

Exhibit A

SECOND AMENDMENT TO CHAPTER 377 PROJECT FUNDING AGREEMENT ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF FAIR OAKS RANCH, TEXAS AND THE FAIR OAKS RANCH MUNICIPAL DEVELOPMENT DISTRICT

This Second Amendment ("Second Amendment") to the Agreement between the City of Fair Oaks Ranch and the Fair Oaks Ranch Municipal Development District dated September 25, 2020 ("Funding Agreement") is made and entered by and between the City of Fair Oaks Ranch, Texas ("City") and the Fair Oaks Ranch Municipal Development District ("MDD").

RECITALS

WHEREAS, on September 25, 2020, the City and MDD entered into a Funding Agreement for a civic center; and,

WHEREAS, on July 19, 2023, the City and MDD executed the First Amendment to the Funding Agreement which changed the reimbursement amount from the MDD to the City up to ONE MILLION TWO HUNDRED THOUSAND DOLLARS AND NO CENTS (\$1,200,000.00) upon completion of the Facility and receipt of a certificate of occupancy, as contemplated by the Funding Agreement, and provided a three-year extension (1,095 days); and,

WHEREAS, the Funding Agreement may be amended by mutual written agreement of the Parties, as approved by the governing bodies of the MDD and City; and,

WHEREAS, both parties have agreed to change the Funding Agreement as previously amended; and,

WHEREAS, this Amendment changes the maximum grant amount from the MDD to the City to TWO MILLION FOUR HUNDRED SIXTY-THREE THOUSAND SEVEN HUNDRED TWENTY-TWO DOLLARS AND EIGHTY-ONE CENTS (\$2,463,722.81) paid in six (6) installments upon the completion of specific milestones set forth in the Funding Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual promises and covenants hereinafter contained, the City and MDD in this Second Amendment to the Funding Agreement, agree to amend the Funding Agreement as follows in Parts 1, 2 and 3 below. All other terms and conditions of the Funding Agreement not expressly amended by this Second Amendment shall continue in full force and effect.

Part 1: Article III - Definitions

"Maximum Grant Amount" or "Maximum Total Amount of Grant Payment" means an amount not to exceed *TWO MILLION FOUR HUNDRED SIXTY-THREE THOUSAND SEVEN HUNDRED TWENTY-TWO DOLLARS AND EIGHTY-ONE CENTS (\$2,463,722.81)*.

"Installments" shall mean a partial payment made toward the maximum grant amount.

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“*Project milestones*” shall mean a significant event in the project’s timeline as defined in the Agreement that marks progress toward completion of the project.

Part 2: Article V – City’s Obligations

2. Default

- a. **Construction.** Failure to complete the construction of the Facility within ONE THOUSAND NINETY-FIVE DAYS (1,095) days from the *date the First Amendment is fully executed*, shall cause the automatic termination of this Agreement without the need for any further action by the MDD; and, the MDD shall have no obligation to make any Grant Payments to City. The City will be obligated to pay back to the MDD any and all grant payments received under this Agreement within thirty (30) days following the termination of this agreement. Enforcement of this section is subject to Force Majeure. In the event of unforeseeable third-party delays, which are not Force Majeure, and upon a reasonable showing by City that it has in good faith commenced and is diligently pursuing the correction, removal or abatement of such delays by using commercially reasonable efforts, the MDD may consent to and excuse any such delays.

Part 3: Article VI – MDD’s Obligation

1. Grant Payments. Provided City is in full compliance with the terms of this Agreement and is not in Default, grant payments shall be made from the MDD in six (6) installments not to exceed the maximum total amount of *TWO MILLION FOUR HUNDRED SIXTY-THREE THOUSAND SEVEN HUNDRED TWENTY-TWO DOLLARS AND EIGHTY-ONE CENTS (\$2,463,722.81)* based on the following project milestones:

- **Milestone 1** – Completion of site preparation, demolition of old building, plumbing rough-in, water/sewer line, and foundation.
Completion Indicator: Passed Plumbing Rough-In, Foundation, and Water/Sewer Line Inspection.
Reimbursement Amount: 15% of the maximum grant amount.
- **Milestone 2** – Completion of exterior envelope, including structural framing, roof, windows, exterior doors, and exterior walls.
Completion Indicator: Staff signs off on the completion of the exterior envelope.
Reimbursement Amount: 20% of the maximum grant amount.
- **Milestone 3** – Completion of interior framing, mechanical, electrical, and plumbing top-out.
Completion Indicator: Passed Framing/Mechanical/Electrical Inspection and Plumbing Top-Out Inspection.
Reimbursement Amount: 20% of the maximum grant amount.
- **Milestone 4** – Building meets all code requirements.
Completion Indicator: Passed Final Building Codes Inspection and issuance of the Certificate of Occupancy.
Reimbursement Amount: 15% of the maximum grant amount.
- **Milestone 5** – Completion of all interior finishes, landscaping, parking lot, and other exterior improvements. Project has reached Substantial Completion.

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Completion Indicator: Preliminary walkthrough (punch inspection) conducted, and the City signs off on Substantial Completion.

Reimbursement Amount: 15% of the maximum grant amount.

- **Milestone 6** – Final walkthrough conducted, City signs off on Final Acceptance, and project is closed out.

Completion Indicator: Final invoice is processed, and payment is made.

Reimbursement Amount: 15% of the maximum grant amount.

All payments are contingent upon verification of milestone completion as outlined above.

- 3. Maximum Total Amount of Grant Payment.** The maximum total amount of all Grant Payments authorized by this Agreement shall not exceed *TWO MILLION FOUR HUNDRED SIXTY-THREE THOUSAND SEVEN HUNDRED TWENTY-TWO DOLLARS AND EIGHTY-ONE CENTS (\$2,463,722.81)*.

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Executed on this _____ day of _____, 2025.

MDD

By: _____
Laura Koerner, MDD President

ATTEST:

By: _____
Keith Rhoden, MDD Secretary

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Executed on this _____ day of _____, 2025.

CITY

By: _____
Scott M. Huizenga, City Manager

ATTEST:

By: _____
Christina Picioccio, City Secretary