is executed in connection with that certain Construction Loan Agreement, dated as of October __, 2015, by and among SRH Hospitality Pflugerville Realty, LLC, a Texas limited liability company (“**RealCo**”), SRH Hospitality Pflugerville Operating, LLC, a Texas limited liability company (“**OpCo**”) (RealCo and OpCo collectively referred to herein as “**Borrowers**”) and Assignee (the “**Loan Agreement**”) pursuant to which Assignee has agreed to make a secured loan (the “**Loan**”) to Borrowers subject to the terms and conditions set forth therein. All words and phrases used in this Assignment with their initial letters capitalized shall have the meaning assigned to them in the Loan Agreement, unless such words and phrases are otherwise specifically defined herein.

1. Assignment. As security for the performance of all obligations of Borrowers to the Assignee under the Loan Documents, Assignor has assigned and transferred to Assignee that certain City of Pflugerville, Texas and SRH Hospitality Pflugerville Investments, LLC, Chapter 380 Economic Development Program Agreement effective as of June 2, 2014, and all of Assignor’s rights, title and interests therein, including any amendments or modifications thereto (collectively, the “**Development Agreement**”). This Assignment of Development Agreement is an absolute assignment for security purposes which shall become void and of no further force or effect upon performance in full of all of Borrowers’ obligations under the Loan Documents.

2. Representations and Warranties. Assignor represents and warrants that **(a)** it has not assigned or granted a security interest in the Development Agreement to any Person other than Assignee; **(b)** to Assignor’s current knowledge, its interest in the Development Agreement is not subject to any claims, set offs, encumbrances or deductions, **(c)** as to Assignor and, to Assignor’s current actual knowledge, as to the City of Pflugerville, Texas (the “**City**”), the Development Agreement constitutes the valid and binding obligation of the parties thereto, is enforceable in accordance with its terms and has not been amended except as disclosed to Assignee; **(d)** it is not in default under the terms of the Development Agreement; and **(e)** as to Assignor and, to Assignor’s current actual knowledge, as to the City, all covenants, conditions and agreements have been performed in all material respects as required by the Development Agreement by all parties thereto, except those which are not due to be performed until after the date of this Assignment.

3. No Assumption By Assignee and Assignor’s Covenants. Neither this Assignment nor any action or actions on the part of Assignee shall constitute an assumption of any obligations on the part of Assignee under the Development Agreement, and Assignor shall continue to be liable for all obligations thereunder. Assignor hereby agrees to punctually perform any and all obligations it may have under the Development Agreement, use commercially reasonable efforts to take such steps

as may be necessary or appropriate to secure performance by all parties of their obligations under the Development Agreement and not to amend, or terminate with or without cause, the Development Agreement, without the express written consent of Assignee. Assignee may, at its option, but shall not be obligated to, perform or discharge any obligation of Assignor under the Development Agreement, at Assignor's reasonable expense, in the event that Assignor fails to do so. Assignor agrees to indemnify and hold Assignee harmless against and from any loss, cost, liability or expense (including without limitation all reasonable attorneys' and accountants' fees and expenses, court costs and investigation expenses) resulting from any failure of Assignor to perform its obligations under the Development Agreement.

4. Benefits Conditionally Retained by Assignor. Assignee hereby grants Assignor the right to continue to receive the benefits of, and exercise the rights under, the Development Agreement unless and until an Event of Default occurs, in which event such rights may be revoked at any time thereafter at the option of Assignee.

5. Action By Assignee Following Default. Assignee shall have the right at any time following the occurrence of an Event of Default (but shall have no obligation) upon written notice and without taking possession of the Project to take in its name or in the name of Assignor or otherwise, such action as Assignee may at any time or from time to time reasonably determine to be necessary to cure any default under the Development Agreement or to protect or exercise the rights of Assignor or Assignee thereunder, and may otherwise exercise any other rights or remedies Assignee has under the Loan Documents. Assignee shall incur no liability if any action taken by it or on its behalf pursuant to this Assignment (including any action when Assignee is deemed a mortgagee in possession) shall prove to be in whole or in part inadequate or invalid, unless due to Assignee's gross negligence or willful misconduct; and Assignor agrees to indemnify and hold Assignee free and harmless from and against any loss, costs, liability or expense (including but not limited to reasonable attorneys' and accountants' fees and expenses, court costs and investigation expenses) in connection with its actions hereunder (including any actions when Assignee is deemed a mortgagee in possession), unless due to Assignee's gross negligence or willful misconduct. **ASSIGNOR'S OBLIGATION TO SO INDEMNIFY ASSIGNEE SHALL INCLUDE INDEMNIFICATION FOR ANY OF SUCH MATTERS CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF ASSIGNEE OR ANY OFFICER, DIRECTOR, EMPLOYEE, SHAREHOLDER, CONTRACTOR OR ASSIGNEE OF ASSIGNEE.**

6. Power of Attorney. Assignor hereby irrevocably constitutes and appoints Assignee its true and lawful agent and attorney-in-fact, with, following the occurrence of an Event of Default, full power of substitution, to demand, receive and enforce all rights of Assignor under the Development Agreement, to modify, supplement and terminate the Development Agreement, to give appropriate releases and/or receipts for or on behalf of Assignor in connection with the Development Agreement, in the name, place and stead of Assignor or in Assignee's name, with the same force and effect as Assignor could do if this Assignment had not been made. Assignor authorizes any third party to exclusively rely on the certificate of an officer of Assignee for the establishment of an Event of Default and hereby waives and releases any claim Assignor may have against such third party for such reliance. Assignor hereby agrees to deliver to Assignee, upon Assignee's written demand, the original and such other instruments and documents as Assignee may reasonably require in order to permit Assignee's succession to the right, title and interest of Assignor in and to the Development

Agreement as provided herein. It is hereby recognized that the power of attorney herein granted is coupled with an interest and is irrevocable.

7. Consent of The City. By the execution hereof, the City acknowledges and consents to this Assignment, and each of the terms and conditions herein set forth in this Paragraph 7. The City shall: (i) give notice to Assignee of any default by Assignor under the Development Agreement; (ii) give Assignee a reasonable opportunity to cure any such default; and (iii) upon written notice from Assignor that an Event of Default has occurred under the Loan Documents, (A) withhold delivery of any reimbursements to Assignor without the prior written consent of the Assignee and (B) permit Assignee to succeed to the rights and interests of Assignor under the Development Agreement in accordance herewith and continue to be bound by the same if Assignee forecloses on the Project or accepts a deed-in-lieu of foreclosure.

8. Binding Effect. This Assignment shall be binding upon Assignor and Assignor's heirs, executors, administrators, legal representatives, successors and assigns, and shall inure to the benefit of the Assignee and its successors and assigns, including without limitation any purchaser upon foreclosure of the lien and security interests created by the deed of trust or mortgage or any other Loan Document securing payment of the Loan, or under a deed in lieu of such foreclosure and any receiver in possession of the Project. Assignee may reassign its right, title and interest in and to the Development Agreement in whole or in part, to any person or entities succeeding to Assignee's or the Assignor's interest in the Loan or the Project, in Assignee's sole discretion without any requirement for the Assignor's consent, and any such reassignment shall be valid and binding upon Assignor as fully as if Assignor had expressly approved the same.

9. GOVERNING LAW. THIS ASSIGNMENT SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE OF TEXAS, EXCEPT TO THE EXTENT PREEMPTED BY FEDERAL LAW, IN WHICH CASE FEDERAL LAW SHALL CONTROL.

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ASSIGNOR:

**SRH HOSPITALITY PFLUGERVILLE
INVESTMENTS, LLC**, a Texas limited liability
company

By: _____

Name: _____

Title: _____

ASSIGNEE:

**BRANCH BANKING AND TRUST
COMPANY**, a North Carolina corporation

By: _____

Name: _____

Title: _____

ACKNOWLEDGED AND CONSENTED TO,
as of this ____ day of _____, 2015, by:

CITY:

THE CITY OF PFLUGERVILLE, TEXAS

By: _____

Name: _____

Title: _____

Approved as to Form:

City Attorney