

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT

This FIRST AMENDMENT TO DEVELOPMENT AGREEMENT (this “**Amendment**”) is entered into effective as of the 12th day of August, 2025 (the “**Amendment Effective Date**”), by and between the City of Castroville, Texas, a political subdivision of the State of Texas (“**City**”) and KF Flat Creek, LP, a Texas limited partnership (“**Developer.**”)

W I T N E S S E T H :

WHEREAS, City and Developer entered into that certain Development Agreement dated effective August 24, 2023 (the “**Agreement**”) relating to the development of the Property; and

WHEREAS, City and Developer desire to amend the aggregate principal amount of all PID Bonds that may be issued for the development of the District as set forth in Section 5.01(g)(i) of the Agreement; and

WHEREAS, City and Developer desire to amend the Agreement in accordance with the terms and conditions of this Amendment.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree to amend the Agreement as follows:

1. Defined Terms. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Agreement.

2. Amendment to Issuance of PID Bonds. Section 5.01(g)(i) of the Agreement is hereby deleted in its entirety and replaced with the following:

(i) the aggregate principal amount of all PID Bonds shall not exceed \$25,000,000, plus the amount allocated to the Project pursuant to the application of the terms of the Multi-Party Agreement in accordance with Section 3.04(f) hereof;

3. Full Force and Effect. In the event any of the terms of the Agreement conflict with the terms of this Amendment, the terms of this Amendment shall control. Except as amended hereby, all terms and conditions of the Agreement shall remain in full force and effect, and City and Developer hereby ratify and confirm the Agreement as amended hereby. The Agreement, as amended herein, constitutes the entire agreement between the parties hereto and no further modification of the Agreement shall be binding unless evidenced by an agreement in writing signed by City and Developer.

4. Counterparts. This Amendment may be executed in a number of identical counterparts. If so executed, each of such counterparts is to be deemed an original for all purposes, and all such counterparts shall, collectively, constitute one Amendment.

5. Governing Law. This Amendment shall be construed and governed in accordance with the laws of the State of Texas.

[SIGNATURE PAGE(S) FOLLOW]

EXECUTED AND EFFECTIVE as of the Amendment Effective Date.

CITY:

CITY OF CASTROVILLE, TEXAS,
a political subdivision of the State of Texas

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2025 by _____, _____ of City of Castroville, Texas, a political subdivision of the State of Texas, on behalf of said political subdivision, known to me to be the person whose name is subscribed to the within instrument, and acknowledged that she or he executed the same for the purposes and consideration set forth therein.

Notary Public, the State of Texas

DEVELOPER:

KF FLAT CREEK, LP
a Texas limited partnership

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2025 by _____, _____ of KL Flat Creek, LP, a Texas limited partnership, on behalf of said entity, known to me to be the person whose name is subscribed to the within instrument, and acknowledged that she or he executed the same for the purposes and consideration set forth therein.

Notary Public, the State of Texas