

## FIRST AMENDMENT TO MASTER DEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT TO MASTER DEVELOPMENT AGREEMENT (this "Amendment") is entered into this \_\_\_\_ day of January, 2019, by and among the City of McKinney, Texas, a municipal corporation, organized and existing pursuant to the laws of the State of Texas (the "City"), McKinney Economic Development Corporation, a Texas nonprofit corporation ("MEDC"); McKinney Community Development Corporation, a Texas nonprofit corporation ("MCDC"); KDC Real Estate Development and Investments, LLC, a Texas limited liability company ("Developer"); Columbus Realty Partners, Ltd., a Texas limited partnership ("Columbus"); and M & R Investors, LLC, a Texas limited liability company, d/b/a ATR Corinth Partners ("ATR"). The City, MEDC and MCDC are sometimes collectively referred to as the "City Parties." Developer and ATR are sometimes collectively referred to as the "Developer Parties." The City Parties and the Developer Parties are sometimes collectively referred to as the "Parties."

### RECITALS

A. The City Parties and the Developer Parties previously executed a certain Master Development Agreement dated November 16, 2017, pertaining to the development of certain property known as McKinney Southgate and legally described therein (the "Agreement").

B. The City Parties and the Developer Parties desire to amend the Agreement as set forth herein.

NOW, THEREFORE, pursuant to the authority granted to the City, MEDC and MCDC under all applicable laws, rules and regulations and in consideration of the foregoing recitals and the mutual covenants and promises of the Parties herein contained, and for further good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Extension. The Land JV Phase of the Agreement is extended to terminate on December 31, 2020, on the terms and conditions hereof.

2. Exclusivity. Section 1.1 of the Agreement is amended to read in its entirety as follows:

"1.1. Limited Exclusivity. During the Land JV Phase, Developer shall have the exclusive right to market and negotiate sales of parcels within the Property on behalf of the City Parties, provided that if the City Parties receive an offer from a third party for the sale or lease of any parcel within the Property, the City Parties shall use commercially reasonable efforts to include the Developer Parties as "representatives" of the City Parties in connection with all applicable non-disclosure agreements and shall thereafter provide reasonable notice to Developer of the third party's offer and the Developer shall, at the request of the City Parties, participate in meetings arranged by the City Parties among such third party, the Developer and the City Parties to discuss the feasibility of integrating the third party proposal into the Developer's development. In conjunction with the foregoing, Developer agrees to be bound by the terms of any non-disclosure agreements entered into by any of the City Parties which concern McKinney Southgate and which are delivered to Developer. If the third party's proposed development complies with the CCR's, as

determined by the City Parties, as amended and/or restated from time to time or as the City Parties intend to further modify the CCR's to the extent within the power of the City Parties to do so, and such proposed development is (a) not an office development for occupancy by a single owner or tenant for 80% or more of the usable space, and (b) not a retail or restaurant use other than to be developed as a component of a combined project for the development of a "Unique Destination Entertainment Use" as hereinafter defined, Developer's exclusivity pursuant to this Section 1.1 shall not apply to a sale or lease by the City Parties for such parcel to the third party or its designee, provided that if the sales price is less than the applicable price per the schedule set out in Section 1.2 of the Agreement, Developer shall have a right of first refusal to purchase such parcel on the terms for the proposed sale to the third party or its designee (including any post-closing development conditions or requirements), with a response time of fifteen (15) days after receipt of the offer.

For purposes hereof, a "Unique Destination Entertainment Use" shall mean an entertainment use concept intended for no more than two locations in the Dallas-Fort Worth Metroplex and scaled to draw customers from a ten-mile radius or greater.

In any event, if the City Parties, within the Land JV Phase of this Agreement, sell or lease any parcel released from Developer's exclusivity pursuant to this Section 1.1 to a third party, Developer will be paid a commission at the closing of any such sale to the third party or its affiliate or upon the commencement of the term of any such lease to the third party or its affiliate equal to (a) two percent (2%) of the greater of (i) the purchase price or the total rent payable under any such lease, as applicable or (ii) the applicable land value or lease rate set forth in the Agreement reduced by (b) the amount of any fees payable to the Developer Parties from the third party or its affiliate in connection with the development of such parcel.

It is understood that Developer intends to delegate its rights pursuant to this Section 6.1 to Columbus in the case of multifamily residential uses of the Property and to ATR in the case of restaurant/retail uses of the Property. The Developer Parties hereby agree to share equally the remaining expenses of marketing the Property incurred by Developer, and Columbus and ATR shall reimburse Developer their respective share within ten (10) days after receipt of an invoice therefor. The obligations in this Section 1.1 shall survive the expiration or earlier termination of this Agreement."

3. Incentive Compensation. Incentive compensation pursuant to Section 1.6 of the Agreement shall apply only with respect to projects for which certificates of occupancy are issued on or before December 31, 2020, and as to which no commission is payable to Developer or its designee pursuant to Section 1.1 hereof. As utilized in Section 1.6 of the Agreement, "verified capital expenditure" shall include all hard and soft costs, save and except interest and financing costs and any developer fees.

4. CCR's. On or before March 31, 2019, Developer shall submit its proposed amended and restated version of the CCR's pursuant to Section 4.1 of the Agreement. If this covenant is not fulfilled and such default continues uncured for thirty (30) days after written notice to Developer, the City Parties may, at their option, terminate the Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the date first written above.

**CITY:**

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

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

**MEDC:**

**MCKINNEY ECONOMIC DEVELOPMENT  
CORPORATION,**  
a Texas nonprofit corporation

By: \_\_\_\_\_  
Name: Peter Tokar III  
Title: President and CEO

By: \_\_\_\_\_  
Name: Jason K. Burress  
Title: Chairman of the Board

**MCDC:**

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

By: \_\_\_\_\_  
Cindy Schneible, President and CEO

By: \_\_\_\_\_  
Name: Kurt Kuehn  
Title: Chairman of the Board

**DEVELOPER:**

**KDC REAL ESTATE DEVELOPMENT  
INVESTMENTS, LLC,**  
a Texas limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**COLUMBUS:**

**COLUMBUS REALTY PARTNERS, LTD.,**  
a Texas limited partnership

By: Columbus G.P., LLC,  
a Texas limited liability company,  
its general partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**ATR:**

**M & R INVESTORS, LLC,**  
a Texas limited liability company d/b/a ATR  
Corinth Partners

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_