

### THIRD AMENDMENT TO 2012 DEVELOPMENT AGREEMENT

This Third Amendment to 2012 Development Agreement (this “Third Amendment”) is executed between Trinity Falls Holdings LP, a Delaware limited partnership (the “Owner”) and the City of McKinney, Texas (the “City”) to be effective only upon Owner’s satisfaction of the “MUD Annexation Condition” (defined in Paragraph 7 below, and which date of satisfaction shall be the “Effective Date” as provided thereunder). The Owner and the City are sometimes herein referred to individually as a “Party” and collectively as the “Parties”.

#### RECITALS

A. WHEREAS, CH-B Trinity Falls, LP and the City entered into that certain 2012 Development Agreement effective December 4, 2012, recorded in the Real Property Records of Collin County on January 16, 2013, as Document Number 20130116000067920 (the “2012 Agreement”) which was subsequently amended by that certain First Amendment to 2012 Development Agreement effective February 27, 2014, recorded in the Real Property Records of Collin County as Document Number 20140227000184320 (the “First Amendment”); and

B. WHEREAS, CH-B Trinity Falls, LP assigned its interest in the 2012 Agreement and the First Amendment to Owner on July 20, 2016; and

C. WHEREAS, Owner and the City entered into that certain Second Amendment to the 2012 Agreement effective November 2, 2016, recorded in the Real Property Records of Collin County on January 17, as Document Number 20170117000067090 (the “Second Amendment”, which together with the 2012 Agreement and the First Amendment are collectively called the “Development Agreement”); and

D. WHEREAS, the Parties desire to amend the Development Agreement as reflected in this Third Amendment; and

E. WHEREAS, in the event of any conflict or inconsistency between this Third Amendment and the Development Agreement, the provisions and intent of this Third Amendment shall control; and

F. WHEREAS, except as amended by this Third Amendment, the Parties intend that the Development Agreement shall remain in full force and effect; and

G. WHEREAS, terms used in this Third Amendment that have their initial letter capitalized but which are not defined in the Third Amendment shall have the meanings given to such terms in the Development Agreement.

NOW THEREFORE, for and in consideration for the mutual obligations of the Parties set forth herein, the Parties agree as follows:

1. Section 2.3 of the 2012 Agreement is replaced in its entirety by the following:

Section 2.3 Planning Unit Preliminary-Final Plats. The submittal of each preliminary-final plat within a Planning Unit (a “Preliminary-Final Plat”) shall be accompanied by a plan showing the approximate location of arterial and collector streets within that Planning Unit and a schedule showing, for that Preliminary-Final Plat and on a cumulative basis for all Preliminary-Final Plats submitted to date, the mean lot size, the number of single family attached and detached lots to be develop in conformance with the standards set forth in the Development Agreement, as amended from time to time. Each Preliminary-Final Plat will be prepared in accordance with the requirements of the City and the Governing Regulations. Each Preliminary-Final Plat shall be reviewed by the City staff to determine compliance with the Governing Regulations and shall be approved by the Planning and Zoning Commission if it determines to Preliminary-Final Plat complies with the Governing Regulations.

2. Section 3.9.3 of the 2012 Agreement is replaced in its entirety by the following:

Section 3.9.3 Prior to eighteen (18) months after Owner or District completes all required adjacent streets and water and sanitary sewer utilities necessary to serve the Fire Station Facility (defined below), City shall have completed the construction and equipping of a fire station facility, as such is more fully described hereafter. The fire station facility shall be located on the parcel (which shall have all required adjacent streets and water and sanitary sewer utilities installed by Owner or District no later than July 31, 2018) so identified on **Exhibit C-6** (the “Fire Station Property”), unless otherwise mutually agreed, in writing, by Owner, City and District. The City, at its cost, however combined with the Owner’s Share (defined hereafter), shall complete the construction and equipping of the fire station facility, including all soft costs, equipment, furniture, fixtures, fire apparatus, and vehicles, having reasonably consistent characteristics of size, type, quality and quantity as the fire station facility currently known as Station #9, located at 4900 Summit View Dr., McKinney, Texas (the “Fire Station Facility”) as described in **Exhibit C-6A**. Notwithstanding the foregoing, Owner shall share in the soft costs and capital costs of the Fire Station Facility’s improvements and equipment (the “Owner’s Share”) in an amount equal to the lesser of (a) 90% of the City’s estimated capital costs of the Fire Station Facility, or (b) \$7,650,000.00. Not earlier than October 1, 2017, City shall notify Owner of the date at which Owner shall convey the Fire Station Property to the City at no cost, including an owner’s policy of title insurance, satisfying all Schedule C items required by City on the owner’s policy of title insurance (the “Closing”). On a date determined by City and which date is after October 1, 2017, Owner shall pay to the City \$765,000.00 of the Owner’s Share. On or before February 1, 2018, Owner shall fund \$6,885,000.00 into the required account under a Set Aside Letter, in form acceptable to the City, from which the City may draw Owner’s funds at its discretion for soft costs and capital costs beginning not sooner than February 1, 2018. If Owner cannot provide a Set Aside Letter acceptable to City, Owner shall pay City the balance of Owner’s Share in cash on February 1, 2018. Notwithstanding the foregoing allocation of Fire Station Facility costs, the Owner’s Share shall be proportionally adjusted upward if the acreage (after inclusion by the terms of this Amendment of Tract C, MUD No. 2 as shown on **Exhibit B-4C**) contained in the Property increases through annexation by MUD No. 1 or MUD No. 2 under Section

12.18.6. If the Owner's Share increases due to District annexation, the Owner shall simultaneously pay to City the correlative amount of Fire Station Facility capital costs as applied to such increase, less any equipment depreciation (on a straight-line basis), at the time of each annexation. In addition to the obligation to pay the Owner's Share above, Owner shall be responsible to pay an amount equal to 70% of one (1) year's aggregate cost of the employee compensation and training costs for eighteen (18) newly-hired personnel necessitated by the opening of the Fire Station Facility, based upon the annual, budgeted costs of a firefighter position (and training) in the budget year in which the Closing occurs (the "Owner's Training Costs Share"). The payment of the Owner's Training Costs Share shall be in two (2) installments, with the first installment equal to 60% of the Owner's Training Costs Share being due and payable at the time of Owner's first payment of the Owner's Share and the balance being due and payable six (6) months thereafter. Thereafter, and on an annual basis and beginning on the first anniversary of the first day of operations at the Fire Station Facility, Owner or MUD No. 1 or MUD No. 2 shall make payments to the City for a percentage of all personnel, equipment, building maintenance, and other costs to provide Fire Services, save and except the costs of providing EMS services from the Fire Station Facility, based upon the geographic areas within and outside of MUD No. 1 and MUD No. 2 served by the Fire Station Facility, as such geographic areas are reasonably defined from time to time by the City as shown on **Exhibit C-6B**. The parties acknowledge that EMS services are rendered and billed to the resident/patient on a per-occurrence basis; in the same manner that such services are provided to persons within the city limits.

3. Section 5.1.1.2.4 of the 2012 Agreement is replaced in its entirety by the following:

Section 5.1.1.2.4 design, acquire easements for, construct, and tender for dedication to and acceptance by the City, those additional on-Property water Public Infrastructure items ("water Public Infrastructure") described on the City's Water Master Plan or as otherwise required by the City Engineer, said additional water Public Infrastructure to be constructed prior to or at the time of need, depending on Property development phasing, or as may be necessitated due to concurrent construction of other improvements, such as roadways. Any and all dedications of water Public Infrastructure to the City shall include the dedication of water easements within which such water Public Infrastructure is constructed thereby affording the City the right to construct, reconstruct, inspect, patrol, maintain, and add to or remove all or parts of water Public Infrastructure, without the necessity, at any time, of procuring the permission of anyone. To the extent that any water Public Infrastructure has been, or is hereafter, constructed within a right-of-way dedicated to District, Owner shall convey or direct the District to convey, by separate easement instrument, in form acceptable to the City, the corresponding water easement(s) that contain such water Public Infrastructure to City thereby affording the City the right to construct, reconstruct, inspect, patrol, maintain, and add to or remove all or parts of water Public Infrastructure at any time.

4. Section 5.1.2.2.2 of the 2012 Agreement is replaced in its entirety by the following:

Section 5.1.2.2.2 design, acquire easements for, construct, and tender for dedication to and acceptance by the City in accordance with the Subdivision Ordinance, those additional sewer Public Infrastructure items required to serve the Property, as typically required elsewhere in the City. Any and all dedications of sewer Public Infrastructure to the City shall include the dedication of sewer easements within which such sewer Public Infrastructure is constructed thereby affording the City the right to construct, reconstruct, inspect, patrol, maintain, and add to or remove all or parts of sewer Public Infrastructure, without the necessity, at any time, of procuring the permission of anyone. To the extent that any sewer Public Infrastructure has been, or is hereafter, constructed within a right-of-way dedicated to District, Owner shall convey or direct the District to convey, by separate instrument, in form acceptable to the City, the corresponding sewer easement(s) that contain such sewer Public Infrastructure to City thereby affording the City the right to construct, reconstruct, inspect, patrol, maintain, and add to or remove all or parts of sewer Public Infrastructure, at any time.

5. A new Section 5.1.2.4 is added to the Development Agreement as follows:

Section 5.1.2.4 The Owner may construct, at its expense and not subject to impact fee credits and utilize a temporary sanitary sewer lift station (the “**Lift Station**”) for those areas located along the western side of the Property which do not gravity feed into the Off-Site Sewer constructed by Developer pursuant to Section 5.1.2.2.1 in the 2012 Agreement until such time, and in City’s sole discretion, as a sanitary sewer gravity line is extended by the City or others along Hardin Road adjacent to the those areas being served by such Lift Station, at which time Owner, at Owner’s expense, shall decommission the Lift Station and connect its facilities to gravity feed lines.

6. Section 5.1.3.5 of the Development Agreement is replaced in its entirety by the following:

Section 5.1.3.5 In the event the City uses its power of eminent domain under Section 5.1.3.12 for the acquisition of off-Property right-of-way and easements for the construction of FM 543/Trinity Falls Parkway as a four-lane, divided thoroughfare and Owner has delivered to the City by May 31, 2017, legal descriptions of all such off-Property right-of-way interests sufficient to begin eminent domain proceedings for those rights-of-way and easements that Owner has been unable to acquire through negotiation, City shall diligently pursue such proceedings. Within 90 days after all right-of-way and easements have been acquired, Owner shall commence construction of FM 543/Trinity Falls Parkway as shown on Exhibit C-5 and shall diligently pursue completion thereof in conformance with City standards prior to the issuance of the 1,100th building permit, after which any building permit issuance shall cease until completion; and upon completion and approval by the City of FM 543/Trinity Falls Parkway, building permits for up to an aggregate total of 1,760 Dwelling Units may be issued until the conditions described in Section 5.1.3.7 are satisfied; however, permit issuance shall otherwise cease until the conditions in Section 5.1.3.7 are satisfied. The City Engineer, at his discretion, may allow additional Dwelling Unit permits prior to approval of the completion of

construction if the road is safe for public use. Without limiting the items required for opening the road for public use, the following must be completed where applicable: pavement, striping, lighting, signage, guard rails, sidewalks, and other items the construction and installation of which would cause unsafe conditions if performed while the roadway is open.

7. Since the effective date of the Second Amendment, the Parties acknowledge certain additions to the Property as described therein. In order to accurately reflect the depiction of the Property to which the Development Agreement applies, a new exhibit entitled "*Exhibit A District M.U.D. Map*" has been prepared to be substituted for the Exhibit A in the Development Agreement. From and after the effective date of this Third Amendment, all references in the Development Agreement to Exhibit A shall mean and refer to the **Exhibit A** attached hereto, which is incorporated herein for all purposes. Notwithstanding any other provision of this Third Amendment, Owner shall acquire fee title to M.U.D. No. 2 Tract C on or before July 18, 2017 as an express condition of this Agreement becoming effective (the "MUD Annexation Condition"). Upon written notice and presentment of a filed deed(s) evidencing Owner's acquisition of the entire M.U.D. No. 2 Tract C, this agreement shall be in full force and effect (the "Effective Date"). If Owner fails to satisfy the MUD Annexation Condition, this Agreement shall automatically be null and void, and the Second Amendment to the 2012 Development Agreement shall continue in full force and effect and without amendment.

8. In accordance with Paragraph 5 above new legal descriptions have been prepared to accurately define the limits of those areas shown on **Exhibit A** as M.U.D. No. 1, Tract A, M.U.D. No. 1 Tract B, M.U.D. No.1 Tract C, M.U.D. No. 2, Tract A, M.U.D. No. 2 Tract B and M.U.D. No. 2 Tract C. Accordingly, from and after the effective date of this Third Amendment, all references in the Development Agreement to Exhibit B-2 shall mean and refer to **Exhibit B-2A, Exhibit B-2B and Exhibit B-2C** which are attached hereto and incorporated herein for all purposes; and all references in the Development Agreement to Exhibit B-4 shall mean and refer to **Exhibit B-4A, Exhibit B-4B and Exhibit B-4C** which are attached hereto and incorporated herein for all purposes.

9. A new Concept Plan and Concept Plan Alternative, a new Concept Plan and Concept Plan Alternate for Planning Units, a new Concept Plan and Concept Plan Alternate for Thoroughfare Plan, and new Concept Plan and Concept Plan Alternative for Trinity Falls Park Phasing and a new Concept Plan for Major Infrastructure have been prepared to accurately reflect the proposed limits of land uses within the Property. Accordingly, from and after the effective date of this Third Amendment, all references in the Development Agreement to Exhibit C-1 or Exhibit C-1A shall mean and refer, as applicable, to **Exhibit C-1 or Exhibit C-1A**, all references to Exhibit C-2 or Exhibit C-2A shall mean and refer, as applicable, to **Exhibit C-2 or Exhibit C-2A**, all references to Exhibit C-3 or Exhibit C-3A shall mean and refer, as applicable, to **Exhibit C-3 or Exhibit C-3A**, all references to Exhibit C-4 or Exhibit C-4A shall mean and refer, as applicable, to **Exhibit C-4 or Exhibit C-4A** and all references to Exhibit C-5 shall mean and refer to **Exhibit C-5**, all of which are attached hereto and incorporated herein for all purposes.

10. Exhibit F, Special Regulations, Section 2, Subsection d. is replaced in its entirety with the following:

- d. Lot dimensions shall conform to those set forth in Exhibit G, Development Regulations, of the Development Agreement.

11. Exhibit G, Development Regulations, Section 1 is replaced in its entirety with the following:

1. Land Use Areas. The Concept Plan divides the Property into “Single Family Residential” and “Commercial” land use areas (“Land Use Areas”). The Concept Plan identifies other areas, including drainage and floodplain areas, amenity centers, parks, schools and thoroughfares located on and off the Property. The sizes and configurations of the Land Use Areas and other areas shown on the Concept Plan are approximations and subject to change.

- a. Single-Family Residential. Single-Family Residential Land Use Areas shown on the Concept Plan allow the following single-family lot types anywhere within the Property subject to the following standards and limitations set forth below.

- i. SFD-27.5 (Rear Loaded)

- minimum lot size 2,750 square feet;
- minimum lot width 31 feet;
- minimum front yard setback 10 feet (front porches and/or stoops may encroach front yard by 5 feet);
- minimum rear yard setback 8 feet;
- minimum yard side 1 foot (minimum separation between units is 6 feet with an acceptable fire wall);
- minimum corner side setback 15 feet; and
- all lots must be served by alleys.

- ii. SFD-46 (Rear Loaded)

- minimum lot size 4,600 square feet;
- minimum lot width 40 feet;
- minimum front yard setback 10 feet (front porches and/or stoops may encroach front yard by 5 feet);
- minimum rear yard setback 8 feet;
- minimum side 1 foot (minimum separation between units is 6 feet with an acceptable fire wall);
- minimum corner side setback 15 feet; and
  - all lots must be served by alleys.

- iii. SFD-50
  - minimum lot size 5,000 square feet;
  - minimum lot width 50 feet;
  - minimum lot depth 100 feet;
  - minimum front yard setback 25 feet;
  - minimum rear yard setback 15 feet;
  - minimum side yard setback 5 feet;
  - minimum corner side setback 15 feet.
  
- iv. SFD-60
  - minimum lot size 6,000 square feet;
  - minimum lot width 60 feet;
  - minimum lot depth 100 feet;
  - minimum front yard setback 25 feet;
  - minimum rear yard setback 15 feet;
  - minimum side yard setback 5 feet;
  - minimum corner side setback 15 feet.
  
- v. SFD-48 (Front Loaded Age Restricted Active Adult)
  - minimum lot size 4,800 square feet;
  - minimum lot width 44 feet;
  - minimum front yard setback 20 feet (front porches and/or stoops may encroach front yard by 5 feet);
  - minimum rear yard setback 10 feet;
  - minimum side yard 0 feet (minimum separation between units is 14 feet);
  - minimum corner side setback 15 feet.
  
- vi. SFD-55 (Front Loaded Age Restricted Active Adult)
  - minimum lot size 5,500 square feet;
  - minimum lot width 50 feet;
  - minimum front yard setback 20 feet (front porches and/or stoops may encroach front yard by 5 feet);
  - minimum rear yard setback 15 feet;
  - minimum side yard 0 feet (minimum separation between units is 10 feet);
  - minimum corner side setback 15 feet.
  
- vii. SFD-71 (Front Loaded Age Restricted Active Adult)
  - minimum lot size 7,100 square feet;
  - minimum lot width 60 feet;

- minimum front yard setback 20 feet (front porches and/or stoops may encroach front yard by 5 feet);
- minimum rear yard setback 15 feet;
- minimum side yard 0 feet (minimum separation between units is 10 feet);
- minimum corner side setback 15 feet.

viii. TH-18.5 Rear Loaded (Townhomes)

- minimum lot size 1,850 square feet;
- minimum 3 attached units per dwelling unit cluster;
- maximum 6 attached units per dwelling unit cluster;
- minimum lot width 22 feet;
- minimum front yard setback 10 feet (front porches and/or stoops may encroach front yard by 5 feet);
- minimum rear yard setback 8 feet;
- minimum (detached units) side yard 1 foot (minimum separation for detached units is 6 feet with an acceptable fire wall);
- minimum (attached units) side yard 0 feet;
- minimum corner side setback 15 feet; and
- all lots must be served by alleys.

b. Commercial. Commercial Land Use Areas are shown on the Concept Plan, **Exhibits C-1 and C-1A**. Development of those Commercial Land Use Areas designated as “CCOL Commercial” shall conform to the requirements of Section 146-113, C3 - Regional Commercial district regulations provided under the City of McKinney Code of Ordinances. Development of those Commercial Land Use Areas designated as “Commercial” shall conform to the requirement of Section 146-112, C2 Local Commercial district regulations provided under the City of McKinney Code of Ordinances.

c. Multi-Family. Multi-family Land Use Areas are not shown on the Concept Plan; however, multi-family development is allowed with the approval of the City Council.

12. Exhibit G, Development Regulations, Section 2 is replaced in its entirety with the following:

2. Residential Lot Type. All Residential Lot Types, other than those designated Age Restricted Active Adult, may be located anywhere within a Single Family Area. The Residential Lot Types designated Age Restricted Active Adult may only be located within an age restricted active adult community area as designated on a plat therefor.



13. Exhibit G, Development Regulations, Section 3, Subsection c. is replaced in its entirety with the following:

- c. Residential Lots less than 50 feet wide must be alley entry, except for those within an identified and separate age restricted active adult community Land Use Area.

14. Exhibit G, Development Regulations, Section 11 is replaced in its entirety with the following:

- 11. Maximum Single Family Lots. The maximum number of single family lots allowed within the Property shall be 5,200. For purposes of this Paragraph 11, the "Property" shall mean only MUD No.1, MUD No.2 and any annexed land; and it shall not include the New MUD Land, as such is described in Section 12.18.5 of the Agreement. If, however, pursuant to Section 12.18.2 of the Agreement, the CCOL Deed for the CCOL ROW is returned to Owner, the New MUD Land may be developed in accordance with the Alternative Concept Plan Land Use Plan attached as Exhibit C-1A to the Agreement; whereupon an additional 520 single-family lots may be developed. No more than 2,000 single-family lots with lot widths less than 50 feet may be developed in the Property.

15. A new subsection d. to Section 13 of Exhibit G, Development Regulations, is added as follows:

d. The following additional residential architectural and site standards are required within an age restricted active adult community area in the Property:

- i. The age restricted active adult community area shall be screened by a six-foot perimeter masonry wall constructed consistent as shown on Exhibit C-7B and Exhibit C-7C;
- ii. Individual lots may have ornamental or tubular steel see-through fences, no privacy fences shall be allowed;
- iii. The active adult community area shall have a system of trails as generally shown on Exhibit C-7A
- iv. Each residence on lots with widths of less than 50 feet shall be configured generally as shown on Exhibit C-7D and include carriage-style garage doors (cedar/hardie board façade) with coach lights on each side of the garage façade and at least one of the following additional garage façade enhancements:
  - a. Split garage doors (double doors with divider)
  - b. Enhanced brick detail over garage (example, eye brow arches, herring bone patterns)
  - c. Decorative trellis or arbor over the garage door

- d. Decorative window or dormer over the garage door
- e. Shed Roof over the garage door
- f. Gable/Dutch Gable

16. A new Section 14 of Exhibit G, Development Regulations, entitled **Commercial Architectural and Site Standards**, is added as follows:

14. **Commercial Architectural and Site Standards**. The architectural and site standards for the commercial land use areas shall conform to the provisions of Section 146-139 of the McKinney Code of Ordinances, as amended from time to time, as the same apply to other non-residential uses in non-industrial districts.

IN WITNESS WHEREOF, the Parties hereto have executed this Third Amendment in multiple copies, each of equal dignity, as of the date first given above.

**CITY:**

ATTEST:

City of McKinney

\_\_\_\_\_  
\_\_\_\_\_, City Secretary  
\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Name: Paul G. Grimes  
Its: City Manager

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

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
City Attorney

STATE OF TEXAS       §  
                                  §  
COUNTY OF COLLIN   §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2017, by \_\_\_\_\_, \_\_\_\_\_ of the City of McKinney, Texas, on its behalf.

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

**OWNER:**

Trinity Falls Holdings, LP, a Delaware limited partnership

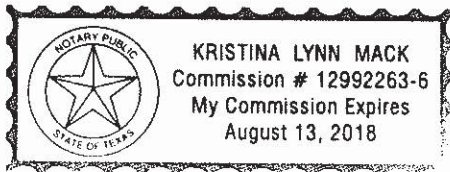
By: Johnson Trinity Falls GP, LLC, a Texas limited liability company, General Partner

By: *Larry D. Johnson*  
Name: Larry D. Johnson  
Title: Manager

Date: June 14, 2017

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

This instrument was acknowledged before me on the 14<sup>th</sup> day of June, 2017, by Larry D. Johnson, Manager of Johnson Trinity Falls GP, LLC, a Texas limited liability company, General Partner of Trinity Falls Holdings, LP, a Delaware limited partnership, on its behalf.



*Kristina Mack*  
Notary Public, State of Texas

List of Exhibits:

Exhibit A – District M.U.D. Map

Exhibit B-2A – Legal Description of 673.759 acres (MUD 1/TRACT A)

Exhibit B-2B – Legal Description of 206.286 acres (MUD 1/TRACT B)

Exhibit B-2C – Legal Description of 1.276 acres (MUD 1/TRACT C)

Exhibit B-4A – Legal Description of 423.553 acres (MUD 2/TRACT A)

Exhibit B-4B – Legal Description of 404.156 acres (MUD 2/TRACT B)

Exhibit B-4C – Legal Description of 270.720 acres (MUD 2/TRACT C) Exhibit C-1 – Concept Plan – Land Use

Exhibit C-1A – Concept Plan Alternate – Land Use

Exhibit C-2 – Concept Plan – Planning Units

Exhibit C-2A – Concept Plan Alternate – Planning Units

Exhibit C-3 – Concept Plan – Thoroughfare Plan

Exhibit C-3A – Concept Plan Alternate – Thoroughfare Plan

Exhibit C-4 Concept Plan – Trinity Falls Park Phasing

Exhibit C-4A – Concept Plan Alternate – Trinity Falls Park Phasing

Exhibit C-5 – Concept Plan – Major Infrastructure

Exhibit C-6 – Fire Station Location Map

Exhibit C-6A Description of Components, Equipment and Rolling Stock for Fire Station #9

Exhibit C-7A Age Restricted Area/Trail Exhibit

Exhibit C-7B Age Restricted Area/Masonry Wall Exhibit

Exhibit C-7C Age Restricted Area/Stone Wall Cross Section

Exhibit C-7D Age Restricted Area/45' Lot Exhibit