

FIRST AMENDMENT TO ECONOMIC DEVELOPMENT AGREEMENT

This First Amendment to the Economic Development Agreement ("**First Amendment**") is made and presented by and between the City of Mansfield, a Texas home-rule municipal corporation (the "**City**"), the Mansfield Economic Development Corporation ("**MEDC**"), a nonprofit Corporation organized under Title 12, Subtitle C1, of the Texas Local Government Code, the Board of Directors (the "**Board**") of Reinvestment Zone Number Four in the City of Mansfield, Texas, HD5 Entertainment, LLC, a Texas limited liability company and/or assigns ("**Company**"), and High Five Entertainment, LLC, a Texas limited liability company and/or assigns ("**Operator**"). City, MEDC, Board, Company, and Operator may sometimes hereafter be referred to individually as a "party" or collectively as the "parties."

RECITALS:

WHEREAS, the City, MEDC, Board, Company, and Operator are parties to an Economic Development Agreement dated as of July 24th, 2023 ("**Agreement**"), as further described in the Agreement; and

WHEREAS, the parties desire to amend the Agreement as herein set forth in this First Amendment, and

WHEREAS, the recitals in the Agreement are incorporated into this First Amendment as if fully set forth herein, and defined terms shall have the meaning as assigned to such terms in the Agreement, unless otherwise defined herein; and

WHEREAS, the City desires to include the Project as part of the "Qualified Project" as that term is defined in Texas Tax Code Ch. 351, and as further described in Ordinance 2225-22, which was adopted by the City on January 22, 2024; and

WHEREAS, to benefit the Qualified Hotel, a portion of the revenue derived from the tax imposed under Texas Tax Code Ch. 351 and collected by the Qualified Hotel will be used for the payment of contractual obligations authorized under Texas Local Gov't Code Ch. 380 and incurred pursuant to the Agreement and this First Amendment for the Qualified Project.

AGREEMENT:

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **The Property.** The parties agree that the **Amended Exhibit A**, which is attached to this First Amendment identifies the approved Site Parcel Plan for the Project and replaces and supersedes the original **Exhibit A**.
2. **Ground Lease.** The parties agree that of the parcel showing a total 4.11 acres of land identified on the attached **Amended Exhibit A**, approximately 0.69 acres will be owned by the City as described in a future survey, and before construction of the Building by the Company in accordance with the Approved Plans, the City will

enter into a one dollar per year (\$1.00) ground lease with the Company or the Operator, which shall continue for fifteen (15) years or until the tenth (10th) anniversary of the date the Qualified Hotel is open for initial occupancy, whichever occurs sooner. Upon expiration of the term of the ground lease, the 0.69 acres of City owned property will be conveyed in fee simple for one dollar (\$1.00) to the Company by special warranty deed in accordance with Texas Local Gov't Code Ch. 253 and Texas Tax Code Ch. 311.

3. **Approved Plans.** The parties agree that the Approved Plans for the 0.69 acres of the Property are shown on **Exhibit B – Floor Plan**, which is attached to this First Amendment and incorporated into the Agreement as if fully set forth therein. The City Manager or the City Manager's designee may approve in writing modifications to the Approved Plans and upon such written approval **Exhibit B – Floor Plan** shall automatically be amended thereby. The parties agree that conceptual plans for the remainder of the 4.11 acres and 5.83 acres within the Site Parcel Plan shall be submitted by the Company to the City within one hundred and twenty (120) days from the effective date of this First Amendment for final review and approval by the City prior to the execution of a Contract of Sale, subject to the City's approval conditions in Section 3.1 of the Agreement.
4. The parties agree that Section 3.8 is hereby amended by adding a new Section 3.8.1 to read as follows:

3.8.1 In addition to the minimum Capital Investment requirements of Section 3.8 above, the Company or the Operator shall create, for the site within the City, at least 100 full-time, part-time, or seasonal jobs with an average targeted compensation package of \$72,000 for salaried staff and a competitive wage rate targeted at \$15.00 per hour for hourly staff. The obligations of Section 3.8 and this Section 3.8.1 are performance obligations during the term of this Agreement, subject to the repayment terms in the Agreement as required by Texas Local Gov't Code Sec. 501.158, as amended.
5. The parties agree that Subsection 4.1(a) is hereby amended to read as follows:
 - (a) During the Term of this Agreement, if the Company fails to meet the minimum General Fund Sales Tax Revenue in section 3.9, Company shall pay the difference in actual collections of the General Sales Tax Revenue, not to exceed **EIGHT HUNDRED SIXTY EIGHT THOUSAND SEVEN HUNDRED FIFTY DOLLARS (\$868,750)** annually to the City, equal to **FOUR HUNDRED THOUSAND DOLLARS (\$400,000)** per the Project Entertainment Floors in original Agreement plus **FOUR HUNDRED SIXTY EIGHT THOUSAND SEVEN HUNDRED FIFTY DOLLARS (\$468,750)** per the Project Mansfield Live Floors in this agreement, beginning on January 1, 2031, and said amount shall be due to

the City on January 1st of each year thereafter for a total period of sixteen (16) years, or until the total amount of **THIRTEEN MILLION NINE HUNDRED THOUSAND (\$13,900,000)** is paid in General Fund Sales Tax Revenues to the City, whichever occurs first.

6. The parties agree that the first sentence of Section 5.1 is hereby amended to read as follows:

The total maximum amount of all City Grants, MEDC Grants, and other Chapter 380 Grant Payments provided in this Agreement shall not exceed **THIRTEEN MILLION SEVEN HUNDRED AND FIFTY THOUSAND DOLLARS (\$13,750,000)**.

7. The parties agree that the Agreement is hereby amended by adding new Sections 5.5, 5.6, 5.7, and 5.8 as follows:

5.5 Feild Live Grant. This Section 5.5 is adopted by the parties in accordance with and in recognition of the full satisfaction of the City's obligations in Section 5.4 to pay for certain costs and fees by way of future amendment, which is this First Amendment, and the parties hereby agree as follows:

- (1) Within thirty (30) days of Company's Commencement of Construction of the Project and only after the foundation has been poured for construction of the Building, including the foundation necessary for the Project Mansfield Live Floors, the City will pay Company an economic development grant incentive pursuant to Texas Local Gov't Code Ch. 380 in the amount of **SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$7,500,000)** (the "Feild Live Grant"). Company and Operator agree to design, build, own, operate, and maintain the Building, including the Project Mansfield Live Floors pursuant to this Agreement, as amended, and a ground lease between the Company or Operator and the City. To the extent authorized by law, any repayment obligation required by the City of the Feild Live Grant must be subordinate to the liens securing the Company's lender loans. The Feild Live Grant may not be repaid at a faster rate than the primary lender's loan and the Feild Live Grant can accrue (carry forward) unpaid until such time as the primary lender's loan is repaid; provided, however, that in addition to the terms and conditions of this Agreement, any repayment owed to the City shall be considered a payment obligation of this Agreement. The Feild Live Grant can accrue (carry forward) unpaid.

5.7 Parking Agreement. In addition to the Feild Live Grant, the parties agree that a parking agreement (“Parking Agreement”) will be executed between the Parties within 180 days of execution of this First Amendment, with the City providing, at City’s cost and within the Property and in accordance with Section 5.4, the design, sitework, and construction of either additional surface parking to support the Project Mansfield Live Floors, or a parking structure to minimally support the Project Mansfield Live Floors and any replacement of displaced existing parking needed for the Project Entertainment Floors. The design and construction of any parking for the Project Mansfield Live Floors will be completed and delivered in accordance with Sections 3.4 and 3.5 of the Agreement.

5.8 Feild Live. For purposes of the Agreement and this First Amendment, the parties agree that the term “Project Mansfield Live Floors” may be referred to as and shall also mean “Feild Live”, and the parties anticipate that the Project will be commonly referred to as “Feild Live” upon completion of the Project.

8. Except as amended herein, the all other terms and conditions of the Agreement shall remain in full force and effect. This First Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The execution of this First Amendment may be accomplished by facsimile or electronic signatures and shall be deemed fully executed upon the exchange among the parties of signed facsimile or electronic copies of this First Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed by their duly authorized officers and to be effective as of the last date set forth below.

[Signatures on Following Page]

[Remainder of Page Intentionally Left Blank]

HIGH FIVE ENTERTAINMENT, LLC

a Texas limited liability corporation

By: [Signature]

Name: SCOTT EMLEY

Title: PRESIDENT

Date: JAN 19th 2024

HD5 ENTERTAINMENT, LLC

a Texas limited liability corporation

By: [Signature]

Name: SCOTT EMLEY

Title: MANAGING MEMBER

Date: JAN 19th 2024

CITY OF MANSFIELD, TEXAS

[Signature]
Joe Smolinski, City Manager, or designee

Date: 2/8/24

ATTEST:

[Signature]
Susana Marin, City Secretary
Keera Seiger, Assistant City Secretary

MANSFIELD ECONOMIC DEVELOPMENT CORPORATION,
a Texas non-profit corporation


By: [Signature]

Name: DAVID GODIN

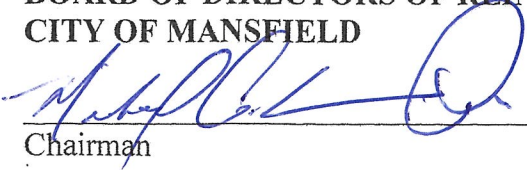
Title: Board President

Date: 1/30/2024

ATTEST:


Board Secretary

**BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER FOUR,
CITY OF MANSFIELD**


Chairman

Date: 2/12/24

AMENDED EXHIBIT A

The Property

The Property is identified within "Parcel 2" and "Parcel 1" in the "Site Parcel Plan" below. The Parties agree that the City will convey to Company the 4.11 acres and 5.83 acres within the Site Parcel Plan as shown below, and the Parties agree that the City will retain the 1.17 acres and 0.79 acres within the Site Parcel Plan. The Operator will enter into a ground lease with the City to operate the Building, which will be constructed by the Company on approximately 0.69 acres as described in a future survey.

High 5 – Mansfield, TX
September 20, 2023

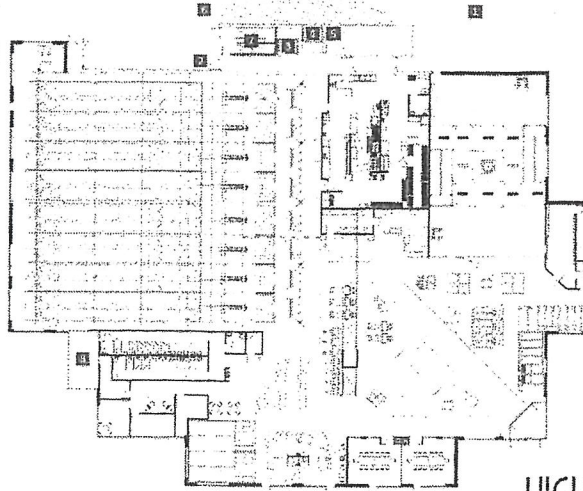


EXHIBIT B - Floor Plan

The Project Entertainment Floor1 (subject to change upon written approval by the City)

High 5 – Mansfield, TX
October 4, 2023

- | RECEPTION / SERVICE / VERTICAL CIRCULATION | |
|--|--|
| 1 | Reception – Dedicated for Mansfield LIVE or shared w/ Conference Center |
| 2 | High 5 Restroom |
| 3 | High 5 Elevator |
| 4 | Mansfield LIVE Elevator |
| 5 | Mansfield LIVE Service Elevator (for Kitchen) – to be added to plan (location TBD) |
| 6 | Conference Center Receiving or Access to Shared Pre-Function Space |
| 7 | Fire Stair #1 |
| 8 | Fire Stair #7 |



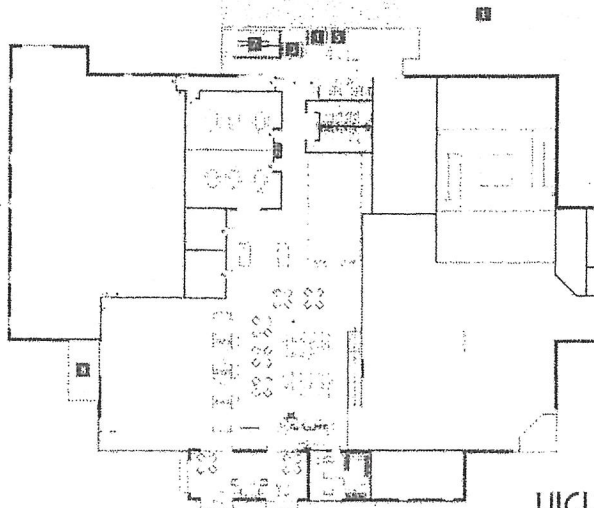
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PARKWAY

HIGH 5

The Project Entertainment Floor2 (subject to change upon written approval by the City)

High 5 – Mansfield, TX
October 4, 2023

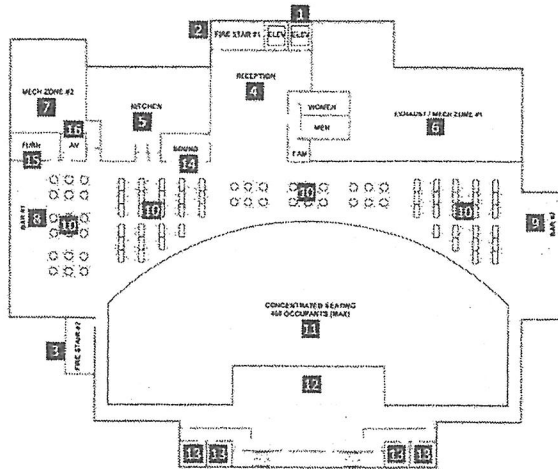
- | RECEPTION / SERVICE / VERTICAL CIRCULATION | |
|--|--|
| 1 | Reception – Roof Below or potential for 2-3 story atrium connected to Conf. Ctr. |
| 2 | High 5 Elevator |
| 3 | Mansfield LIVE Elevator |
| 4 | Mansfield LIVE Service Elevator (for Kitchen) – to be added to plan (location TBD) |
| 5 | Fire Stair #1 |
| 6 | Fire Stair #2 |



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PARKWAY

HIGH 5

The Feild Live Floor3 (subject to change upon written approval by the City)



PROJECT FIELD LIVE FLOORS	
1	Elevator from Reception / Pre-Function
2	Fire Stair #1 (Shared with High 5)
3	Fire Stair #2
4	Roof Level Reception
5	Kitchen
6	Exhaust Mech Zone #1 (High 5 Kitchen)
7	Mechanical Zone #2
8	Bar #1
9	Bar #2
10	Cocktail Tables
11	Concentrated Seating for Performances
12	Stage
13	Green Rooms
14	Sound Control
15	Furniture Storage
16	AV Room

