

**REINVESTMENT ZONE NUMBER ONE, CITY OF MCKINNEY
AND
THE CITY OF MCKINNEY, TEXAS
CHAPTER 380 ECONOMIC DEVELOPMENT AND PROJECT PLAN IMPLEMENTATION
AGREEMENT FOR THE SUNSET AMPHITHEATRE PROJECT**

- WHEREAS,** the **CITY OF MCKINNEY, TEXAS**, a Texas home rule municipal corporation (hereinafter “City”), is entering into this Chapter 380 Economic Development and Project Plan Implementation Agreement (this “Agreement”) pursuant to a program authorized by **REINVESTMENT ZONE NUMBER ONE, CITY OF MCKINNEY** (hereinafter “TIRZ”) pursuant to Section 311.010(h) of the Texas Tax Code and Chapter 380 of the Texas Local Government Code, for the performance of the development, construction, operation and maintenance of a new, first class, state of the art amphitheater/outdoor entertainment venue facility and related project improvements at the property located in the northeast quadrant of US 75 and State Highway 121 in the City of McKinney, Texas, wholly within Reinvestment Zone Number One in the McKinney, Texas, and which project is known as the **SUNSET AMPHITHEATRE PROJECT** (the “Project”); and
- WHEREAS,** the TIRZ has agreed to an economic development grant to the City based on the timely satisfaction of the conditions and upon the timely completion of the Project; and
- WHEREAS,** the TIRZ has the authority under Section 311.010(h) of Texas Tax Code and Chapter 380 of the Texas Local Government Code to make loans or grants of TIRZ funds for the purposes of promoting local economic development and stimulating business and commercial activity within the TIRZ; and
- WHEREAS,** on April 16, 2024, to facilitate the Project and promote economic development in the city, the City Council approved that one certain the Chapter 380, Grant, and Development Agreement by and between the City of McKinney, Texas, McKinney Economic Development Corporation, the McKinney Community Development Corporation, and Venu Holding Corporation, successor-by-name change to Notes Live, Inc. (“VENU”) (the “Original Agreement”) for the Project; and
- WHEREAS,** the Original Agreement was amended on October 15, 2024, in a public meeting (the “First Amendment”) and subsequently amended December 3, 2024, in a public meeting (the “Second Amendment”) in furtherance of the Project; and
- WHEREAS,** as a component of the Original Agreement and subsequent amendments, the City agreed to consider paying contributions and incentives for the public purpose of stimulating economic development and employment within the City; and
- WHEREAS,** on October 8, 2025, the City Council in a public meeting approved the Third Amendment to the Original Agreement (the “Third Amendment”) for the Project which amended the required parking spaces within the structured parking facilities associated with the Project; and
- WHEREAS,** the Original Agreement, First Amendment, Second Amendment and Third Amendment shall be collectively referred to as the “VENU Agreement”; and

WHEREAS, the TIRZ has established the Project as an eligible project under the TIRZ Project Plan as required by law and determines that a conditional grant to the City of its funds will serve the public purpose of promoting local economic development and enhancing business and commercial activity in the TIRZ and the City of McKinney, Texas; and

WHEREAS, the TIRZ has concluded and hereby finds that this Agreement clearly promotes economic development in the TIRZ and, as such, meets the requisites under Section 311.101(h) and Chapter 380 of the Texas Local Government Code and further, is in the best interests of the TIRZ and the City of McKinney, Texas; and

WHEREAS, the City Council will consider approval of this Agreement pursuant to applicable law.

NOW, THEREFORE, for and in consideration of the agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, TIRZ and the City, agree as follows:

SECTION 1. TERM

This Agreement shall be effective from the Effective Date, as defined in Section 7(h) below, until September 30, 2042, unless terminated sooner under the provisions herein.

SECTION 2. DEFINITIONS

The following words shall have the following meanings when used in this Agreement.

- a. Agreement. The word "Agreement" means this Chapter 380 Economic Development and Project Plan Implementation Agreement, together with all exhibits, schedules, and amendments attached to this Agreement from time to time, if any.
- b. City. The word "City" means the CITY OF MCKINNEY, TEXAS, a Texas home rule municipal corporation. For purposes of this Agreement, City's address is 401 E. Virginia, McKinney, Texas 75069.
- c. Eligible Project Costs. The words "Eligible Project Costs" mean those Contributions and Incentives payable to VENU under Section 9.8 of the VENU Agreement.
- d. Grant. The word "Grant" means payment to the City under the terms of this Agreement of an amount not to exceed Forty Million and No/100 Dollars (\$40,000,000.00) for payment of the City's obligations under the VENU Agreement as such obligations become due and payable, and subject to the disbursement conditions provided herein and the VENU's continuous performance under said VENU Agreement.
- e. Grant Submittal Package. The words "Grant Submittal Package" mean the documentation required to be supplied to TIRZ as a condition of receipt of any Grant.

- f. Project. The word “Project” means the development, construction, operation and maintenance of a new, first class, state of the art amphitheater/outdoor entertainment venue facility and related project improvements, the Sunset Amphitheatre Project, by VENU, for economic development in the City by providing world class concerts and live shows, as well as other entertainment and civic events certain critical maintenance repairs to the underutilized property located generally at the property located in the northeast quadrant of US 75 and State Highway 121 in the City of McKinney, Texas, wholly within Reinvestment Zone Number One in McKinney, Texas. The specific expenses eligible for Project reimbursement shall be limited to those expenses related to the timely development, construction, operation and maintenance of the Sunset Amphitheatre described in the VENU Agreement, including but not limited to, holding not less than forty-five (45) Commercial Events annually, with a paid attendance of not less than 400,000 manifested tickets annually. Approved expenditures for the Project are referred to as the “Eligible Project Costs”.
- g. Property. The word “Property” means Lot 1, Block A of the Sunset Amphitheater Addition, a 45.740-acre tract of land situated in the William Hemphill Survey, Abstract No. 449, City of McKinney, Collin County, Texas.
- h. TIRZ. The letters “TIRZ” means Reinvestment Zone Number One, City of McKinney. For purposes of this Agreement, TIRZ’s address is 401 E. Virginia, McKinney, TX 75069.

SECTION 3. GRANT FUNDING OBLIGATION OF TIRZ

During the term of this Agreement, TIRZ shall fund a grant in an amount not to exceed **Forty Million and No/100 Dollars (\$40,000,000.00)**, subject to appropriation of funding, for Eligible Project Costs, which shall be payable upon the satisfaction of the express terms and conditions described in Section 4 below (Grant Funding Amount). The Grant Funding Amount shall be disbursed in the following manner:

Fiscal Year	Maximum Aggregate of Grant Payments	Payment due date
2025-26 through 2026-27	\$9,400,000	In accordance with Section 9.8 of VENU Agreement.
2027-28 through 2041-42	\$30,600,000, subject to the Annual Cap described below.	In accordance with Section 9.8 of VENU Agreement.

Subject to the City’s and VENU’s complete and continuous satisfaction of the Section 4 conditions, TIRZ agrees to process the Grant within thirty (30) days after receipt of the City’s Grant Submittal Package. Notwithstanding the foregoing, the Grant shall not be funded until: (i) the City and VENU satisfies all applicable obligations in Section 4, and (ii) the TIRZ has sufficient funds in the TIRZ Fund to satisfy the entire Grant Payment. Notwithstanding the foregoing, the Grant Funding Amount in any Fiscal Year between Fiscal Years 2027-28 and 2041-42 shall be expressly limited to ad valorem and sales tax

funds received by the TIRZ from the Property in such Tax Year (the "Annual Cap"). Any obligation of the City to VENU under the VENU Agreement over and above the Annual Cap shall be paid by the City from its General Fund.

SECTION 4. OBLIGATIONS OF CITY

While this Agreement is in effect, the City shall comply with the following terms and conditions to be eligible for any Grant; as such conditions are described or may apply:

- a. The City shall cause VENU to (i) fund and complete the Project, (ii) provide not less than forty-five (45) commercial events annually, with a paid attendance of not less than 400,000 manifested tickets, and (iii) perform all obligations under the VENU Agreement.
- b. The City shall submit a Grant Submittal Package to the TIRZ staff consisting of: (i) verified documents establishing the amounts owing to VENU under the VENU Agreement, including all applications and submittals by VENU to the City for payments under the VENU Agreement. The TIRZ staff, or its designee, shall verify that the expenditures were made in such amounts prior to any Grant disbursement.
- c. VENU shall be in compliance with all applicable City of McKinney codes, state and federal laws, and local ordinances applicable to the Project under the VENU Agreement.

SECTION 5. EVENTS OF DEFAULT.

Each of the following shall constitute an event of default under this Agreement:

- a. TIRZ's failure to process any Grant payment to the City in accordance with Section 3 of this Agreement.
- b. The City's violation or failure to perform any of the covenants contained in Section 4 hereinabove.

SECTION 6. EFFECT OF AN EVENT OF DEFAULT

In the event of default under Section 5, the non-defaulting party shall give written notice to the other party of any default, and the defaulting party shall have thirty (30) days to cure said default. Should said default remain uncured and the non-defaulting party is not otherwise in default, the non-defaulting party shall have the right to immediately terminate this Agreement.

As long as it shall not be in default, the City shall further have the power to enforce specific performance to collect amounts owing upon TIRZ's default without terminating this Agreement. No action shall lie for punitive damages, and no special or consequential damages shall be recovered by either party. City shall be entitled to receive from TIRZ any Grants due the City through the date of termination.

If the TIRZ exercises its rights to terminate the Agreement, the City shall not be entitled to any Grant payments hereunder.

SECTION 7. MISCELLANEOUS PROVISIONS

The following miscellaneous provisions are a part of this Agreement:

- a. **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by all of the parties hereto.
- b. **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Collin County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Collin County, Texas.
- c. **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. TIRZ warrants and represents that the individual executing this Agreement on behalf of TIRZ has full authority to execute this Agreement and bind TIRZ to the same. The City warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind it to the same.
- d. **No Waiver of Sovereign Immunity.** No party hereto waives any statutory or common law right to sovereign immunity by virtue of its execution hereof.
- e. **Execution of Agreement.** The TIRZ has authorized its Chairman to execute this Agreement on behalf of TIRZ.
- f. **Severability.** In the event any provision of this Agreement shall be determined by any court of competent jurisdiction to be invalid or unenforceable, the Agreement shall, to the extent reasonably possible, remain in force as to the balance of its provisions as if such invalid provision were not a part hereof.
- g. **Notices.** All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or when deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the addresses shown above in Section 2. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, each party agrees to keep the other informed at all times of its current address.
- h. **Effective Date.** The effective date (the "Effective Date") of this Agreement shall be the date of the later to execute this Agreement by the City and TIRZ.
- i. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

**REINVESTMENT ZONE NUMBER ONE, CITY OF
MCKINNEY**

By: _____
RICK FRANKLIN
Chairman

Date signed: _____

CITY OF MCKINNEY, TEXAS
a Texas home rule municipal corporation,

By: _____
PAUL G. GRIMES
City Manager

Date signed: _____

ATTEST:

EMPRESS DRANE
TIRZ Secretary

APPROVED AS TO FORM:

MARK S. HOUSER
Attorney for Reinvestment Zone Number One
City of McKinney

PREPARED IN THE OFFICES OF:
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