

**SECOND AMENDMENT TO
2012 AGREEMENT CONCERNING CREATION AND OPERATION OF MCKINNEY
MUNICIPAL UTILITY DISTRICT NO. 1 OF COLLIN COUNTY**

**STATE OF TEXAS §
 §
COUNTY OF COLLIN §**

This SECOND AMENDMENT TO 2012 AGREEMENT CONCERNING CREATION AND OPERATION OF MCKINNEY MUNICIPAL UTILITY DISTRICT NO. 1 OF COLLIN COUNTY (the “Second Amendment”), is made and entered into as of _____, 2017 (the “Effective Date”), by and between the CITY OF MCKINNEY, TEXAS, a municipal corporation and home-rule city of the State of Texas (the “City”); TRINITY FALLS HOLDINGS LP, a Delaware limited partnership (the “Owner”); and MCKINNEY MUNICIPAL UTILITY DISTRICT NO. 1 OF COLLIN COUNTY, a municipal utility district created pursuant to Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, and the applicable Special District Local Law (the “District”).

RECITALS

WHEREAS, the City, CH-B Trinity Falls, LP (the “Prior Owner”) and the District have heretofore entered into that certain 2012 Agreement Concerning Creation and Operation of McKinney Municipal Utility District No. 1 of Collin County (the “2012 Agreement”), and that certain First Amendment to 2012 Agreement Concerning Creation and Operation of McKinney Municipal Utility District No. 1 of Collin County (the “First Amendment”), collectively (the “Agreement”), attached hereto as Exhibit “A”; and

WHEREAS, Owner is the successor-in-interest to the Prior Owner; and

WHEREAS, Owner intends to annex a 271-acre tract into McKinney Municipal Utility District No. 2 of Collin County (“MUD 2”), such tract being described on Exhibit “B” attached hereto (the “Frazier Tract”); and

WHEREAS, the City, Owner and the District desire to amend certain provisions of the Agreement as stated herein.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration, the City, Owner and the District agree as follows:

1. Owner. The term “Owner” as utilized in the 2012 Agreement, the First Amendment and the Second Amendment shall mean “Trinity Falls Holdings LP.”

2. Capitalized Terms. Capitalized terms used in this Amendment shall have the meanings assigned to them in the Agreement, unless otherwise defined or the context clearly requires otherwise.

3. Limitation on Issuance of Bonds. Upon annexation of the Frazier Tract into MUD 2, and the City granting its consent thereto, Section 5.03 is amended to read in its entirety as follows:

“5.03 Road Project/Limitation on Issuance of Bonds. This Agreement hereby authorizes and further consents to the District undertaking the Road Project and to the issuance by the District of Bonds for the Road Project subject to the City's consent to the legislation granting such power; however, the District may issue Bonds only after the District becomes a Party to this Agreement. In consideration for the City's consent to the Road Project and subject to the limitations imposed by including McKinney Municipal Utility District No. 2 of Collin County (“MUD2”) in the total amount of Bonds issued, the District agrees that the total amount of Bonds issued by the District for all purposes (excluding refunding Bonds) shall not exceed \$318,000,000.00, plus a three percent (3%) annual increase on the amount of authorized but unissued Bonds effective July 1 of each calendar year, beginning July 1, 2017 (the “Bond Limit Amount”) and terminating on the date prescribed in Section 5.04(e), unless specifically approved by the City Council. The District further agrees that the Bond Limit Amount shall be reduced by the amount of funds expended by the District pursuant to Section 3.3 of the Strategic Partnership Agreement for any of the authorized purposes listed in Section 5.02 of this Agreement. Owner and the District acknowledge that the City, Owner and McKinney Municipal Utility District No. 2 of Collin County (“MUD2”) have, on even date herewith, entered into and executed that certain Second Amendment to 2012 Agreement Concerning Creation and Operation of McKinney Municipal Utility District No. 2 of Collin County (the “MUD2 Amendment”), and hereby agree that the Bond Limit Amount shall be an aggregate of bonds issued for all purposes (excluding refunding bonds) by the District and MUD2. Owner and the District further acknowledge that the Bond Limit Amount is sufficient to accomplish the purposes of the District and that Owner and the District have voluntarily agreed to the Bond Limit Amount. District facilities, if any, the cost of which exceeds the Bond Limit Amount, will be dedicated to the District without reimbursement unless otherwise approved by the City Council.”

4. Effect of Amendment. Except as amended by the Provisions of this Second Amendment, the 2012 Agreement and the First Amendment shall remain in full force and effect.

[THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK.]

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

CITY:

CITY OF MCKINNEY

ATTEST:

City Secretary

By: _____

Name: _____

Its: _____

Date: _____

APPROVED AS TO FORM AND
LEGALITY:

City Attorney

STATE OF TEXAS §

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COUNTY OF _____ §

This instrument was acknowledged before me, on the ___ day of _____, _____,
by _____, _____ of the City of McKinney, Texas on behalf of said city.

Notary Public, State of Texas

Printed Name: _____

My Commission Expires: _____

[SEAL]

OWNER:

TRINITY FALLS HOLDINGS LP,
a Delaware limited partnership,

By: JOHNSON TRINITY FALLS GP LLC,
a Texas limited liability company,
its general partner

By: _____

Name: Larry D. Johnson

Title: Manager

Date: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me, on the ____ day of _____, _____,
by Larry D. Johnson, Manager of Johnson Trinity Falls GP LLC, a Texas limited liability
company and general partner of Trinity Falls Holdings LP, a Delaware limited partnership, on
behalf of said limited partnership.

Notary Public, State of Texas

Printed Name: _____

My Commission Expires: _____

[SEAL]

DISTRICTS:

MCKINNEY MUNICIPAL UTILITY
DISTRICT NO. 1 OF COLLIN COUNTY

By: _____

Its: President, Board of Directors

Date: _____

STATE OF _____ §

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COUNTY OF _____ §

This instrument was acknowledged before me, on the ____ day of _____, _____, by _____, President of the Board of Directors of the McKinney Municipal Utility District No. 1 of Collin County, on behalf of said district.

Notary Public, State of Texas

[SEAL]

Printed Name: _____

My Commission Expires: _____

MCKINNEY MUNICIPAL UTILITY
DISTRICT NO. 2 OF COLLIN COUNTY

By: _____

Its: President, Board of Directors

Date: _____

STATE OF _____ §

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COUNTY OF _____ §

This instrument was acknowledged before me, on the ____ day of _____, _____,
by _____, President of the Board of Directors of the McKinney Municipal Utility
District No. 2 of Collin County, on behalf of said district.

Notary Public, State of Texas

Printed Name: _____

My Commission Expires: _____

[SEAL]

EXHIBIT A

The First Amendment and the 2012 Agreement

EXHIBIT B

The Frazier Tract