

**FIRST AMENDMENT TO  
HOTEL AND EVENT CENTER DEVELOPMENT AGREEMENT**

This First Amendment to Hotel and Event Center Development Agreement (this "Amendment ") is made of August \_\_, 2013 (the "Effective Date"), by and between THE CITY OF MCKINNEY, TEXAS, a municipal corporation, organized and existing pursuant to the laws of the State of Texas (the "City"), the MCKINNEY COMMUNITY DEVELOPMENT CORPORATION, a Texas nonprofit corporation ("MCDC"), GATEWAY HOTEL ONE, LTD., a Texas limited partnership (the "Owner"), and CHAMP-BECK DEVELOPMENT, LLC, a Texas limited liability company (the "Developer") (collectively, the "Parties").

**RECITALS:**

A. WHEREAS, by that certain Hotel and Event Center Development Agreement effective as of the Adoption Date (as defined therein) (the "Agreement"), City, MCDC, Owner and Developer made certain agreements related to property described therein and its development into a hotel and event center; and

B. WHEREAS, the Agreement provided for the commencement and completion of various activities related to the Project Completion and Timeline as set forth in Article II of the Agreement, and the parties have mutually determined that modifications are needed to the provisions of Article II to provide clarity as to the Project Completion and Timeline and to accurately reflect their mutual understanding of the obligations of each party thereto. The parties acknowledge and agree that neither party was able to commence of complete portions of these activities as originally contemplated; and

C. WHEREAS, despite the mutual delays, the Owner still plans to deliver the Hotel Complex within the original prescribed Required Completion Date, and the parties desire to modify Article II of the Agreement to reflect their modified agreements and understandings.

NOW, THEREFORE, pursuant to the authority granted to the City to establish an economic development program pursuant to Chapter 380 of the Texas Local Government Code and authorize the City's execution and performance of this Amendment and in consideration of the foregoing recitals and the mutual covenants set forth herein, and additional good and valuable consideration, the receipt and sufficiency and adequacy of which are each hereby acknowledged, the City, MCDC, Owner and Developer hereby amend the Agreement as follows:

1. Project Completion and Timeline. The provisions of Section 2.1 (b) are hereby deleted in its entirety and the following substituted in its place:

“Owner and the City Parties agree that the following timelines for development shall, subject to Force Majeure, apply to their respective obligations. The specific modified timeline is set forth below:

The Required Completion Date is February 10, 2015.

Owner and City Parties further agree that the following dates for development shall, subject to Force Majeure, apply each based upon execution and delivery of this Amendment.

Site mobilization begins.....October 10, 2013  
Site remediation begins.....November 10, 2013  
Obtain building permit and begin core  
and shell construction..... December 10, 2013  
Begin interiors and FF&E.....September 10, 2014  
Substantial Completion.....February 10, 2015

(b) The Substantial Completion Date shall be referred to herein as the “Required Completion Date”).

(c) Owner shall Substantially Complete the Hotel Complex and remaining aspects of the Project on or before the Required Completion Date.

(d) The Cities Parties agree to expedite all review and approvals and any matters which require input from any City Party or agency to permit Owner to be in conformance with the above dates.

2. Failure to Meet Timeline. Section 2.4 of the Agreement is hereby deleted in its entirety and the following substituted in its place:

2.4 Failure to Meet Timeline. If Owner fails to meet any of the construction dates required above, and Owner fails to fully cure such failure, subject to Force Majeure, after receipt of written Notice from the City within ninety (90) days, or (ii) otherwise demonstrates to the City's reasonable satisfaction that Owner can substantially complete the Hotel Complex by the Required Completion Date, the City shall have the option to suspend any further funding of the Public Incentive Investment until the Owner has cured such failure and is in compliance with the remaining construction dates. Notwithstanding the foregoing, if Owner fails to achieve Substantial Completion of the Hotel Complex within ninety (90) days of February 10, 2015, subject to Force Majeure, the City shall have the option to Terminate this Agreement and the Hotel Ground Lease, the Event Center Lease, and the Economic Development Agreement, or any of them, in which case Developer shall have no further right to develop the Hotel Complex and the City shall have no further obligation to fund Public Incentive Investments. In addition, if Owner fails to achieve Substantial Completion of the Hotel Complex by February 10, 2015, subject to Force Majeure, Owner shall pay liquidated damages to the City at the rate of One Thousand Two Hundred Fifty and No/100 Dollars (\$1,250.00) per day for each day after February 10, 2015 until (1) the Hotel Complex is Substantially Complete, or (2) this Agreement is terminated by the City Parties as provided herein. The remedies, notice provisions, and cure periods described in this Section 2.4 shall be in addition to and independent of any applicable remedies, notice provisions, or cure periods set forth under Article VI, notwithstanding the fact that the failure to meet construction timelines may otherwise constitute a default under this Agreement.

3. Estoppel. Each party hereto expressly acknowledges to the other that no defaults exist under the Agreement, the Economic Development Agreement, the Event Center Lease or the Hotel Ground Lease, and each party further agrees to provide any and all estoppel certificates reasonably requested by any party hereto or as otherwise required by the Agreement.

IN WITNESS WHERE, the City and Owner agree to the terms of this Amendment to be effective as of the Adoption Date, as defined in the Agreement:

**CITY:**

**CITY OF MCKINNEY, TEXAS,**  
a municipal corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**MCDC:**

**MCKINNEY COMMUNITY DEVELOPMENT CORPORATION,**  
a Texas non-profit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**DEVELOPER:**

**CHAMP-BECK DEVELOPMENT, LLC,**  
a Texas limited liability company

BY: CHAMP HOSPITALITY, L.P.,  
a Texas limited partnership

By: \_\_\_\_\_  
Joseph H. Champ, President

**OWNER:**

**GATEWAY HOTEL ONE, LTD.**

a Texas limited partnership

BY: GATEWAY HOTEL ONE, G.P., INC.,  
a Texas corporation, as General Partner

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_