

RESOLUTION NO. 2026-05-___ (R)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A NON-BINDING TERM SHEET WITH MCKINNEY RANCH, LTD., HONEY CREEK INVESTMENTS, LLC, BARCELONA 93, LTD., and MRP HTMHCB, LLC, GOVERNING THE DEVELOPMENT OF APPROXIMATELY 1,786 ACRES OF LAND GENERALLY LOCATED EAST OF FM 1461 (FUTURE LAKE FOREST DRIVE) AND COUNTY ROAD 166 AND SOUTH OF COUNTY ROAD 168 AND FM 543; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the owners of approximately 1,786 acres of land generally located east of FM 1461 (Future Lake Forest Drive) and County Road 166 and south of County Road 168 and FM 543 (the "Subject Property"), which is more fully depicted on Exhibit A, McKinney Ranch, LTD., Honey Creek Investments, LLC, Barcelona 93, Ltd., and MRP HTMHCB, LLC (the "Owner"), have approached the City seeking to modify the terms of the Honey Creek Annexation and Development Agreement, and its amendments;

WHEREAS, the Subject Property is currently subject to an Annexation and Development Agreement, recorded with the Collin County Clerk as document number 2024000122951, a first amendment, recorded with the Collin County Clerk as document number 2025000068462, and a second amendment, recorded with the Collin County Clerk as document number 2025000140802, and authorized by Chapter 212.172 of the Texas Local Government Code;

WHEREAS, the Annexation and Development Agreement, and its amendments, generally govern the annexation and development of the Subject Property;

WHEREAS, certain development conditions anticipated by the Second Amendment to the Honey Creek Annexation and Development Agreement have changed, necessitating modifications to specific terms and obligations contained therein;

WHEREAS, the City and the Owner have mutually agreed to the terms contained in the proposed Term Sheet (the "Term Sheet"), attached hereto as Exhibit B, governing the development of the Subject Property; and

WHEREAS, the approval and execution of the Term Sheet will allow the parties to negotiate a Development Agreement, if at all, to further govern the development of the Subject Property and modify existing agreement terms.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, THAT:

Section 1. The City Manager is hereby authorized to execute the Term Sheet.

Section 2. This Resolution shall be effective upon its passage.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS, ON THE 19TH DAY OF MAY 2026.

CITY OF MCKINNEY, TEXAS

BILL COX
Mayor
GERÉ FELTUS
Mayor Pro Tem

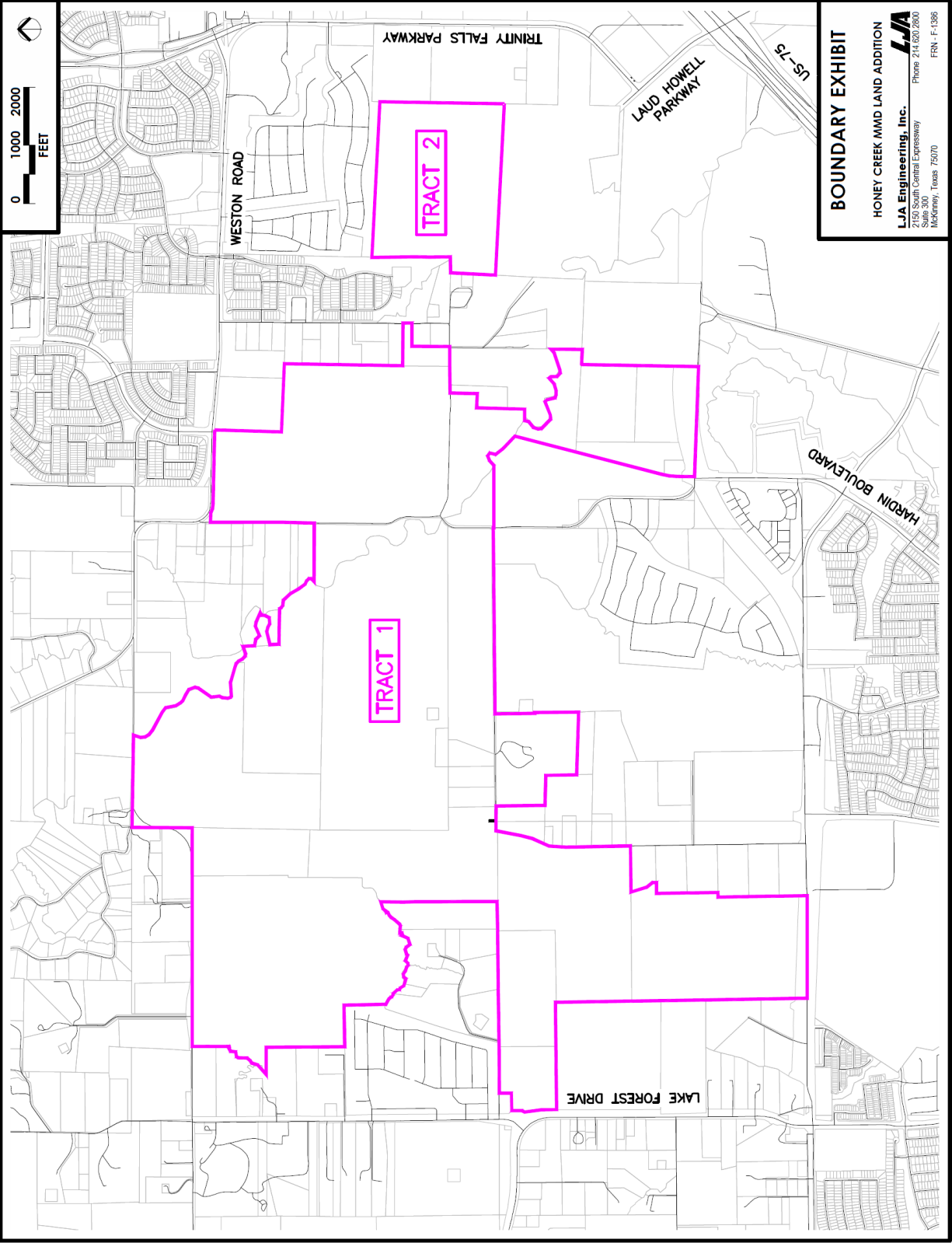
ATTEST:

EMPRESS DRANE, TRMC
City Secretary
TENITRUS PARCHMAN, TRMC
Deputy City Secretary
APPROVED AS TO FORM:

MARK S. HOUSER
City Attorney
ALAN LATHROM
Assistant City Attorney

EXHIBIT A

Subject Property Location Map



BOUNDARY EXHIBIT
HONEY CREEK MMD LAND ADDITION
LJA Engineering, Inc.
2150 South Central Expressway
McAllen, Texas 78507
Phone 214 820 2800
FRN - F-1386

EXHIBIT B

Proposed Term Sheet

REPUBLIC

PROPERTY GROUP

May 6, 2026

Re: Term Sheet - Third Amendment to Development Agreement

The non-binding terms below are conceptual and final terms would be the subject of a detailed third amendment (“Third Amendment”) to that certain Honey Creek Annexation and Development Agreement, as amended and assigned (the “Development Agreement”), including exhibits and graphics under Chapter 212.172 of the Texas Local Government Code.

This term sheet (“Term Sheet”) is executed by and between McKinney Ranch, LTD., a Texas limited partnership, Honey Creek Investments, LLC, a Texas limited liability company, Barcelona 93, Ltd., a Texas limited partnership, MRP HTMHCB, LLC a Delaware limited liability company (collectively, the “Owner”) or their permitted assigns, the Honey Creek Municipal Management District No. 1 of Collin County (the “District”), and the City of McKinney, Texas, as Texas home rule municipality (“City”). The Owner, the District, and the City shall be obligated for the performance requirements set forth in this Term Sheet, and as set out in the Third Amendment, which Third Amendment, when executed, shall become binding on the Owner, the District, and the City (collectively, the “Parties”). Capitalized terms that are not otherwise defined herein shall have the meanings in the Development Agreement.

RECITALS:

WHEREAS, the North Central Texas Council of Governments (“NCTCOG”) will not permit the District to sponsor Project 2, and the Owner and the City desire to utilize NCTCOG funds, and the City is willing to serve as the sponsor for Project 2; and

WHEREAS, the City was not awarded grant funds from the Texas State Soil and Water Conservation Board (“TSSWCB”) sufficient to cover the full costs of construction for the NRCS Dams, and the Owner is willing to accept responsibility, as previously agreed, for funding and constructing the NRCS Dams provided the City agrees to maintain the NCRS Dams.

WHEREAS, the Owner has acquired all permanent Right-of-Way for Project 1 and Project 2 and has commenced clearing and grading efforts for Project 1 and Project 2;

OWNER/District/Developer Rights & Obligations:

1. LHP Project 1: Owner’s obligation to fund and construct Project 1 shall remain unchanged with current agreement, subject to the following adjustments:
 - a. Owner shall have the option to bid and phase the construction of Project 1, subject to City approval, so long as Owner completes construction by December 31, 2027.
 - b. The following items shall be removed from Project 1 and placed within Project 2, and, as such, these items are not required by City for final acceptance of Project 1: (i) Light Poles and median sleeves.
Owner shall require contractors to provide payment and performance bonds in connection with work done to complete Project 1. Owner shall provide the bonds as part of the Third Amendment
2. LHP /Trinity Falls Pkwy. Traffic Signal: Section 4.6 (e) i. Major Roadway Improvements and Exhibit

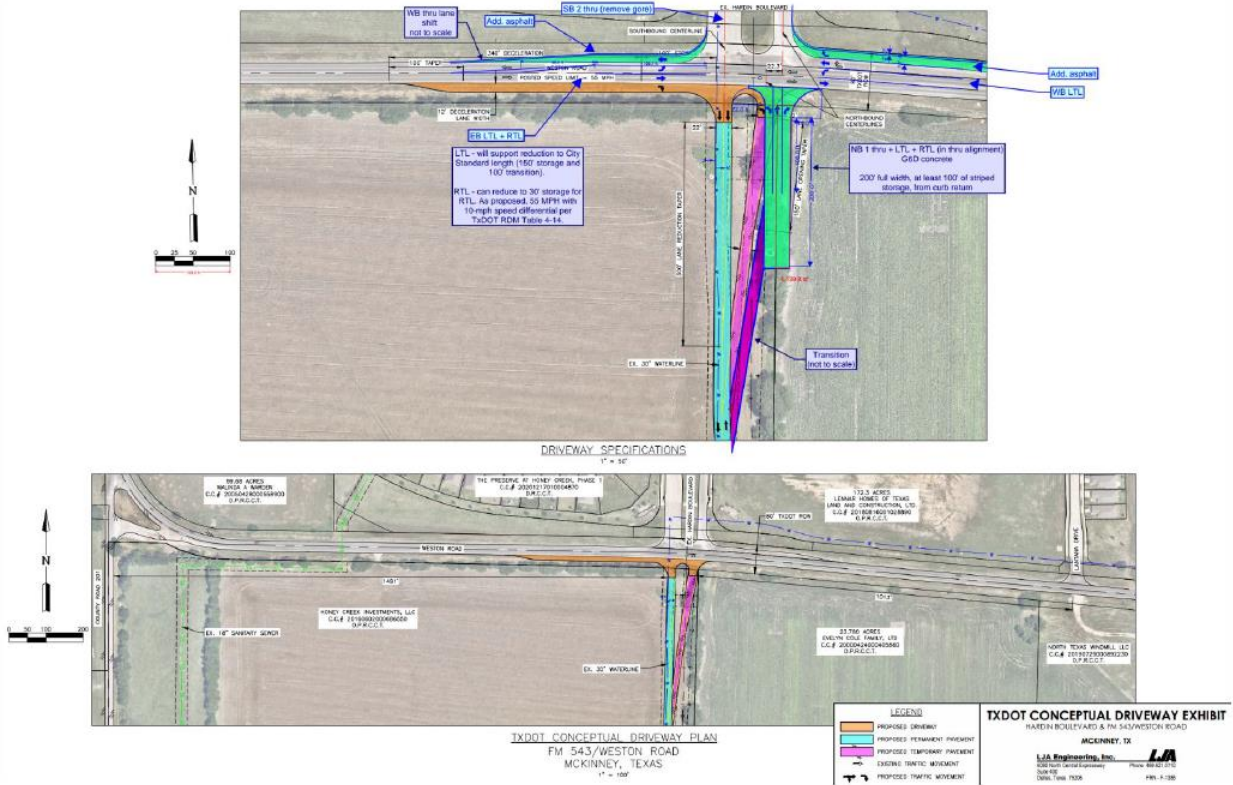
[Continued on next page]

REPUBLIC PROPERTY GROUP

B shall be amended to add Owner’s obligation to construct a traffic signal at Trinity Falls Pkwy subject to City participation outlined below.

3. NRCS Dam Rehabilitation: Section 4.7 shall be amended to state that the Owner shall fund and construct improvements to or rehabilitation of the NRCS Dams in accordance with the design drawings prepared by HDR, Inc. dated July 22, 2022, for Lake 15 and September 15, 2022, for Lake 16. The costs shall be reimbursable by the District from District Bond Proceeds or Assessments. 3rd Party inspections shall be funded by the Developer to satisfy TCEQ requirements. The City or CCSWCD shall maintain the NRCS Dams. The District, then the HOA once the District is dissolved, on an annual basis, will fund \$10,000 (plus an annual increase of the lesser of the actual increased costs of maintenance for the new year, or 2%) to the City for doing so.

4. Hardin / Weston Intersection: Section 4.6 (e) Major Roadway Improvements and Exhibit B, shall be amended such that Owner shall acquire off-site ROW, fund and construct the eastern/northbound two (2) lanes of Hardin at the intersection of Weston along with intersection improvements per latest City comment. -



5. 6.1 District Bond Issuance
 - a. (g) shall be amended to state “the aggregate principal amount of District Bonds to be issued shall not exceed \$400,000,000”.

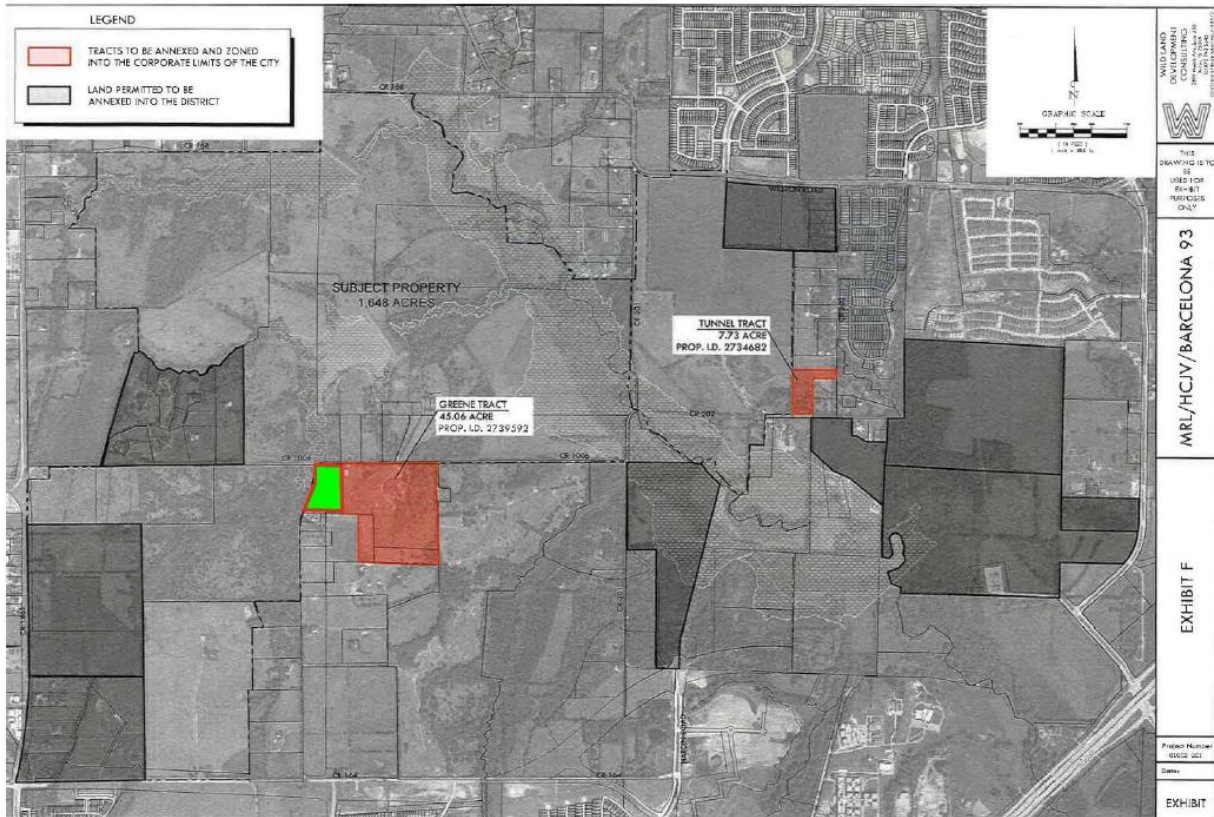
6. Post Project 2 Completion Coordination: The Owner, at its expense and subject to City standards and City’s written consent, shall have the right, following completion of Project 2, to enhance landscaping

[Continued on next page]

REPUBLIC PROPERTY GROUP

elements, including trees and monumentation, within the Laud Howell Parkway Right-of-Way so long as the landscaping enhancements are completed no longer than 12 months following Project 2 Completion.

7. Annexation Tracts. Exhibit F shall be amended to add approximately 11.1 acres to the Annexation Tracts per below in green.



8. Offsite Sidewalk: The owner shall construct the offsite sidewalk between the main tract and the Tom Wilson tract.

CITY Rights & Obligations:

1. LHP Project 2: The City, utilizing grant funds from TxDOT, shall fund and construct Project 2, as defined in the First Amendment, subject to the following adjustments:
 - a. The following items shall be included in Project 2: (i) light poles and median sleeves, and (ii) turn lanes at the intersection of Trinity Falls Parkway.
 - b. The City shall use best efforts to complete Project 2 on or before December 31, 2028.
2. Hardin / Weston Intersection: Section 4.6 (e) iv. Major Roadway Improvements – CR 168 / Unnamed 5/ Weston Road shall be amended to remove Owner’s obligation to fund and construct Segment R-C adjacent to the Property, including its removal from Exhibit B. Notwithstanding the

[Continued on next page]

REPUBLIC

PROPERTY GROUP

foregoing, the Owner shall dedicate the ultimate ROW for Segment R-C.

3. LHP /Trinity Falls Pkwy. Traffic Signal: In consideration for Owner clearing and grading the Right-of-Way for Project 2, the City shall fund up to \$750,000 for Owner's reimbursement of Owner's actual cost of the Trinity Falls traffic signal. Funds will be reimbursed after the traffic signal has been accepted. . The City will purchase certain traffic signal equipment and provide the equipment to the owner.
4. Sidewalks: The construction of Laud Howell Parkway (Project 1 by the Owner and Project 2 by the City) shall include sidewalks in accordance with the City's Engineering Design Manual, the City's Trail Master Plan, and the trails plan included in this agreement. Project 1 sidewalk construction by Owner shall occur based on the following schedule:
 - a. Portion from Hardin east to Trinity Falls Blvd. shall be complete by June 2028.
 - b. Portion from Hardin west to Taylor Burke shall be complete by December 2028.
 - c. Portion from Taylor Burke to Lake Forest shall be complete by December 2029.
5. Offsite Sidewalk: The Parks Director, at their discretion, may allow park land credits to be used for offsite trail construction. For the offsite section of sidewalk between the main tract and the Tom Wilson Tract, parkland credits can be used.