

STATE OF TEXAS

COUNTY OF COLLIN

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**SECOND AMENDMENT TO ECONOMIC
DEVELOPMENT AGREEMENT**

This Second Amendment to Economic Development Agreement ("Second Amendment") is made effective as of July 8, 2008 ("Effective Date") by and among the Town of Fairview, Texas, a Texas home rule municipality ("Town"), the Fairview Economic Development Corporation, a Texas non-profit corporation ("FEDC"), the Town of Fairview Community Development Corporation, a Texas non-profit corporation ("TFCDC") (Town, FEDC and TFCDC collectively referred to as "Grantors") and The Village at Fairview, L.P., a Texas limited partnership ("Developer"), acting by and through their respective authorized officers and representatives.

RECITALS:

WHEREAS, on March 31, 2006 Grantors and Developer fully executed an Economic Development Agreement ("Original Agreement") and effective May 1, 2007 Grantors and Developer entered into the First Amendment to Economic Development Agreement ("First Amendment") (Original Agreement and First Amendment collectively "Agreement") to provide infrastructure improvements and economic development incentives to induce Developer to develop a retail lifestyle shopping center as described in the Agreement (the "Center"); and

WHEREAS, Developer has acquired the Premises as defined in the Agreement; and

WHEREAS, Developer has attracted a specialty food store development on the Premises shown in the approximate location on the site plan in Exhibit "A" attached hereto and made a part hereof ("SFS Site"); and

WHEREAS, the development and construction of the SFS Site will promote economic development, stimulate business and commerce, create additional employment opportunities and generate tax revenue; and

WHEREAS, Developer has advised Grantors that a contributing factor that would attract a specialty food store development and induce Developer to develop the SFS Site would be an agreement by Grantors to provide an economic development grant to Developer to defray a portion of the costs to be incurred by Developer in developing and constructing the SFS Site; and

WHEREAS, Grantors are authorized by Article III, Section 52-a of the Texas Constitution, Chapter 380 of the TEX. LOC. GOV'T CODE, and the Development Corporation Act, Article 5190.6, TEX. REV. CIV. STAT. to establish economic development programs; and

WHEREAS, the FEDC has concluded that the roadway improvements and other infrastructure for the Center and SFS Site are necessary to promote or develop new or expanded business enterprises and constitute a "project", as that term is defined in Article 5190.6, TEX. REV. CIV. STAT., and is willing to provide Developer with economic assistance hereinafter set forth for the roadway improvements and infrastructure; and

WHEREAS, the TFCDC finds the Center and SFS Site to be suitable for use for entertainment and tourist purposes and constitutes a "project" as defined in Section 4B of Article 5190.6, TEX. REV. CIV. STAT.; and

WHEREAS, in order to attract the specialty food store, Grantors and Developer desire to amend the Agreement to increase the Grant amount as set forth below; and

WHEREAS, Grantors and Developer desire to clarify the Agreement to provide for certain waivers of impact and other fees are applicable to land uses within the Center that are not retail in nature, as more particularly defined herein; and

WHEREAS, Grantors and Developer desire to maintain the Agreement and amend the Agreement as set forth herein;

NOW, THEREFORE, in consideration of the foregoing and other valuable consideration, the sufficiency and receipt of which are hereby acknowledged, Grantor and Developer agree as follows:

1. The Center as set forth in the Agreement is hereby amended to include the SFS Site. The Center as defined in the Agreement shall consist of the retail and mixed use development within the area shown on the site plan in Exhibit "A" attached hereto and made a part hereof ("Site Plan") which replaces the site plan originally attached as Exhibit "B" to the Agreement.

2. Paragraph 2 of the First Amendment is deleted and is null and void. The Grant as set forth in Section 3.2 of the Agreement is hereby increased to \$48,685,934 plus interest. Interest shall be paid on \$40,000,000 as set forth in the Agreement. Interest shall be paid from the Effective Date for \$8,685,934 of the Grant amount. If Developer agrees to sell the Town land within the Premises for a hotel or conference center, the purchase price shall be \$5.50 per square foot of land.

3. Section 4.1 of the Agreement is amended to add the following provision: Within the SFS Site, 100% of the 4A and 4B Tax Receipts and 60% of the City Tax Receipts generated by the specialty food store and 100% of the 4A and 4B Tax Receipts from the in-line commercial space adjacent to the specialty food store shall be used to pay the Reimbursement, Grant and Other Incentives. Tax Receipts from the platted outparcels within the SFS Site are excluded from the Economic Development Agreement and shall not be used to pay the Reimbursement, Grant or Other Incentives.

4. Upon Developer entering a binding agreement with the specialty food store to locate on the SFS Site ("SFS Agreement") and on or before December 31, 2008, Developer agrees to donate by special warranty deed 5 acres to the Town for a new town hall site ("Town Hall Site") in the area generally shown on the Site Plan. Developer will provide the necessary site preparation work, utilities to the site perimeter, and necessary concrete surface parking that is striped and has lighting to reasonably serve a town hall approximately 20,000 square feet in size (the "Town Hall"). The Town Hall Site shall be used for the Town Hall and related accessory uses. The Town must begin construction of the Town Hall on the Town Hall Site in 2009 and complete construction of the Town Hall no later than June 30, 2010. Design elevations

and building layout of the Town Hall shall be reasonably compatible with the architecture and layout of the Center and shall be mutually agreed upon by Developer and Town, such agreement not being unreasonably withheld or delayed. The Town Hall Site shall revert to Developer if the Town fails to use the Town Hall Site for the Town Hall or the Town Hall is not developed in accordance with the time frames set forth herein.

5. The Town agrees to waive all capital recovery fees, road and utility assessments, and permit and inspection fees related to the SFS Site as well as all road impact fees related to the 560 multifamily residential units to be developed in the area as generally shown on the Site Plan. However, all Town water, wastewater, and transportation impact fees related to the SFS Site shall be paid to the Town concurrent with issuance of building permits, and all third party inspection and plan review expenses incurred by the Town shall be reimbursed by the Developer.

6. Section 1.3(c) of the Agreement is amended to provide that Developer shall pay the cost of utilities for the police substation located within the Premises during the term of the Agreement.

7. The recitals to this Second Amendment are incorporated herein.

8. The terms of the Agreement shall be applicable to this Second Amendment. The Agreement as amended by this Second Amendment is and shall remain in full force and effect as written.

9. This Second Amendment is contingent on Developer entering into the SFS Agreement on or before December 31, 2008. In the event Developer determines in its sole judgment that Developer is unable or unwilling to enter into SFS Agreement, this Second Amendment shall be null and void and of no further effect and the Agreement shall remain in full force and effect as written. If this Second Amendment is terminated, Developer shall within 90 days of termination reimburse to the Town reasonable third party architectural and engineering fees for the design of the Town Hall incurred by the Town from the Effective Date to the date of termination of the Second Amendment.

EXECUTED on this 7 day of August, 2008.

Attest:

TOWN OF FAIRVIEW, TEXAS

Michelle Lewis Sirianni
Michelle Lewis Sirianni, Town Secretary

By: Sim Israeloff
Sim Israeloff, Mayor

Approved as to Form:

[Signature]
Town Attorney

TOWN'S ACKNOWLEDGMENT

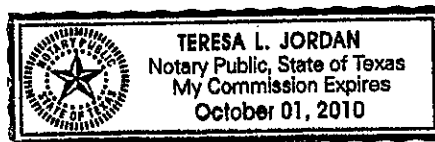
STATE OF TEXAS §
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COUNTY OF COLLIN §

This instrument was acknowledged before me on the 7 day of August, 2008, by Sim Israeloff, Town Mayor of the Town of Fairview, Texas, on behalf of said municipality.

Teresa L. Jordan
Notary Public, State of Texas

My Commission Expires:

October 01, 2010



FAIRVIEW ECONOMIC DEVELOPMENT CORPORATION

By: *Chuck Williams*
Chuck Williams, President

FEDC'S ACKNOWLEDGMENT

STATE OF TEXAS

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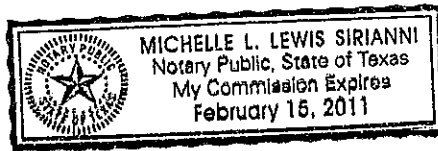
COUNTY OF COLLIN

This instrument was acknowledged before me on the 7 day of August, 2008, by Chuck Williams, President of Fairview Economic Development Corporation, a Texas Nonprofit Corporation, on behalf of said corporation.

Michelle Lewis Sirianni
Notary Public, State of Texas

My Commission Expires:

February 15, 2011



TOWN OF FAIRVIEW COMMUNITY
DEVELOPMENT CORPORATION

By: *Chuck Williams*
Chuck Williams, President

TFCDC'S ACKNOWLEDGMENT

STATE OF TEXAS

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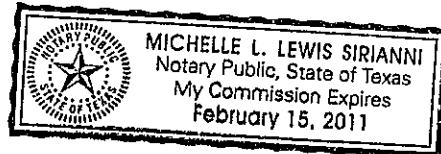
COUNTY OF COLLIN

This instrument was acknowledged before me on the 7 day of August, 2008, by Chuck Williams, President of The Town of Fairview Community Development Corporation, on behalf of said corporation.

Michelle Lewis Sirianni
Notary Public, State of Texas

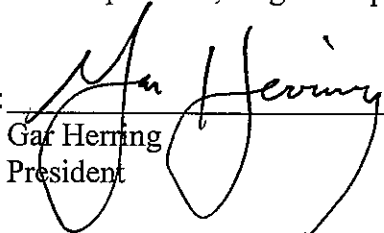
My Commission Expires:

February 15, 2011



THE VILLAGE AT FAIRVIEW LP,
a Texas limited partnership

By: Herring Village at Fairview GP Inc.,
a Texas corporation, its general partner

By: 
Gar Herring
President

DEVELOPER'S ACKNOWLEDGMENT

STATE OF TEXAS

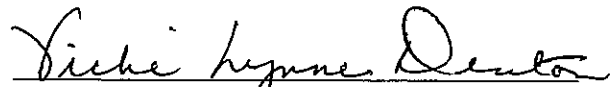
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COUNTY OF DALLAS

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This instrument was acknowledged before me on the 7th day of August, 2008, by Gar Herring, Vice President of Herring Village at Fairview GP Inc., a Texas corporation, in its capacity as general partner of The Village at Fairview LP, a Texas limited partnership, on behalf of said partnership.


Notary Public, State of Texas

My Commission Expires:

May 15, 2010

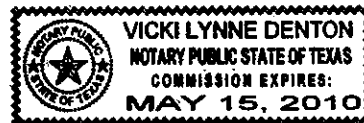
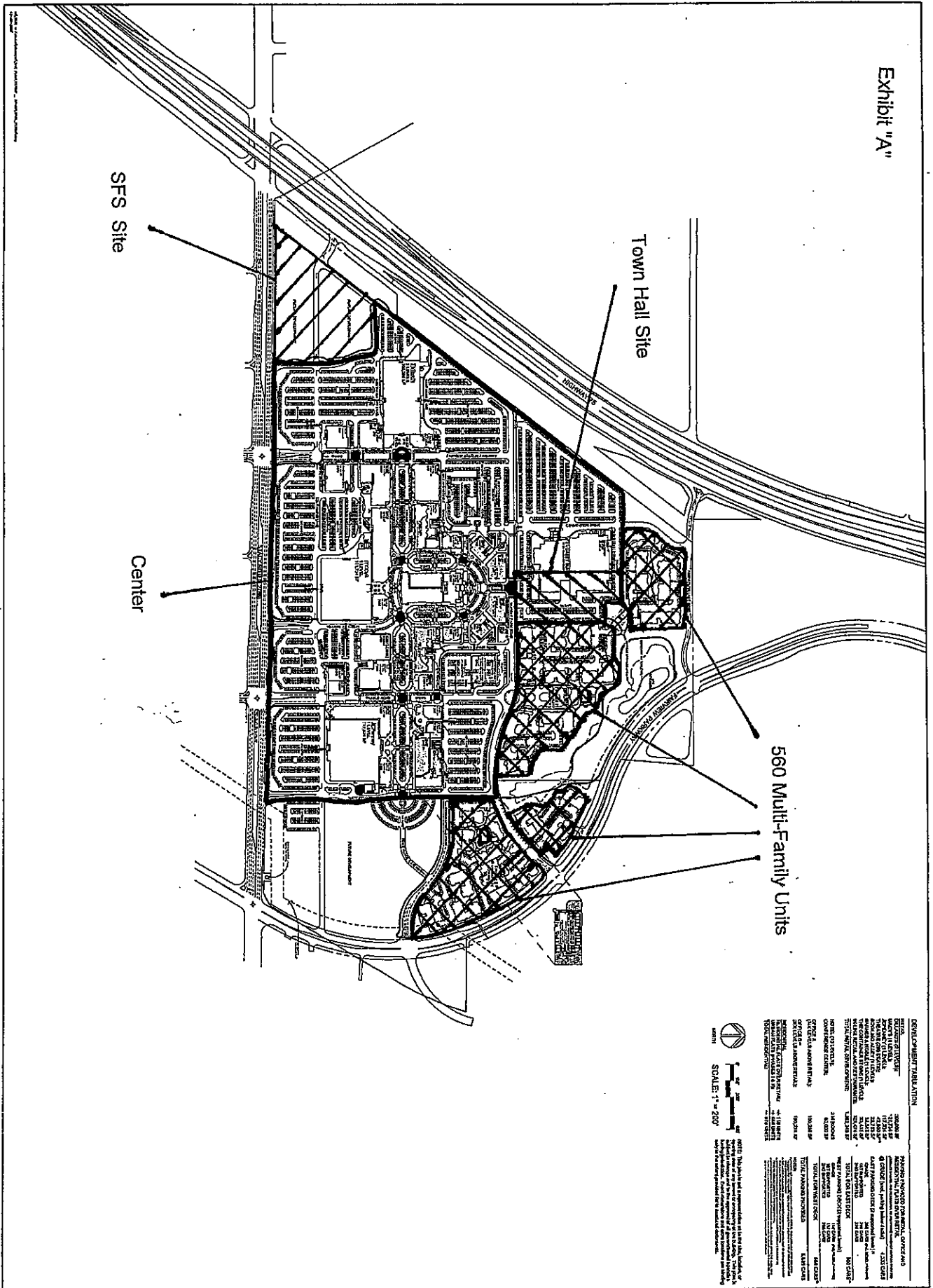


Exhibit "A"



560 Multi-Family Units

DEVELOPMENT TABLE

ITEM	DESCRIPTION	AMOUNT
1	RESIDENTIAL	3,000 SF
2	COMMERCIAL	1,000 SF
3	PARKING	100 SPACES
4	LANDSCAPING	10,000 SF
5	UTILITIES	10,000 SF
6	CONCRETE	10,000 SF
7	PAVING	10,000 SF
8	SEWER	10,000 SF
9	WATER	10,000 SF
10	ELECTRICAL	10,000 SF
11	MECHANICAL	10,000 SF
12	PLUMBING	10,000 SF
13	TELEPHONE	10,000 SF
14	CABLE	10,000 SF
15	TELEVISION	10,000 SF
16	INTERNET	10,000 SF
17	SECURITY	10,000 SF
18	ACCESSIBILITY	10,000 SF
19	ENVIRONMENTAL	10,000 SF
20	ARCHITECTURAL	10,000 SF
21	INTERIOR	10,000 SF
22	EXTERIOR	10,000 SF
23	LANDSCAPING	10,000 SF
24	UTILITIES	10,000 SF
25	CONCRETE	10,000 SF
26	PAVING	10,000 SF
27	SEWER	10,000 SF
28	WATER	10,000 SF
29	ELECTRICAL	10,000 SF
30	MECHANICAL	10,000 SF
31	PLUMBING	10,000 SF
32	TELEPHONE	10,000 SF
33	CABLE	10,000 SF
34	TELEVISION	10,000 SF
35	INTERNET	10,000 SF
36	SECURITY	10,000 SF
37	ACCESSIBILITY	10,000 SF
38	ENVIRONMENTAL	10,000 SF
39	ARCHITECTURAL	10,000 SF
40	INTERIOR	10,000 SF
41	EXTERIOR	10,000 SF
42	LANDSCAPING	10,000 SF
43	UTILITIES	10,000 SF
44	CONCRETE	10,000 SF
45	PAVING	10,000 SF
46	SEWER	10,000 SF
47	WATER	10,000 SF
48	ELECTRICAL	10,000 SF
49	MECHANICAL	10,000 SF
50	PLUMBING	10,000 SF
51	TELEPHONE	10,000 SF
52	CABLE	10,000 SF
53	TELEVISION	10,000 SF
54	INTERNET	10,000 SF
55	SECURITY	10,000 SF
56	ACCESSIBILITY	10,000 SF
57	ENVIRONMENTAL	10,000 SF
58	ARCHITECTURAL	10,000 SF
59	INTERIOR	10,000 SF
60	EXTERIOR	10,000 SF
61	LANDSCAPING	10,000 SF
62	UTILITIES	10,000 SF
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73	INTERNET	10,000 SF
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76	ENVIRONMENTAL	10,000 SF
77	ARCHITECTURAL	10,000 SF
78	INTERIOR	10,000 SF
79	EXTERIOR	10,000 SF
80	LANDSCAPING	10,000 SF
81	UTILITIES	10,000 SF
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96	ARCHITECTURAL	10,000 SF
97	INTERIOR	10,000 SF
98	EXTERIOR	10,000 SF
99	LANDSCAPING	10,000 SF
100	UTILITIES	10,000 SF

