



**AGENDA
CITY COUNCIL MEETING
WEDNESDAY, OCTOBER 13, 2021
1371 WEST FM 550 - McLENDON-CHISHOLM, TEXAS 75032
6:30 PM**

	Page
1. CALL TO ORDER	
2. INVOCATION AND PLEDGE OF ALLEGIANCE TO U.S. AND TEXAS FLAGS	
3. RULES OF DECORUM	
4. CITIZEN COMMENTS	
5. CONSENT AGENDA	
5.1. Action regarding the Minutes of September 29, 2021 City Council Meeting 09.29.21 CC Meeting	4 - 13
6. ITEMS FOR CONSIDERATION	
6.1. Presentation, discussion and action regarding consideration of an Interlocal Agreement between the City of McLendon-Chisholm and Rockwall County regarding an agreement permitting City of McLendon-Chisholm in partnership with Land Solutions SV LLC to pave Edwards Road beginning at the intersection of Edwards and League Rd continuing north to the city limits and also including a section of League Rd beginning at the intersection of Edwards and League continuing west to Via Toscana. (Requested by Palomba) Staff Report - Proposed Interlocal Agreement Edwards & League Road Improvements Edwards Road ILA & Exhibits	14 - 22
6.2. Discussion and action regarding consideration of a reimbursement agreement between City of McLendon-Chisholm and Land Solutions SV LLC to include a cost share arrangement for improvements to Edwards Road including a City budgeted expenditure in the amount of \$100,000 for said improvements. (Requested by Palomba) Proposed Reimbursement Agreement Edwards Road Proposed Improvements Edwards Road Exhibit	23 - 76
6.3. Discussion and direction to staff regarding FY 21-22 budget related items including moving the Code Enforcement Officer to full-time employment status, advertising for a full-time planner to be hired, and implementing	

- employee raises to qualified employees effective October 1, 2021.
(Requested by Palomba)
- 6.4. Discussion and direction to staff regarding relocating the building located at 1250 S. State 205, McLendon-Chisholm currently in use as the McLendon-Chisholm Fire Station. (Requested by Chief Simmons)
 - 6.5. Presentation, discussion and possible action regarding a Development Agreement between MC Trilogy, LLC., a Texas limited liability partnership and the City of McLendon-Chisholm as related to a Development Agreement for approximately 179 acres located in the City of McLendon-Chisholm and approximately 575 acres located in McLendon-Chisholm's Extraterritorial Jurisdiction (ETJ). (Requested by MC Trilogy, LLC) 77 - 239
[Redline - Development Agreement](#)
[Clean Copy Development Agreement](#)
 - 6.6. Presentation, discussion and possible action to consider a Resolution consenting to the creation of a Municipal Utility District encompassing approximately 179.05 acres of land located within the corporate limits of the City of McLendon Chisholm. (Requested by Hodges Partnership, LP) 240 - 253
[MUD Information Provided by City Attorney, Michael Halla](#)
[MUD Petition Background Provided by the Petitioner](#)
[Proposed Resolution - Consenting Creation of MUD 179 Acres In City of MC](#)
[Petition to Consent to include 179.05 Acres Land in a MUD](#)
 - 6.7. Presentation, discussion and possible action to consider a Resolution consenting to the addition of 575.14 acres of land to a Municipal Utility District located within the corporate limits of the City of McLendon-Chisholm. (Requested by Hodges Ranch Partners, Ltd.) 254 - 261
[Proposed Resolution - Addition of land to a MUD](#)
[Petition to Consent to Include Additional Land in a MUD](#)
 - 6.8. Presentation, discussion and possible action to consider a Resolution consenting to the creation of a Municipal Utility District encompassing approximately 575.14 acres of land to be located within the cooperate limits of the City of McLendon-Chisholm. (Requested by Hodges Ranch Partners, Ltd) 262 - 273
[Proposed Resolution - Consenting to Creation of MUD 575.14 Acres](#)
[Petition to Consent to Include 575.14 acres in a MUD](#)
 - 6.9. Presentation, discussion and possible action to consider a Resolution consenting to the creation of a Municipal Utility District encompassing approximately 575.14 acres of land located within the extraterritorial jurisdiction (ETJ) of the City. (Requested by Hodges Ranch Partners, LTD.) 274 - 283
[Proposed Resolution ETJ MUD](#)
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 - 6.10. Discussion and action regarding consideration of an Engagement Letter and Fee Agreement between Davidson Trulo Ream Garza, Attorney at 284 - 288

Law and the City of McLendon-Chisholm for the purpose of advising the City regarding possible expansion of its water system to include facilities and service area. (Requested by Palomba)

[Proposed Engagement Letter & Fee Agreement](#)

7. EXECUTIVE SESSION

7.1. Recess into Executive Session (Closed Meeting) in accordance with Texas Government Code: Section 551.071(1) Consultation with City Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter regarding consideration of an Engagement Letter and Fee Agreement between Davidson Trulo Ream Garza, Attorney at Law and the City of McLendon-Chisholm for the purpose of advising the City regarding possible expansion of its water system to include facilities and service area. (Requested by Palomba)

7.2. Reconvene Regular Meeting

7.3. Executive Session Action

8. UPDATES, DISCUSSION AND DIRECTION TO STAFF

9. COUNCIL MEMBER REPORTS AND ANNOUNCEMENTS

The City Council will have an opportunity to address items of community interest including: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen; a reminder about an upcoming event organized or sponsored by the City of McLendon-Chisholm; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the City of McLendon-Chisholm that was attended or is scheduled to be attended by a member of the City Council or an official or employee of the City of McLendon-Chisholm; and announcements involving an imminent threat to the public health and safety of people in the City of McLendon-Chisholm that has arisen after posting the agenda.

10. ADJOURN

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session in order to seek confidential legal advice from the City Attorney on any agenda item herein.

I, Rochelle Green, do hereby certify that the above Notice of Meeting of the City Council of McLendon-Chisholm, Texas was posted on or before 5:00 p.m., October 8, 2021 on the outside bulletin board at City Hall, a place convenient and readily accessible to the public at all times.



CITY COUNCIL MEETING
City of McLendon-Chisholm, Texas
Meeting Minutes
September 29, 2021

The City Council of the City of McLendon-Chisholm convened in Regular Session on Wednesday, September 29, 2021, at City Hall, 1371 West FM 550, McLendon-Chisholm, Texas, with the following members present:

ATTENDING:	Keith Short	Mayor
	Lorna Kipphut	Mayor Pro Tem
	Trudy Woessner	Council Member
	Dan Tucker	Council Member
	Norman Willis	Council Member
	Brian Davis	Council Member
Staff Present:	Lisa Palomba	City Administrator
	Shelly Green	City Secretary
	Jim Simmons	Fire Chief

1. CALL TO ORDER

Mayor Short called the meeting to order at 6:30 p.m.

2. INVOCATION AND PLEDGE OF ALLEGIANCE TO U.S. AND TEXAS FLAGS

Council Member Tucker delivered the invocation and Mayor Pro Tem Kipphut led the pledge of allegiance to the U.S. and Texas Flags.

3. RULES OF DECORUM

Mayor Short announced the Rules of Decorum are in place and are to be observed throughout the meeting.

4. CITIZEN COMMENTS

Bev Stibbens, 279 Partridge Dr. Commented that she had not received responses to questions she had submitted to the Huffines group. Urged Council not to act on agenda items related to Huffines.

Adrienne Balkum, 1518 Firenza Ct. Addressed Item 6, Presentation regarding the Rockwall County Road Bond Program; Item 8.5, Comprehensive Plan; Item 8.12, Master Fee Schedule.

Scott Turnbull, 1117 Newkirk Ct. Addressed Item 8.7, Deposit and Reimbursement Agreement; Item 8.8, creation of Municipal Utility District; and 8.12, Master Fee Schedule.

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5. PUBLIC SAFETY BUILDING STATUS REPORT

- 5.1. Sean Spyres, AGCM Project Manager, will provide an update regarding status of the Fire Station construction project.

Item Removed from Agenda

6. PRESENTATIONS

- 6.1. Presentation on the Rockwall County Road Bond Program

Commissioner Bailey introduced John Polster who presented an overview of the proposed Rockwall County Road Bond Program. The presentation included the following points:

Project Selection:

- Rockwall County worked with each community to identify the projects critical to their residents.
- Once a draft list of projects was compiled, the county met with the North Central Texas Council of Governments and the Texas Department of Transportation to identify which projects had the best potential for partnership leveraging.
- The final list of projects was presented to the Consortium for reference.
- Rockwall County Commissioners Court authorized the anticipated list of projects to be on the \$150 million Road Bond Program on August 10, 2021.

Rockwall County Transportation Consortium:

Rockwall County works with its cities through its Transportation Consortium to achieve:

- A stronger voice
- Economy of Scale
- Efficiency
- Coordinated planning

Power of Leveraging:

To date, Rockwall County Commissioners, working with partners, have utilized the voter-approved proceeds from 2004 and 2008 road bond programs to fund and construct more than \$1 Billion in roadway projects throughout the county that improve the quality of life of every resident.

Previous Bond Programs:

- The voters of Rockwall County approved \$17 million in road bonds in 2004 and \$100 million in 2008.
- Voters were told the maximum impact/worse case scenario to their tax rate for both bond programs would be 6.48 cents per \$100 valuation. However, there has been no tax impact to County taxpayers in either bond package.
- The County's financial advisors have estimated that the maximum impact for the 2021 road bond package to be approximately 5 cents per \$100 valuation. However, Commissioner's Court is committed to issuing debt in a responsible way so as not to have a tax impact on county residents.

- Residents' total tax rate in 2004 was \$0.3534 per \$100/valuation. Today, it is \$0.3131 per \$100/valuation.

Benefits to Partnering:

- Decreases congestion on city and county roads
- Increases quality of life
- Provides through traffic on city roads
- Improves air quality
- Reduces standing traffic emissions
- Enhances economic development; keeps tax bases strong
- Increases safety
 - Ambulance service accessibility
 - Reduces dangerously high roadbeds
 - Improves Bus Routes

Partnership in Action:

As money becomes available, TxDOT and NCTCOG will choose and prioritize projects that have existing local funding dollars committed. The local funding provided by the bond program will substantially expedite roadway improvements.

Why County Funds for State Roads:

- State roads carry majority of traffic in Rockwall County.
- Federal and state funding look for partnerships for leveraging opportunities for new roads.
- Gas tax has not been increased in 23 years.
- Fuel efficiency is reducing available transportation funding.
- Regional funding requires local government financial participation.

Population Growth:

- Rockwall County is the sixth fastest growing county in the nation by percentage.
- Between 2010 and 2020, the recent 2020 Census showed that Rockwall County grew by 44.6%.
- Annual growth for Rockwall County has averaged 5% per year since 2015.

7. **CONSENT AGENDA**

- 7.1. Approval of an Ordinance amending Ordinance No. 2021-09 by amending sections 3 and 4 to include a division of the approved tax rate into its components for maintenance and operations and debt service.
- 7.2. Action regarding the Minutes of September 14, 2021 City Council Meeting
REMOVED FROM CONSENT AGENDA
- 7.3. Action regarding the Minutes of September 21, 2021 Special City Council Meeting
- 7.4. Budget Report August 2021
- 7.5. McLendon-Chisholm Fire Rescue Report July and August 2021
- 7.6. Building Official Report August 2021

7.7. Animal Control Report August 2021

7.8. CWD Report August 2021

7.9. Sheriff's Report August 2021

MOTION: APPROVE CONSENT AGENDA ITEMS 7.1., 7.3., 7.4., 7.5., 7.6., 7.7., 7.8., AND 7.9.

MADE BY: Council Member Kipphut

SECONDED BY: Council Member Willis

APPROVAL: Unanimous

MOTION: APPROVE CONSENT AGENDA ITEM 7.2. AS CORRECTED.

MADE BY: Council Member Davis

SECONDED BY: Council Member Willis

APPROVAL: Unanimous

8. ITEMS FOR CONSIDERATION

8.1. Presentation, discussion and action regarding consideration of an Interlocal Agreement between the City of McLendon-Chisholm and Rockwall County regarding an agreement permitting City of McLendon-Chisholm in partnership with Land Solutions SV LLC to pave Edwards Road beginning at the intersection of Edwards and League Rd. continuing north to the city limits and also including a section of League Rd beginning at the intersection of Edwards and League continuing west to Via Toscana.

City Administrator Palomba presented her staff report:

Background of Issue:

The Sonoma Verde subdivision has two entry/exit points onto Edwards Road and one entry/exit on League Road potentially increasing the traffic volume once homes are complete. These roads have a dirt/gravel surface. Dirt/gavel roads deteriorate rapidly and are in constant need of maintenance. These road sections have been identified by the County as roads the City of McLendon-Chisholm should have annexed at the time Sonoma Verde was annexed approximately 15 years ago. Edwards Rd. and a section of League Road are currently county owned and maintained. Any work on these roads sponsored by the City requires an Interlocal Agreement with Rockwall County. The Council will request the City to annex these roadway sections in the near future.

The developer is requesting to chip seal the road due to the cloud of dust created over Sonoma Verde homes when driving and also due to the poor condition of the road surface. A chip seal surface will help protect against further erosion due to weather. This should

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reduce the maintenance costs going forward, eliminate the dust and create a suitable driving surface for emergency vehicles as well as residents in the vicinity. While chip seal is not a permanent solution, it will suffice until such a time the road may be engineered and brought up to standard.

Recommendation: Approval

MOTION: APPROVE AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF MCLENDON-CHISHOLM AND ROCKWALL COUNTY REGARDING AN AGREEMENT PERMITTING CITY OF MCLENDON-CHISHOLM IN PARTNERSHIP WITH LAND SOLUTIONS SV LLC TO PAVE EDWARDS ROAD BEGINNING AT THE INTERSECTION OF EDWARDS AND LEAGUE ROAD CONTINUING NORTH TO THE CITY LIMITS AND ALSO INCLUDING A SECTION OF LEAGUE RD BEGINNING AT THE INTERSECTION OF EDWARDS AND LEAGUE CONTINUING WEST TO VIA TOSCANA.

MADE BY: Mayor Pro Tem Kipphut

SECONDED BY: Council Member Willis

Mayor Pro Tem withdraw her motion with no objections. Item pulled from agenda and instructed staff to place on next agenda (October 13, 2021).

- 8.2. Discussion and action regarding consideration of a reimbursement agreement between City of McLendon-Chisholm and Land Solutions SV LLC to include a cost share arrangement for improvements to Edwards Road including a City budgeted expenditure in the amount of \$100,000 for said improvements.

Item pulled from agenda and staff instructed to place on next agenda (October 13, 2021).

- 8.3. Presentation, discussion and action regarding consideration of an Ordinance annexing a portion of Pullen Road and right-of-way located east of FM 550 and West of Highway 205, adjacent to property located within the City of McLendon-Chisholm pursuant to Subsection 43.1055 of the Texas Local Government Code.

MOTION: APPROVE AN ORDINANCE ANNEXING A PORTION OF PULLEN ROAD AND RIGHT-OF-WAY LOCATED EAST OF FM 550 AND WEST OF HIGHWAY 205, ADJACENT TO PROPERTY LOCATED WITHIN THE CITY OF MCLENDON-CHISHOLM PURSUANT TO SUBSECTION 43.1055 OF THE TEXAS LOCAL GOVERNMENT CODE.

MADE BY: Council Member Davis
SECONDED BY: Council Member Tucker
APPROVAL: Approved by a vote of 4-1 (Council Member Woessner voting Nay)

8.4. Presentation, discussion and action regarding consideration of an Interlocal Agreement for Fire Protection Services between Rockwall County and the City of McLendon-Chisholm.

MOTION: APPROVE AN INTERLOCAL AGREEMENT FOR FIRE PROTECTION SERVICES BETWEEN ROCKWALL COUNTY AND THE CITY OF MCLENDON-CHISHOLM.

MADE BY: Council Member Kipphut
SECONDED BY: Council Member Davis
APPROVAL: Unanimous

8.5. Presentation, discussion and action regarding adoption of the proposed City of McLendon-Chisholm Comprehensive Plan.

MOTION: APPROVE THE ADOPTION OF THE PROPOSED CITY OF MCLENDON-CHISHOLM COMPREHENSIVE PLAN.

MADE BY: Council Member Willis
SECONDED BY: Council Member Davis
APPROVAL: Unanimous

8.6. Presentation, discussion and action regarding consideration of an agreement between Kimley-Horn and Associates, Inc. and the City of McLendon-Chisholm in accordance with the terms of the Master Agreement for Continuing Professional Services related to planning and development services.

City Administrator Palomba presented her staff report:

Background of Issue:

Development applications must be in general compliance with the newly adopted Comprehensive Plan (Adoption of proposed Comprehensive Plan scheduled for September 29th). Kimley-Horn representative spent many months gathering public input from McLendon-Chisholm citizens and coordinating efforts to incorporate all desired elements into the final Comprehensive Plan. Therefore, Kimley-Horn is uniquely qualified to review planning and development items to ensure compliance with the Comprehensive Plan, zoning and subdivision regulations and other standards. The proposed agreement is in accordance with the terms of the Master Agreement for Continuing Professional

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Services related to planning and development. Services will only be used as needed when staff request additional guidance for challenging projects such as, but not limited to, projects located on the boundary of the city limits and extraterritorial jurisdiction (ETJ).

Financial Impact: Developers reimburse the City through reimbursement agreements for all consulting costs. The City budget is not expected to be impacted for costs related to development review.

Recommendation: Approval

Item Pulled from Agenda and staff directed to place on next agenda (October 13, 2021).

- 8.7. Presentation, discussion and action regarding consideration of a Deposit and Reimbursement Agreement for Professional Services for the Huffines Trilogy Project between the City of McLendon-Chisholm and MC Trilogy Texas LLC.

MOTION: APPROVE A DEPOSIT AND REIMBURSEMENT AGREEMENT FOR PROFESSIONAL SERVICES FOR THE HUFFINES TRILOGY PROJECT BETWEEN THE CITY OF MCLENDON-CHISHOLM AND MC TRILOGY TEXAS LLC.

MADE BY: Council Member Tucker

SECONDED BY: Council Member Willis

APPROVAL: Unanimous

- 8.8. Presentation, discussion and action to consider a Resolution consenting to the creation of a Municipal Utility District encompassing approximately 179.05 acres of land located within the corporate limits of the City of McLendon-Chisholm.

MOTION: TABLE THE CONSIDERATION OF A RESOLUTION CONSENTING TO THE CREATION OF A MUNICIPAL UTILITY DISTRICT ENCOMPASSING APPROXIMATELY 179.05 ACRES OF LAND LOCATED WITHIN THE CORPORATE LIMITS OF THE CITY OF MCLENDON-CHISHOLM.

MADE BY: Council Member Kipphut

SECONDED BY: Council Member Willis

APPROVAL: Unanimous

- 8.9. Presentation, discussion and possible action to consider a Resolution consenting to the addition of 575.14 acres of land to a Municipal Utility District located within the corporate limits of the City of McLendon-Chisholm.

MOTION: TABLE THE CONSIDERATION OF A RESOLUTION CONSENTING TO THE ADDITION OF 575.14 ACRES OF LAND TO A MUNICIPAL UTILITY DISTRICT LOCATED WITHIN THE CORPORATE LIMITS OF THE CITY OF MCLENDON-CHISHOLM.

MADE BY: Council Member Kipphut
SECONDED BY: Council Member Davis
APPROVAL: Unanimous

8.10. Discussion and action to consider a Resolution consenting to the creation of a Municipal Utility District encompassing approximately 574.14 acres of land to be located within the corporate limits of the City of McLendon-Chisholm.

MOTION: TABLE THE CONSIDERATION OF A RESOLUTION CONSENTING TO THE CREATION OF A MUNICIPAL UTILITY DISTRICT ENCOMPASSING APPROXIMATELY 574.14 ACRES OF LAND TO BE LOCATED WITHIN THE CORPORATE LIMITS OF THE CITY OF MCLENDON-CHISHOLM.

MADE BY: Council Member Kipphut
SECONDED BY: Council Member Davis
APPROVAL: Unanimous

8.11. Discussion and action regarding consideration of an Engagement Letter and Fee Agreement between Davidson Trulo Ream Garza, Attorney at Law and the City of McLendon-Chisholm for the purpose of advising the City regarding possible expansion of its water system to include facilities and service area.

Item was tabled and staff instructed to place on next Agenda (October 13, 2021).

8.12. Discussion and action to consider an Ordinance amending the Master Fee Schedule.

City Administrator Palomba presented her staff report:

Background of Issue:

City Staff reviews the fee schedule annually. This year the City can no longer charge a registration fee for mechanical contractors; the fence permit was increased to cover the cost of an inspection; the sewer rate was increased following the suggested rates from the last sewer rate study amounting to an increase of \$3.03; pass thru engineering and evaluation fees were already being charged as pass thru fees but this was added to the schedule for clarification for commonly requested items; and, the community room fees were added to the schedule as well.

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Financial Impact: The approved FY 21-22 projected utility budget revenue includes the proposed rate increase for monthly sewer services.

Recommendation: Approval

MOTION: APPROVE AN ORDINANCE AMENDING THE MASTER FEE SCHEDULE.

MADE BY: Council Member Davis
SECONDED BY: Council Member Kipphut
APPROVAL: Unanimous

9. REPORTS

No Reports

10. UPDATES, DISCUSSION AND DIRECTION TO STAFF

None

11. COUNCIL MEMBER REPORTS AND ANNOUNCEMENTS

Council Member Woessner – Starting to prepare for the Christmas event and looking for volunteers.

Mayor Pro Tem Kipphut – Bricks are ready and there will be a Veterans' Day ceremony on November 11th.

Council Member Davis – Would like to know the dates of the upcoming meetings.

City Administrator Palomba reported that the Extreme Green Event will be held on October 16, 2021. She also reminded everyone to be careful as there have been a number of car break-ins and thefts.

11. ADJOURN

There being no further business to discuss, Mayor Short adjourned the meeting at 8:57 p.m.

APPROVED:

Keith Short, Mayor

ATTEST:

Rochelle Green, City Secretary



City of McLendon-Chisholm

Discussion and action regarding consideration of an Interlocal Agreement between the City of McLendon-Chisholm and Rockwall County regarding an agreement permitting City of McLendon-Chisholm in partnership with Land Solutions SV LLC to pave Edwards Road beginning at the intersection of Edwards and League Rd continuing north to the city limits and also including a section of League Rd beginning at the intersection of Edwards and League continuing west to Via Toscana. (Requested by Palomba)

DATE:

October 13, 2021

BACKGROUND OF ISSUE:

The Sonoma Verde subdivision has two entry/exit points onto Edwards Road and one entry/exit on League Road potentially increasing the traffic volume once homes are complete. These roads have a dirt/gravel surface. Dirt/gravel roads deteriorate rapidly and are in constant need of maintenance. These road sections have been identified by the County as roads the City of McLendon-Chisholm should have annexed at the time Sonoma Verde was annexed approximately 15 years ago. Edwards Rd. and a section of League Road are currently county owned and maintained. Any work on these roads sponsored by the City requires an Interlocal Agreement with Rockwall County. The County will request the City to annex these roadway sections in the near future.

The developer is requesting to chip seal the road due to the cloud of dust created over Sonoma Verde homes when driving and also due to the poor condition of the road surface. A chip seal surface will help protect against further erosion due to weather. This should reduce the maintenance costs going forward, eliminate the dust and create a suitable driving surface for emergency vehicles as well as residents in the vicinity. While chip seal is not a permanent solution, it will suffice until such a time the road may be engineered and brought up to standard.

RECOMMENDATION:

Approval recommended.

Lisa Palomba
City Administrator

**INTERLOCAL COOPERATION AGREEMENT
FOR IMPROVEMENTS TO
EDWARDS ROAD AND LEAGUE ROAD IN MCLENDON-CHISOLM**

THIS INTERLOCAL COOPERATION AGREEMENT FOR IMPROVEMENTS TO EDWARDS ROAD (“Agreement”) is made and entered into as of date last signed below, 2021 (“Effective Date”), by and between ROCKWALL COUNTY, TEXAS (“County”), and the CITY OF MCLENDON-CHISOLM (“City”) (collectively referred to as the “parties” or singularly as “party”) acting by and through their authorized representatives.

WHEREAS, the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code (“Act”), authorizes Texas governmental entities to contract with Texas governmental entities to perform governmental functions and services; and

WHEREAS, the County currently owns and maintains a certain portion of Edwards Road, including its right-of-way, extending northward from the intersection of League Road and Edwards Road to the existing McLendon-Chisolm city limits for a total of approximately 6,200 feet. See Exhibit “A”; and

WHEREAS, the County currently owns and maintains a certain portion of League Road, including its right-of-way, extending westward from the intersection of League Road and Edwards Road to the intersection of League Road and Via Toscana Lane for a total of approximately 1,750 feet. See Exhibit “A”; and

WHEREAS, those certain portions of Edwards Road and League Road are located within the extraterritorial jurisdiction (“ETJ”) of the City; and

WHEREAS, development of certain property adjacent to Edwards Road and League Road is anticipated to substantially increase traffic volume, creating a need for significant improvements to those roads; and

WHEREAS, for the collective benefit of the citizens, the City and the County desire to enter into an agreement for the provision of improvements to Edwards Road and League Road; and

WHEREAS, the developer, Stephen Davis, has agreed to provide the work described in Exhibit “C” under the direction of the City and at no cost to the County; and

WHEREAS, pursuant to Section 43.1055 of the Texas Local Government Code, the City may by ordinance annex a road or right-of-way upon the request of the governing body of the political subdivision that maintains the road or right-of-way under the procedures prescribed by Subchapter C-1, of Chapter 43 of the Texas Local Government Code; and

WHEREAS, upon completion of improvements to Edwards Road and League Road, and upon formal request by the County, the City shall annex the above-referenced portions of Edwards Road and League Road, including their adjacent rights-of-way on both sides; and

WHEREAS, the County will continue to maintain the described portions of Edwards Road and League Road after completion of improvements and until the City annexes them, provided it is done so within a reasonable time. See Exhibit “B”;

NOW THEREFORE, inconsideration of the foregoing and on the terms and conditions hereinafter set forth, the parties agree as follows:

ARTICLE I: ROCKWALL COUNTY OBLIGATIONS

1.1 The County hereby grants consent to the City, or its designee, to enter upon those portions of Edwards Road and League Road specified in Exhibit “A” to make, install, and construct all necessary improvements to Edwards Road and League Road as set out in Exhibit “C”.

1.2 The County agrees to assist in planning and inspecting the necessary improvements.

1.3 The County agrees to maintain Edwards Road and League Road until the improvements are complete and the City annexes the roads and adjacent rights-of way, provided they are annexed within a reasonable time.

ARTICLE II: CITY OF MCLENDON-CHISOLM OBLIGATIONS

2.1 The City agrees to oversee and direct all improvements and to ensure they are constructed in a good and workmanlike manner and not inconsistent with the County’s road development standards.

2.2 The City will be responsible for securing necessary arrangements with the developer for completion of the work described in Exhibit “C” at no cost to the County.

2.3 Following completion of the improvements, and upon formal request by the County pursuant to Section 43.1055 of the Texas Local Government Code, the City shall annex those portions of Edwards Road and League Road, including their adjacent rights-of-way.

2.4 After annexation, the City shall take over maintenance of those portions of Edwards Road and League Road as set out in Exhibit “B”.

ARTICLE III: TERM

3.1 The term of this Agreement will commence on the Effective date and continue until April 30, 2022 ("Term"). The term may be extended upon written agreement of the parties.

ARTICLE IV: IMMUNITY

4.1 It is expressly understood and agreed that, in the execution of this Agreement, neither party waives, nor shall be deemed to have waived, any immunity or defense that would otherwise be available against claims arising in the exercise of governmental functions relating hereto or otherwise. By entering this Agreement, the parties do not create any obligations, express or implied, other than those set forth herein, and this Agreement shall not create any rights in any parties not a signatory hereto. The remedies of any party hereto with respect to a claim against the other party shall not be impaired by this Agreement when the claim does not arise from the services provided for pursuant to this Agreement. Neither the execution of this Agreement by, nor any other conduct of any representative of either party relating to this Agreement, shall be considered a waiver of such party's sovereign immunity.

ARTICLE V: MISCELLANEOUS

5.1 **Governing Law.** This Agreement shall be governed by the laws of the State of Texas. Venue for any action shall be in Rockwall County.

5.2 **Entire Agreement.** This Agreement is the entire agreement between the parties. There is no other collateral or oral agreement between the parties that relates to the subject matter of this Agreement.

5.3 **Amendment.** This Agreement may be amended only by the written agreement of all parties hereto.

5.4 **Counterparts.** This Agreement may be executed in any number of identical counterparts, each of which shall be deemed an original for all purposes. An electronic mail and/or facsimile signature will also be deemed to constitute an original if properly executed and delivered to the other party.

5.5 **Survival.** The terms of the Agreement shall survive the expiration or earlier termination of this agreement.

EXECUTED to be effective on the date last signed below.

CITY OF MCLENDON-CHISOLM

By: _____

Name: _____

Title: _____

Date Signed: _____

ROCKWALL COUNTY, TEXAS

By: _____

Name: _____

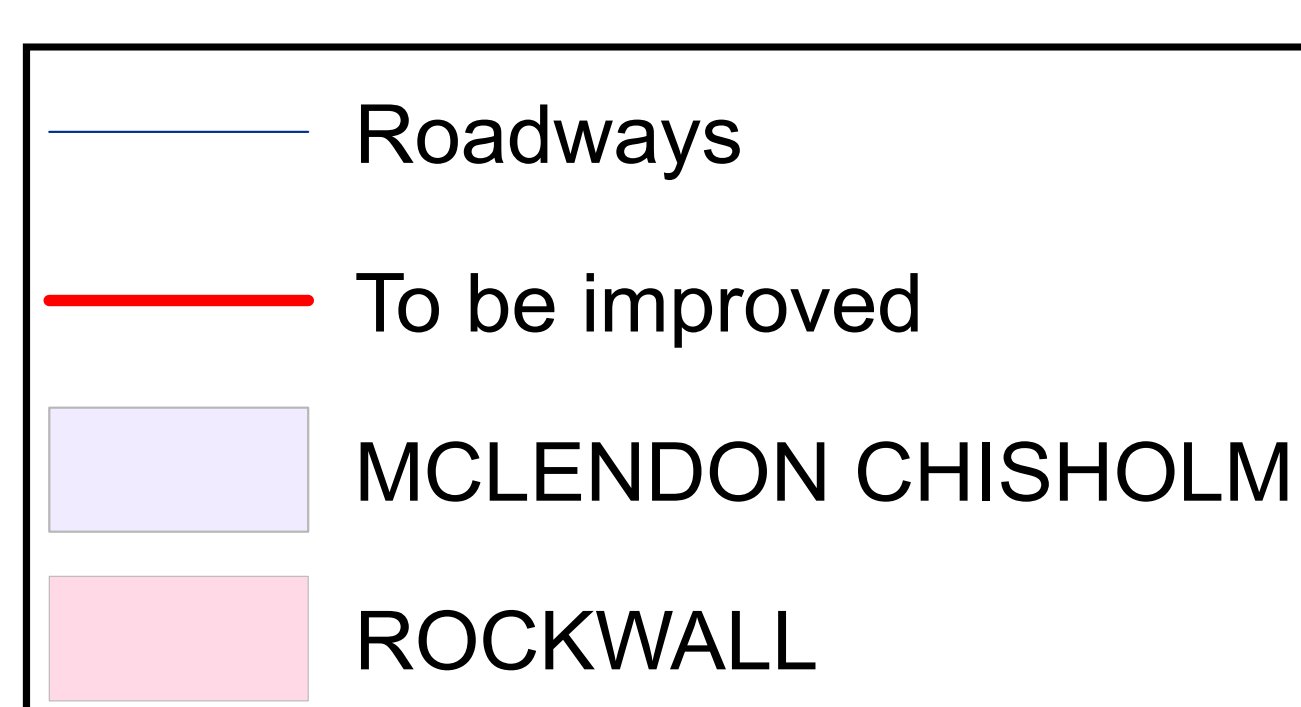
Title: _____

Date Signed: _____



Exhibit A

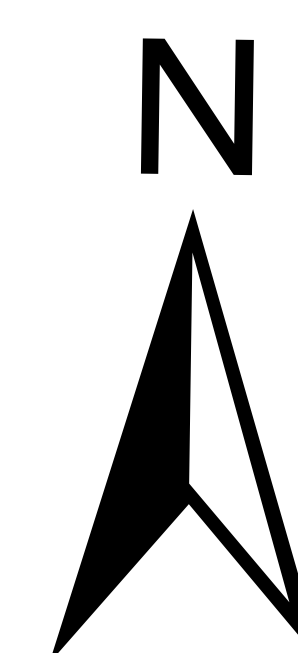
Edwards Rd & League Rd



Edwards Rd - 6,200ft from
League Rd to end of city limits

League Rd - 1,750ft from Edwards Rd
to Sonoma Verde Entrance

Indicated measurements are approximations only.



Source:
Rockwall County GIS Department,
North Central Texas Council of Government

Disclaimer:
This Map is for illustrative purposes only. In
no way should this be used to settle any boundary
disputes or location conflicts.

Updated: 09/08/2021

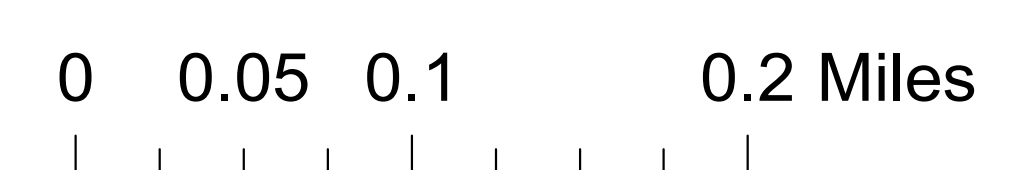




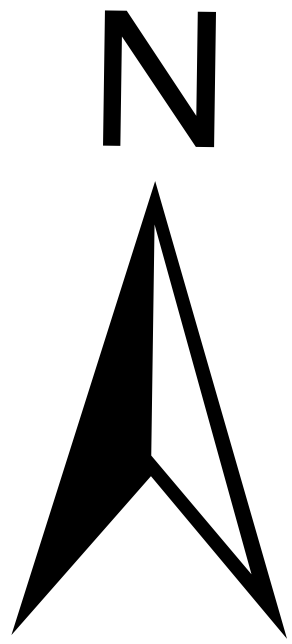
Exhibit B

Post Annexation Maintenance Authority for Edwards Road and League Road



- Roadways
- County Maintained
- City Maintained
- MCLENDON CHISHOLM
- ROCKWALL

Monuments such as roadway intersections and city limit boundaries are intended termination points. Indicated measurements are approximations only.



Source:
Rockwall County GIS Department,
North Central Texas Council of Government

Disclaimer:
This Map is for illustrative purposes only. In
no way should this be used to settle any boundary
disputes or location conflicts.

Updated: 09/08/2021

0 0.05 0.1 0.2 Miles

Exhibit C

	5W Contracting, LLC 5425 FM 1567 West Sulphur Springs, Texas 75482 mwilliams@5wcontracting.com Phone: 903-348-3796 Fax: 903-485-2715 Prepared by: Michael Williams		BID DATE 7/14/21 BID # 71421 CUSTOMER ID DUE DATE		
	CUSTOMER		PROJECT		
	Craig Malan, PE Kimley-Horn 400 N. Oklahoma Dr., Suite 105 Celina, Texas 75009		Sonoma Verde Grading And Seal Coat		
Item No.	Description	Units	Quantity	Unit Cost	Amount
	Edwards & League Road Sealcoating				
	Seal Coat - Edwards 450'x20'	SY	1,000	\$ 12.40	\$ 12,400.00
	HMAC Patch - Edwards	Tons	25	\$ 150.00	\$ 3,750.00
	Base Grading - Edwards 5260'x20'	SY	11,688	\$ 2.16	\$ 25,246.08
	Seal Coat - Edwards 5260'x20'	SY	11,688	\$ 12.40	\$ 144,931.20
	Base Rock - Edwards (As Needed)	Tons	150	\$ 28.00	\$ 4,200.00
	Base Grading - League 170'x20'	SY	378	\$ 2.16	\$ 816.48
	Seal Coat - League 1,630'x20'	SY	3,622	\$ 12.40	\$ 44,912.80
	Maintenance Bond 1 Year	LS	1	\$ 500.00	\$ 500.00
				Subtotal	\$ 236,756.56
TERMS AND CONDITIONS					
Permits, Engineering, Testing, Utility Relocations, Subgrade Repairs, Traffic Controls, Erosion Controls or anything not mentioned in the above Work items.					
Acceptance of Proposal: The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made within 15 days of the work completion.				TOTAL \$ 236,756.56	
Accepted By: _____		Date: _____			
If you have any questions about this bid please contact me.					
Thank You For Your Business!					

5W Contracting, LLC 5425 FM 1567 West, Sulphur Springs, Texas 75482

Edwards and League Road Chip and Seal

Repair, Chip and Seal	\$ 236,756.56
Alpha	\$ 3,000.00
Kimley-Horn	\$ 3,500.00
Traffic Control	\$ 4,000.00
Sub-Total	\$ 247,256.56
Contengency	\$ 49,451.31
Total	\$ 296,707.87

REIMBURSEMENT AGREEMENT BY AND BETWEEN THE CITY OF MCLENDON-
CHISOLM AND LAND SOLUTIONS SV LLC FOR WORK TO EDWARDS ROAD
AND LEAGUE ROAD

1. PARTIES. The parties to this Agreement (“Agreement”) are the CITY OF MCLENDON-CHISOLM, a Texas municipal corporation (the “City”), and LAND SOLUTIONS SV LLC, a Delaware limited liability company (the “Developer”). The City and Developer, collectively, are hereinafter referenced as the “Parties,” or individually, a “Party.”

2. RECITALS. The Recitals to this Agreement are incorporated herein by this reference as though fully set forth within the body of this Agreement.

2.1 Developer is developing a single family subdivision located in the City of McLendon-Chisolm, Rockwall County, Texas, commonly known as “Sonoma Verde”, and as more particularly described on Exhibit A attached hereto (the “Property”).

2.2 The City and Developer have identified that certain portions of the roads located adjacent to the Property, commonly known as “Edwards Road” and “League Road”, collectively herein referred to as the “Roads” (each Road as depicted on Exhibit B attached hereto), need to be sealed, chipped, or otherwise improved (collectively, the “Work”).

2.3 The Work is more particularly described in that certain Agreement between Developer, as owner, and 5W Contracting, LLC, as contractor, to be executed after the date hereof and attached hereto as Exhibit C (the “Road Contract”).

2.4 Subject to the terms of this Agreement, Developer has agreed to complete the Work pursuant to the Road Contract.

2.5 Subject to the terms of this Agreement, the City has agreed to reimburse Developer for a portion of the cost of the Work in the amount of \$100,000.00.

3. OBLIGATIONS OF DEVELOPER AND CITY. In consideration of the mutual covenants and promises of the Parties contained herein, and other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

3.1 Developer shall complete or cause the completion of the Work in accordance with and as described in the Road Contract.

3.2 Subject to the terms of this Agreement, the City shall reimburse Developer for a portion of the costs of the Work in the amount of \$100,000.00 (the “City’s Contribution”). The City’s Contribution shall be paid by the City to Developer within fifteen (15) days after Developer’s delivery of written notice to the City that the Work has been completed in accordance with the Road Contract.

4. NOTICE AND AUTHORIZED REPRESENTATIVES. All notices, requests and other communications to any Party hereunder (a) shall be in writing; (b) shall be deemed to have been duly given (i) on the date of delivery if delivered personally, (ii) on the third (3rd) business day after being deposited in the United States mail if sent by registered or certified mail, postage prepaid, return receipt requested or (iii) on the first (1st) business day after being deposited with a

reputable overnight courier service; and (c) shall be addressed to each Party hereto at the following addresses:

Developer:

LAND SOLUTIONS SV LLC
15441 Knoll Trail, Suite 150
Dallas, TX 75248
Attention: Phillip W. Duncan

City:

CITY OF MCLENDON-CHISOLM

[REDACTED]
[REDACTED]

Attention: [REDACTED]

5. REPRESENTATIONS. Each Party expressly warrants and represents that: (a) such Party has the power and authority to enter into this Agreement and to perform its obligations hereunder; (b) each Party has been duly authorized by proper action and has undertaken all legal prerequisites: (i) to execute and deliver this Agreement; and (ii) to perform its obligations hereunder; and (c) as of the date hereof, this Agreement is a legal, valid, and binding obligation of such Party.

6. NO THIRD PARTY BENEFICIARIES. This Agreement is intended to describe the rights and responsibilities only as to the Parties hereto. This Agreement is not intended and shall not be deemed to confer any rights on any person or entity not named as a Party hereto.

7. EXHIBITS; ENTIRE AGREEMENT. All exhibits referred to in this Agreement are by reference incorporated herein for all purposes. This Agreement represents the entire agreement between the Parties, and there are no oral or collateral agreements or understandings with respect hereto. This Agreement may be amended only by an instrument in writing signed by the Parties.

8. GOOD FAITH OF PARTIES. In the performance of this Agreement or in considering any requested approval, acceptance, or extension of time, the Parties agree that each will act in good faith and will not unreasonably withhold, condition, or delay any approval, acceptance, or extension of time required or requested pursuant to this Agreement.

9. GOVERNING LAW. This Agreement shall be governed by the laws of the State of Texas without regard to its conflicts of law principals.

10. EXECUTION. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument. This Agreement shall not be binding upon any Party hereto unless and until the Parties have executed this Agreement.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Agreement is executed by the Parties to be effective as of September 13, 2021.

CITY:

CITY OF MCLENDON-CHISOLM,
a Texas municipal corporation

DEVELOPER:

LAND SOLUTIONS SV LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

EXHIBIT A

THE PROPERTY

TRACT 1:

BEING a tract of land located in the King Latham Survey, Abstract No. 133, situated in the City of McLendon-Chisholm, Texas, and being a portion of a 547.89-acre tract of land described in deed to MC 550 Land Holdings, L.P. recorded in Volume 5585, Page 296, and all of a 2.50-acre tract of land described in deed to MC 550 Land Holdings, L.P. recorded in Volume 6853, Page 40 of the Deed Records of Rockwall County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod with cap stamped "R.S.C.I. 5034" found for the most northerly west corner of said 547.89-acre tract, also lying on the southeast line of Meadowcreek Addition, an addition to the City of McLendon Chisholm, Texas as recorded in Cabinet B, Slide 74 of the Plat Records of Rockwall County, Texas;

THENCE North 45 degrees 31 minutes 51 seconds East, along the northwest line of said 547.89-acre tract, a distance of 2295.14 feet to a 2-inch iron pipe found for an angle point in same;

THENCE North 45 degrees 51 minutes 38 seconds East, continuing along said northwest line, a distance of 1733.12 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for the north corner of same, also for the north corner of said 2.50-acre tract, and lying in Edwards Road;

THENCE South 44 degrees 37 minutes 08 seconds East, along the southeast line of said 547.89-acre tract and said Edwards Road, a distance of 5680.64 feet to a 1/2 inch iron rod found for the most easterly corner of said 547.89-acre tract, also lying at the intersection of said Edwards Road with Wallace Road;

THENCE South 45 degrees 21 minutes 19 seconds West, along said Wallace Road, a distance of 1819.08 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found lying on the easterly right-of-way of Via Toscana Lane as dedicated by Sonoma Verde Phase 1B Tract 3 as recorded in Cabinet I, Slide 381 of the Plat Records of Rockwall County, Texas;

THENCE along said Via Toscana Lane the following courses and distances:

North 44 degrees 38 minutes 41 seconds West, a distance of 40.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for the beginning of a curve to the left;

with said curve to the left having a radius of 340.00 feet, a central angle of 39 degrees 11 minutes 02 seconds, an arc length of 232.52 feet, a chord bearing of North 64 degrees 29 minutes 23 seconds West, a distance of 228.02 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for the beginning of a compound curve to the left;

with said compound curve continuing to the left having a radius of 300.00 feet, a central angle of 14 degrees 33 minutes 32 seconds, an arc length of 76.23 feet, a chord bearing of South 89 degrees 26 minutes 40 seconds West, a distance of 76.03 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for the beginning of a reverse curve to the right;

with said reverse curve to the right having a radius of 300.00 feet, a central angle of 14 degrees 34 minutes 29 seconds, an arc length of 76.31 feet, a chord bearing of South 89 degrees 04 minutes 46 seconds West, a distance of 76.11 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;

North 87 degrees 09 minutes 14 seconds West, a distance of 132.35 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for the beginning of a curve to the right;

with said curve to the right having a radius of 370.00 feet, a central angle of 15 degrees 26 minutes 37 seconds, an arc length of 99.73 feet, a chord bearing of North 79 degrees 25 minutes 55 seconds West, a distance of 99.43 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;

THENCE leaving said Via Toscana Lane and through the interior of said 547.89-acre tract the following courses and distances:

North 18 degrees 17 minutes 23 seconds East, a distance of 218.01 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 39 degrees 47 minutes 06 seconds West, a distance of 252.51 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 50 degrees 12 minutes 54 seconds East, a distance of 156.66 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the left;

With said curve to the left having a radius of 345.00 feet, a central angle of 44 degrees 51 minutes 43 seconds, an arc length of 270.13 feet, a chord bearing of North 27 degrees 47 minutes 03 seconds East, a distance of 263.28 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 05 degrees 21 minutes 11 seconds East, a distance of 320.18 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

With said curve to the right having a radius of 355.00 feet, a central angle of 18 degrees 19 minutes 45 seconds, an arc length of 113.57 feet, a chord bearing of North 14 degrees 31 minutes 03 seconds East, a distance of 113.08 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 66 degrees 19 minutes 04 seconds West, a distance of 120.03 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

With said curve to the right having a radius of 477.79 feet, a central angle of 10 degrees 15 minutes 42 seconds, an arc length of 85.57 feet, a chord bearing of North 28 degrees 44 minutes 17 seconds East, a distance of 85.46 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a reverse curve to the left;

With said reverse curve to the left having a radius of 525.00 feet, a central angle of 08 degrees 55 minutes 12 seconds, an arc length of 81.73 feet, a chord bearing of North 27 degrees 56 minutes 25 seconds East, a distance of 81.65 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

THENCE South 80 degrees 28 minutes 48 seconds East, a distance of 122.95 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the left;

With said curve to the left having a radius of 645.00 feet, a central angle of 02 degrees 38 minutes 42 seconds, an arc length of 29.77 feet, a chord bearing of North 19 degrees 31 minutes 19 seconds East, a distance of 29.77 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 18 degrees 11 minutes 58 seconds East, a distance of 451.74 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the left;

With said curve to the left having a radius of 1145.00 feet, a central angle of 00 degrees 05 minutes 38 seconds, an arc length of 1.88 feet, a chord bearing of North 18 degrees 09 minutes 09 seconds East, a distance of 1.88 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 71 degrees 53 minutes 40 seconds West, a distance of 120.00 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

With said curve to the right having a radius of 1025.00 feet, a central angle of 00 degrees 05 minutes 38 seconds, an arc length of 1.68 feet, a chord bearing of South 18 degrees 09 minutes 09 seconds West, a distance of 1.68 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 18 degrees 11 minutes 58 seconds West, a distance of 1.67 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 71 degrees 48 minutes 02 seconds West, a distance of 170.31 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner lying on the southeast line of Tract 1 of said Sonoma Verde Phase 1B;

THENCE North 18 degrees 08 minutes 56 seconds East along the southeast line of said Sonoma Verde Phase 1B, a distance of 25.57 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for the east corner of said Tract 1 at the beginning of a curve to the left;

THENCE departing said Tract 1 and through the interior of said 547.89-acre tract the following courses and distances:

With said curve to the left having a radius of 855.00 feet, a central angle of 03 degrees 00 minutes 51 seconds, an arc length of 44.98 feet, a chord bearing of North 15 degrees 05 minutes 28 seconds East, a distance of 44.98 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 13 degrees 35 minutes 02 seconds East, a distance of 361.33 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 43 degrees 32 minutes 19 seconds West, a distance of 315.15 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the left;

With said curve to the left having a radius of 855.00 feet, a central angle of 04 degrees 17 minutes 01 seconds, an arc length of 63.92 feet, a chord bearing of North 45 degrees 40 minutes 50 seconds West, a distance of 63.91 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 47 degrees 49 minutes 20 seconds West, a distance of 427.68 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

With said curve to the right having a radius of 1145.00 feet, a central angle of 04 degrees 00 minutes 19 seconds, an arc length of 80.04 feet, a chord bearing of North 45 degrees 49 minutes 11 seconds West, a distance of 80.02 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 24 degrees 04 minutes 45 seconds West, a distance of 294.88 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

With said curve to the right having a radius of 245.00 feet, a central angle of 93 degrees 53 minutes 10 seconds, an arc length of 401.46 feet, a chord bearing of South 71 degrees 01 minutes 20 seconds West, a distance of 358.03 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 62 degrees 02 minutes 05 seconds West, a distance of 213.17 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 44 degrees 42 minutes 59 seconds West, a distance of 377.85 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner lying on the northeast line of Tract 1 of said Sonoma Verde Phase 1B, same being the northeast line of Amalfi Drive (a 50' R.O.W.);

THENCE along the northerly line of said Tract 1 the following courses and distances;

North 45 degrees 17 minutes 01 seconds West, a distance of 170.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;

South 44 degrees 42 minutes 59 seconds West, a distance of 6.41 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;

North 45 degrees 17 minutes 01 seconds West, a distance of 143.54 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for the north corner of said Tract 1;

South 44 degrees 44 minutes 56 seconds West, a distance of 560.24 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for the northwest corner of said Tract 1, said point also lying on the northeasterly line of Sonoma Verde Phase 1, an addition to the City of McLendon Chisholm as recorded in Cabinet I, Slide 27 of the Plat Records of Rockwall, County, Texas;

THENCE North 51 degrees 38 minutes 06 seconds West along the northeasterly line of said Sonoma Verde Phase 1, a distance of 50.31 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for the north corner of same;

THENCE departing said Sonoma Verde Phase 1 and through the interior of said 547.89-acre tract the following courses and distances:

North 44 degrees 44 minutes 56 seconds East, a distance of 1148.81 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 62 degrees 02 minutes 05 seconds West, a distance of 1211.94 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

With said curve to the right having a radius of 695.00 feet, a central angle of 03 degrees 43 minutes 37 seconds, an arc length of 45.21 feet, a chord bearing of North 17 degrees 49 minutes 19 seconds East, a distance of 45.20 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 70 degrees 18 minutes 53 seconds West, a distance of 220.00 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the left;

With said curve to the left having a radius of 915.00 feet, a central angle of 04 degrees 20 minutes 01 seconds, an arc length of 69.21 feet, a chord bearing of South 17 degrees 31 minutes 06 seconds West, a distance of 69.19 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 15 degrees 21 minutes 06 seconds West, a distance of 794.56 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 38 degrees 38 minutes 19 seconds West, a distance of 90.13 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 35 degrees 02 minutes 53 seconds West, a distance of 123.41 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 23 degrees 19 minutes 48 seconds West, a distance of 118.51 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 25 degrees 24 minutes 15 seconds West, a distance of 124.48 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 12 degrees 11 minutes 43 seconds West, a distance of 133.34 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 26 degrees 21 minutes 55 seconds West, a distance of 50.00 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 63 degrees 38 minutes 05 seconds East, a distance of 6.35 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the left;

With said curve to the left having a radius of 725.00 feet, a central angle of 05 degrees 24 minutes 57 seconds, an arc length of 68.53 feet, a chord bearing of South 66 degrees 20 minutes 34 seconds East, a distance of 68.51 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 16 degrees 38 minutes 39 seconds West, a distance of 334.54 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the left;

With said curve to the left having a radius of 650.00 feet, a central angle of 45 degrees 41 minutes 42 seconds, an arc length of 518.39 feet, a chord bearing of South 06 degrees 12 minutes 12 seconds East, a distance of 504.76 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 29 degrees 03 minutes 03 seconds East, a distance of 142.06 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner on the northerly line of said Sonoma Verde Phase 1;

THENCE South 44 degrees 44 minutes 56 seconds West along the northerly line of said Sonoma Verde Phase 1, a distance of 815.78 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found lying on the southwest line of the aforementioned 547.89-acre tract, same being an inner ell corner of said Sonoma Verde Phase 1;

THENCE North 44 degrees 52 minutes 30 seconds West, along said southwest line, a distance of 29.71 feet to a 5/8 inch iron rod found for an angle point in same;

THENCE North 44 degrees 46 minutes 30 seconds West, continuing along said southwest line, a distance of 834.50 feet to a 1/2-inch iron bolt found for an angle point in same;

THENCE North 44 degrees 46 minutes 39 seconds West, a distance of 1387.62 feet to the POINT OF BEGINNING containing 10,855,743 square feet, or 249.214 acres of land.

TRACT 2:

BEING a tract of land located in the King Latham Survey, Abstract No. 133, situated in the City of McLendon-Chisholm, Texas, and being a portion of a 547.89-acre tract of land described in deed to MC 550 Land Holdings, L.P. recorded in Volume 5585, Page 296, of the Deed Records of Rockwall County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found lying on the north line of Sonoma Verde Phase 1, an addition to The City of McLendon Chisholm Texas as recorded in Cabinet I, slide 57 of the Plat Records of Rockwall County, Texas at the west corner of Lot 2, Block L of same;

THENCE departing said Sonoma Verde Phase 1 and through the interior of said 547.89-acre tract the following courses and distances:

North 29 degrees 03 minutes 03 seconds West, a distance of 91.21 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

With said curve to the right having a radius of 475.00 feet, a central angle of 45 degrees 41 minutes 42 seconds, an arc length of 378.83 feet, a chord bearing of North 06 degrees 12 minutes 12 seconds West, a distance of 368.87 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 16 degrees 38 minutes 39 seconds East, a distance of 556.10 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

With said curve to the right having a radius of 175.00 feet, a central angle of 06 degrees 32 minutes 02 seconds, an arc length of 19.96 feet, a chord bearing of North 19 degrees 54 minutes 40 seconds East, a distance of 19.95 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 71 degrees 40 minutes 51 seconds East, a distance of 123.83 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

With said curve to the right having a radius of 355.00 feet, a central angle of 09 degrees 38 minutes 46 seconds, an arc length of 59.77 feet, a chord bearing of South 66 degrees 51 minutes 28 seconds East, a distance of 59.70 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 62 degrees 02 minutes 05 seconds East, a distance of 499.30 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner lying on the north line of said Sonoma Verde Phase 1, same being the north line of said Lot 2, Block L;

THENCE South 44 degrees 44 minutes 56 seconds West along the north line of said Lot 2, Block L, a distance of 987.72 feet to the POINT OF BEGINNING containing 401,411 square feet, or 9.215 acres of land

TRACT 3:

BEING a tract of land located in the King Latham Survey, Abstract No. 133, situated in the City of McLendon-Chisholm, Texas, and being a portion of a 547.89-acre tract of land described in deed to MC 550 Land Holdings, L.P. recorded in Volume 5585, Page 296, of the Deed Records of Rockwall County, Texas, and being more particularly described as follows:

BEGINNING at a point lying on the north line of Sonoma Verde Phase 1, an addition to The City of McLendon Chisholm Texas as recorded in Cabinet I, slide 57 of the Plat Records of Rockwall County, Texas, from which a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for an ell corner of Lot 10, Block M of said Sonoma Verde Phase 1 bears South 44 degrees 44 minutes 56 seconds West, a distance of 815.78 feet ;

THENCE through the interior of said 547.89-acre tract the following courses and distances:

North 29 degrees 03 minutes 03 seconds West, a distance of 142.06 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

with said curve to the right having a radius of 650.00 feet, a central angle of 45 degrees 41 minutes 42 seconds, an arc length of 518.39 feet, a chord bearing of North 06 degrees 12 minutes 12 seconds West, a distance of 504.76 feet; to a 5/8 inch iron rod with cap stamped "TNP" set for corner

North 16 degrees 38 minutes 39 seconds East, a distance of 334.54 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

with said curve to the right having a radius of 725.00 feet, a central angle of 05 degrees 24 minutes 57 seconds, an arc length of 68.53 feet, a chord bearing of North 66 degrees 20 minutes 34 seconds West, a distance of 68.51 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 63 degrees 38 minutes 05 seconds West, a distance of 6.35 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 26 degrees 21 minutes 55 seconds East, a distance of 50.00 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 12 degrees 11 minutes 43 seconds East, a distance of 133.34 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 25 degrees 24 minutes 15 seconds East, a distance of 124.48 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 23 degrees 19 minutes 48 seconds East, a distance of 118.51 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 35 degrees 02 minutes 53 seconds East, a distance of 123.41 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 38 degrees 38 minutes 19 seconds East, a distance of 90.13 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 15 degrees 21 minutes 06 seconds East, a distance of 794.56 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

with said curve to the right having a radius of 915.00 feet, a central angle of 04 degrees 20 minutes 01 seconds, an arc length of 69.21 feet, a chord bearing of North 17 degrees 31 minutes 06 seconds East, a distance of 69.19 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner

South 70 degrees 18 minutes 53 seconds East, a distance of 220.00 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the left;

with said curve to the left having a radius of 695.00 feet, a central angle of 03 degrees 43 minutes 37 seconds, an arc length of 45.21 feet, a chord bearing of South 17 degrees 49 minutes 19 seconds West, a distance of 45.20 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 62 degrees 02 minutes 05 seconds East, a distance of 1211.94 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 44 degrees 44 minutes 56 seconds West, a distance of 1211.61 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 62 degrees 02 minutes 05 seconds West, a distance of 499.30 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the left;

with said curve to the left having a radius of 355.00 feet, a central angle of 09 degrees 38 minutes 46 seconds, an arc length of 59.77 feet, a chord bearing of North 66 degrees 51 minutes 28 seconds West, a distance of 59.70 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 71 degrees 40 minutes 51 seconds West, a distance of 123.83 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the left;

with said curve to the left having a radius of 175.00 feet, a central angle of 06 degrees 32 minutes 02 seconds, an arc length of 19.96 feet, a chord bearing of South 19 degrees 54 minutes 40 seconds West, a distance of 19.95 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner

THENCE South 16 degrees 38 minutes 39 seconds West, a distance of 556.10 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the left;

with said curve to the left having a radius of 475.00 feet, a central angle of 45 degrees 41 minutes 42 seconds, an arc length of 378.83 feet, a chord bearing of South 06 degrees 12 minutes 12 seconds East, a distance of 368.87 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 29 degrees 03 minutes 03 seconds East, a distance of 91.21 feet to a 5/8 inch iron rod cap stamped "R.P.L.S. 5430" found for the northwest corner of Lot 2, Block L of the aforementioned Sonoma Verde Phase 1;

THENCE South 44 degrees 44 minutes 56 seconds West, along the north line of said Sonoma Verde Phase 1, a distance of 182.24 feet to the POINT OF BEGINNING containing 1,570,009 square feet, or 36.042 acres of land.

TRACT 4:

BEING a tract of land located in the King Latham Survey, Abstract No. 133, situated in the City of McLendon-Chisholm, Texas, and being a portion of a 547.89-acre tract of land described in

deed to MC 550 Land Holdings, L.P. recorded in Volume 5585, Page 296, of the Deed Records of Rockwall County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for the east corner of Lot 53, Block N of Tract 1 of Sonoma Verde Phase 1B, an addition to The City of McLendon Chisholm Texas as recorded in Cabinet I, slide 381 of the Plat Records of Rockwall County, Texas;

THENCE along the northeasterly line of said Tract 1 of Sonoma Verde Phase 1B the following courses and distances;

North 76 degrees 24 minutes 58 seconds West, a distance of 120.19 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;

North 16 degrees 10 minutes 29 seconds East, a distance of 23.51 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;

North 74 degrees 44 minutes 30 seconds West, a distance of 50.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;

North 80 degrees 28 minutes 48 seconds West, a distance of 871.33 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner at the beginning of a curve to the right;

With said curve to the right having a radius of 55.00 feet, a central angle of 27 degrees 35 minutes 07 seconds, an arc length of 26.48 feet, a chord bearing of North 66 degrees 41 minutes 15 seconds West, a distance of 26.22 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;

South 44 degrees 42 minutes 59 seconds West, a distance of 120.33 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner at the beginning of a curve to the right;

With said curve to the right having a radius of 175.00 feet, a central angle of 02 degrees 23 minutes 09 seconds, an arc length of 7.29 feet, a chord bearing of North 46 degrees 28 minutes 35 seconds West, a distance of 7.29 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;

North 45 degrees 17 minutes 01 seconds West, a distance of 17.72 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;

North 45 degrees 17 minutes 01 seconds West, a distance of 435.00 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

THENCE departing the northeasterly line of said Tract 1 of Sonoma Verde Phase 1B and through the interior of said 547.89-acre tract the following courses and distances;

North 44 degrees 42 minutes 59 seconds East, a distance of 377.85 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 62 degrees 02 minutes 05 seconds East, a distance of 213.17 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the left;

With said curve to the left having a radius of 245.00 feet, a central angle of 93 degrees 53 minutes 10 seconds, an arc length of 401.46 feet, a chord bearing of North 71 degrees 01 minutes 20 seconds East, a distance of 358.03 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 24 degrees 04 minutes 45 seconds East, a distance of 294.88 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the left;

With said curve to the left having a radius of 1145.00 feet, a central angle of 04 degrees 00 minutes 19 seconds, an arc length of 80.04 feet, a chord bearing of South 45 degrees 49 minutes 11 seconds East, a distance of 80.02 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 47 degrees 49 minutes 20 seconds East, a distance of 427.68 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

With said curve to the right having a radius of 855.00 feet, a central angle of 04 degrees 17 minutes 01 seconds, an arc length of 63.92 feet, a chord bearing of South 45 degrees 40 minutes 50 seconds East, a distance of 63.91 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 43 degrees 32 minutes 19 seconds East, a distance of 315.15 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 13 degrees 35 minutes 02 seconds West, a distance of 361.33 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

With said curve to the right having a radius of 855.00 feet, a central angle of 03 degrees 00 minutes 51 seconds, an arc length of 44.98 feet, a chord bearing of South 15 degrees 05 minutes 28 seconds West, a distance of 44.98 feet to the POINT OF BEGINNING containing 798,954 square feet, or 18.341 acres of land.

TRACT 5:

BEING a tract of land located in the King Latham Survey, Abstract No. 133, situated in the City of McLendon-Chisholm, Texas, and being a portion of a 547.89-acre tract of land described in

deed to MC 550 Land Holdings, L.P. recorded in Volume 5585, Page 296, of the Deed Records of Rockwall County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for the south corner of Lot 22, Tract 1 of Sonoma Verde Phase 1B, an addition to The City of McLendon Chisholm Texas as recorded in Cabinet I, slide 381 of the Plat Records of Rockwall County, Texas, said point also lying on the northeast line of a tract of land to Rockwall Independent School District as recorded in Volume 6196, Page 200 of the Deed Records of Rockwall County, Texas;

THENCE departing the northeast line of said Rockwall Independent School District tract and along the southeasterly line of said Tract 1 of Sonoma Verde Phase 1B the following courses and distances;

North 09 degrees 31 minutes 12 seconds East, a distance of 170.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;

South 80 degrees 28 minutes 48 seconds East, a distance of 35.02 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;

North 18 degrees 08 minutes 56 seconds East, a distance of 351.84 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

THENCE departing the southeasterly line of said Tract 1 of Sonoma Verde Phase 1B and through the interior of said 547.89-acre tract the following courses and distances;

South 71 degrees 48 minutes 02 seconds East, a distance of 170.31 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 18 degrees 11 minutes 58 seconds East, a distance of 1.67 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the left;

With said curve to the left having a radius of 1025.00 feet, a central angle of 00 degrees 05 minutes 38 seconds, an arc length of 1.68 feet, a chord bearing of North 18 degrees 09 minutes 09 seconds East, a distance of 1.68 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 71 degrees 53 minutes 40 seconds East, a distance of 120.00 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

With said curve to the right having a radius of 1145.00 feet, a central angle of 00 degrees 05 minutes 38 seconds, an arc length of 1.88 feet, a chord bearing of South 18 degrees 09 minutes 09 seconds West, a distance of 1.88 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 18 degrees 11 minutes 58 seconds West, a distance of 451.74 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

With said curve to the right having a radius of 645.00 feet, a central angle of 02 degrees 38 minutes 42 seconds, an arc length of 29.77 feet, a chord bearing of South 19 degrees 31 minutes 19 seconds West, a distance of 29.77 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 80 degrees 28 minutes 48 seconds West, a distance of 122.95 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

With said curve to the right having a radius of 525.00 feet, a central angle of 08 degrees 55 minutes 12 seconds, an arc length of 81.73 feet, a chord bearing of South 27 degrees 56 minutes 25 seconds West, a distance of 81.65 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a reverse curve to the left;

With said reverse curve to the left having a radius of 477.79 feet, a central angle of 10 degrees 15 minutes 42 seconds, an arc length of 85.57 feet, a chord bearing of South 28 degrees 44 minutes 17 seconds West, a distance of 85.46 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 66 degrees 19 minutes 04 seconds East, a distance of 120.03 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the left

With said curve to the left having a radius of 355.00 feet, a central angle of 18 degrees 19 minutes 45 seconds, an arc length of 113.57 feet, a chord bearing of South 14 degrees 31 minutes 03 seconds West, a distance of 113.08 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 05 degrees 21 minutes 11 seconds West, a distance of 320.18 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner at the beginning of a curve to the right;

With said curve to the right having a radius of 345.00 feet, a central angle of 44 degrees 51 minutes 43 seconds, an arc length of 270.13 feet, a chord bearing of South 27 degrees 47 minutes 03 seconds West, a distance of 263.28 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 50 degrees 12 minutes 54 seconds West, a distance of 156.66 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

North 39 degrees 47 minutes 06 seconds West, a distance of 120.00 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

South 50 degrees 12 minutes 54 seconds West, a distance of 145.00 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner lying on the northeasterly line of Via Toscana Lane, (a 60' R.O.W.) as dedicated by Sonoma Verde Phase 1, an addition to The City of McLendon Chisholm Texas as recorded in Cabinet I, slide 57 of the Plat Records of Rockwall County, Texas and at the beginning of a curve to the left;

THENCE with said curve to the left along said northeasterly line of Via Toscana Lane having a radius of 100.00 feet, a central angle of 28 degrees 57 minutes 18 seconds, an arc length of 50.54 feet, a chord bearing of North 39 degrees 47 minutes 06 seconds West, a distance of 50.00 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for the south corner of previously mentioned Rockwall Independent School District tract;

THENCE departing said northeasterly line of Via Toscana Lane and along the southeasterly line of said Rockwall Independent School District tract the following courses and distances;

North 50 degrees 12 minutes 54 seconds East, a distance of 301.66 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner at the beginning of a curve to the left;

With said curve to the left having a radius of 175.00 feet, a central angle of 44 degrees 51 minutes 43 seconds, an arc length of 137.02 feet, a chord bearing of North 27 degrees 47 minutes 03 seconds East, a distance of 133.55 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;

North 05 degrees 21 minutes 11 seconds East, a distance of 320.18 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner at the beginning of a curve to the right;

With said curve to the right having a radius of 527.79 feet, a central angle of 28 degrees 20 minutes 50 seconds, an arc length of 261.12 feet, a chord bearing of North 19 degrees 33 minutes 55 seconds East, a distance of 258.47 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner at the beginning of the reverse curve to the left;

With said reverse curve to the left having a radius of 475.00 feet, a central angle of 07 degrees 26 minutes 19 seconds, an arc length of 61.67 feet, a chord bearing of North 28 degrees 40 minutes 51 seconds East, a distance of 61.62 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;

North 80 degrees 28 minutes 48 seconds West, a distance of 127.12 feet to the POINT OF BEGINNING containing 304,518 square feet, or 6.991 acres of land.

TRACT 6:

BEING a tract of land located in the King Latham Survey, Abstract No. 133, situated in the City of McLendon-Chisholm, Texas, and being a portion of a 547.89-acre tract of land described in

deed to MC 550 Land Holdings, L.P. recorded in Volume 5585, Page 296, of the Deed Records of Rockwall County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2-inch iron found for the southwest corner of said 547.89-acre tract, also lying at the intersection of Wallace Road with Frontier Trail a variable width right-of-way;

THENCE North 44 degrees 50 minutes 24 seconds West, along the near center of said Frontier Trail, a distance of 1126.36 feet to a 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found lying on the southerly line of Sonoma Verde Phase 1, an addition to the City of McLendon Chisholm as recorded in Cabinet I, Slide 27 of the Plat Records of Rockwall County, Texas;

THENCE along Sonoma Verde Phase 1 the following courses and distances:

North 45 degrees 12 minutes 00 seconds East, a distance of 180.00 feet to 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;

South 44 degrees 50 minutes 24 seconds East, a distance of 40.28 feet to a 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found;

North 45 degrees 12 minutes 00 seconds East, a distance of 215.00 feet to 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found lying on the southwesterly line of Lot 33, Tract 2 of Sonoma Verde Phase 1B, an addition to the City of McLendon Chisholm as recorded in Cabinet I, Slide 381 of the Plat Records of Rockwall County, Texas, said point also being the southeast corner of said Sonoma Verde Phase 1;

THENCE South 44 degrees 50 minutes 24 seconds East, along the southwesterly line of said Lot 33, Tract 2 of Sonoma Verde Phase 1B passing the west corner of Sonoma Verde Phase 1C, an addition to the City of McLendon Chisholm as recorded in Cabinet J, Slide 221 of the Plat Records of Rockwall County, Texas at a distance of 59.84 feet and continuing along the southwesterly line of said Sonoma Verde Phase 1C, a total distance of 417.03 feet to a 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found for the beginning of a curve to the left;

THENCE with said curve to the left continuing along the southwesterly line of said Sonoma Verde Phase 1C having a radius of 240.00 feet, a central angle of 89 degrees 47 minutes 08 seconds, an arc length of 376.09 feet, a chord bearing of South 89 degrees 43 minutes 58 seconds East, a distance of 338.78 feet to a 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;

THENCE North 45 degrees 22 minutes 28 seconds East continuing along the southwesterly line of said Sonoma Verde Phase 1C, a distance of 587.89 feet to 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found for the east corner of said Sonoma Verde Phase 1C same point lying on the northeast line of Siena Lane;

North 44 degrees 37 minutes 32 seconds West along the northeasterly line of said Sonoma Verde Phase 1C same being the northeast line of said Siena Lane, a distance of 122.10 feet to a 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found for the beginning of a curve to the left;

THENCE with said curve to the left continuing along the northeasterly line of said Sonoma Verde Phase 1C having a radius of 300.00 feet, a central angle of 28 degrees 50 minutes 53 seconds, an arc length of 151.05 feet, a chord bearing of North 24 degrees 10 minutes 18 seconds East, a distance of 149.46 feet to a 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found for corner on the southeasterly line of previously mentioned Sonoma Verde Phase 1B Tract 2;

THENCE along the southeasterly line of said Sonoma Verde Phase 1B Tract 2 the following courses and distances;

North 09 degrees 44 minutes 52 seconds East, a distance of 138.23 feet to 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found for the beginning of a curve to the right;

with said curve to the right having a radius of 490.00 feet, a central angle of 20 degrees 55 minutes 23 seconds, an arc length of 178.94 feet, a chord bearing of North 20 degrees 12 minutes 31 seconds East, a distance of 177.94 feet to a 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;

North 31 degrees 03 minutes 36 seconds East, a distance of 135.57 feet to a 5/8 inch iron rod with cap stamped "R.P.L.S. 5430" found lying on the southwesterly line of Via Toscana Lane, a variable width right-of-way as dedicated by Sonoma Verde Phase 1B Tract 3, an addition to the City of McLendon Chisholm as recorded in Cabinet I, Slide 381 of the Plat Records of Rockwall County, Texas;

THENCE along the southwesterly right-of-way of said Via Toscana Lane the following courses and distances:

South 34 degrees 11 minutes 04 seconds East, a distance of 10.98 feet to 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found for the beginning of a curve to the left;

with said curve to the left having a radius of 430.00 feet, a central angle of 52 degrees 58 minutes 09 seconds, an arc length of 397.53 feet, a chord bearing of South 60 degrees 40 minutes 09 seconds East, a distance of 383.52 feet to a 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;

South 87 degrees 09 minutes 14 seconds East, a distance of 123.79 feet to a 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found for the beginning of a curve to the right;

with said curve to the right having a radius of 300.00 feet, a central angle of 14 degrees 22 minutes 18 seconds, an arc length of 75.25 feet, a chord bearing of South 83 degrees 20

minutes 02 seconds East, a distance of 75.05 feet to a 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found for the beginning of a reverse curve to the left;

with said reverse curve to the left having a radius of 300.00 feet, a central angle of 14 degrees 22 minutes 21 seconds, an arc length of 75.25 feet, a chord bearing of South 83 degrees 14 minutes 57 seconds East, a distance of 75.06 feet to a 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found for the beginning of a reverse curve to the right;

with said reverse curve to the right having a radius of 260.00 feet, a central angle of 40 degrees 30 minutes 13 seconds, an arc length of 183.80 feet, a chord bearing of South 65 degrees 13 minutes 39 seconds East, a distance of 180.00 feet to a 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found for corner;

South 44 degrees 38 minutes 41 seconds East, a distance of 40.00 feet to a 5/8-inch iron rod with cap stamped "R.P.L.S. 5430" found lying on the southerly line of the aforementioned 547.89-acre tract also lying in the previously mentioned Wallace Road;

THENCE South 45 degrees 21 minutes 19 seconds West, along the southerly line of said 547.89-acre tract road and along the near center of said Wallace Road, a distance of 2109.31 feet to the POINT OF BEGINNING, containing 1,293,862 Square Feet, or 29.703 Acres.

EXHIBIT B

THE ROADS



Exhibit E

SONOMA VERDE
EDWARDS ROAD & LEAGUE ROAD EXHIBIT
AUGUST 2021

EXHIBIT C

THE ROAD CONTRACT

[Attached]

This document has important legal consequences; consultation with an attorney is encouraged with respect to its use or modification. This document should be adapted to the particular circumstances of the contemplated Project and the controlling Laws and Regulations.

**AGREEMENT
BETWEEN OWNER AND CONTRACTOR FOR
CONSTRUCTION CONTRACT (STIPULATED PRICE)**

Prepared by



Issued and Published Jointly by



Sonoma Verde Edwards Road

INTRODUCTION

This Agreement between Owner and Contractor for Construction Contract (Stipulated Price) ("Agreement") has been prepared for use with the Suggested Instructions to Bidders for Construction Contracts ("Instructions to Bidders") (EJCDC® C-200, 2013 Edition); the Suggested Bid Form for Construction Contracts ("Bid Form") (EJCDC® C 410, 2013 Edition); and the Standard General Conditions of the Construction Contract ("General Conditions") (EJCDC® C-700, 2013 Edition). Their provisions are interrelated, and a change in one may necessitate a change in the others. See also the Guide to the Preparation of Supplementary Conditions (EJCDC® C-800, 2013 Edition), and the Commentary on the 2013 EJCDC Construction Documents (EJCDC® C-001, 2013 Edition).

In construction contracting, as a general matter the "agreement" is the legal instrument executed (signed) by the project owner and the construction contractor, binding the parties to the terms of the contract. See CSI Project Delivery Practice Guide (2011), Section 11.1.2, p. 210, and CSI Construction Specification Practice Guide (2011), Section 5.1, p. 75. This EJCDC Agreement form serves that basic function, by identifying the parties and Contract Documents, and establishing the Contract Price and Contract Times. This Agreement form is specifically intended for stipulated price (fixed price) contracts—that is, contracts in which Owner and Contractor identify specific lump sums and unit prices as Contractor's compensation for performing the Work. For construction contracts in which the Contract Price is primarily based on costs incurred during construction, users should select EJCDC® C-525, Agreement between Owner and Contractor for Construction Contract (Cost-Plus).

This Agreement form is drafted to be flexible enough to be used on projects that are competitively bid, and for public and private contracts that are negotiated or awarded through a proposal process or otherwise. On competitively bid projects, the following documentary information would typically be made available to bidders:

- Bidding Requirements, which include the Advertisement or invitation to bid, the Instructions to Bidders, and the Bid Form that is suggested or prescribed, all of which provide information and guidance for all Bidders, and Bid Form supplements (if any) such as Bid Bond and Qualifications Statement.
- Contract Documents, which include the Agreement, performance and payment bonds, the General Conditions, the Supplementary Conditions, the Drawings, and the Specifications.
- Documents referred to in the Supplementary Conditions or elsewhere as being of interest to bidders for reference purposes, but which are not Contract Documents.

Together, the Bidding Requirements and the Contract Documents are referred to as the Bidding Documents. (The terms "Bidding Documents," "Bidding Requirements," and "Contract Documents" are defined in Article 1 of the General Conditions.) The Bidding Requirements are not Contract Documents because much of their substance pertains to the relationships prior to the award of the Contract and has little effect or impact thereafter. Many contracts are awarded without even going through a bidding process, and thus have no Bidding Requirements, illustrating that the bidding items are typically superfluous to the formation of a binding and comprehensive construction contract. In some cases, however, a bid or proposal will contain numerous line items and their prices; in such case the actual bid or proposal document may be attached as an exhibit to the Agreement to avoid extensive rekeying.

Suggested provisions are accompanied by “Notes to User” and bracketed notes and prompts to assist in preparing the Agreement. The provisions have been coordinated with the other forms produced by EJCDC. Much of the language should be usable on most projects, but modifications and additional provisions will often be necessary. When modifying the suggested language or writing additional provisions, the user must check the other documents thoroughly for conflicts and coordination of terms, and make appropriate revisions in all affected documents.

All parties involved in construction projects benefit significantly from a standardized approach in the location of subject matter throughout the documents. Experience confirms the danger of addressing the same subject matter in more than one location; doing so frequently leads to confusion and unanticipated legal consequences. When preparing documents for a construction project, careful attention should be given to the guidance provided in EJCDC® N-122/AIA® A521, Uniform Location of Subject Matter (2012 Edition), available at no charge from the EJCDC website, www.ejcdc.org, and from the websites of EJCDC’s sponsoring organizations.

CSI MasterFormat™ (50-Division format) designates Document “00 52 XX” for various forms of the owner-contractor agreement. If this format is used, the first page of the Agreement would be numbered 00 52 13-1 (or other appropriate third pair of numbers, in accordance with MasterFormat™).

Instructions and restrictions regarding the use of this document are set out in the License Agreement that accompanied the document at the time of purchase. To prepare the Agreement for inclusion in a Project Manual or for use in a specific contractual engagement, (1) remove the cover pages and this Introduction, (2) fill in Project-specific information and make revisions to the Agreement, following the guidance in the Notes to Users and bracketed notes and prompts, and the advice of legal counsel, and (3) delete the Notes to Users and bracketed notes and prompts.

**AGREEMENT
BETWEEN OWNER AND CONTRACTOR
FOR CONSTRUCTION CONTRACT (STIPULATED PRICE)**

THIS AGREEMENT is by and between Land Solutions SV, LLC ("Owner") and
5W Contracting, LLC ("Contractor").

Owner and Contractor hereby agree as follows:

ARTICLE 1 – WORK

- 1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows: Chip and Seal Edwards Road and portions of League Road surrounding Sonoma Verde Subdivision in McClendon Chisholm, Texas.

ARTICLE 2 – THE PROJECT

- 2.01 The Project, of which the Work under the Contract Documents is a part, is generally described as follows: Perimeter roads around Sonoma Verde located in McClendon Chisholm, Texas

ARTICLE 3 – ENGINEER

- 3.01 The Project has been designed by:

Craig Malan, P.E.
Kimley-Horn and Associates, Inc.
400 N. Oklahoma Dr., Suite 105,
Celina, TX 75009
Phone 469-287-5209

- 3.02 The Owner has retained Kimley-Horn and Associates, Inc. ("Engineer") to act as Owner's representative, assume all duties and responsibilities, and have the rights and authority assigned to Engineer in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.
- 3.03 The Owner has retained Land Solutions SV, LLC ("Consultant") to act as Owner's representative, assume all duties and responsibilities, and have the rights and authority assigned to Owner in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.

ARTICLE 4 – CONTRACT TIMES

- 4.01 *Time of the Essence*

- A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.

4.02 *Contract Times: Dates*

- A. The Work will be substantially completed as of the dates described below. Working days will include Saturdays.
 - 1. All work per the contract within 14 calendar days from Notice to Proceed.
 - 2. N/A
- B. Parts of the Work shall be substantially completed on or before the following Milestone(s):
 - 1. Milestone 1: N/A
 - 2. Milestone 2: N/A
 - 3. Milestone 3: N/A

4.03 *Liquidated Damages*

- A. Contractor and Owner recognize that time is of the essence as stated in Paragraph 4.01 above and that Owner will suffer financial and other losses if the Work is not completed and Milestones not achieved within the times specified in Paragraph 4.02 above, plus any extensions thereof allowed in accordance with the Contract. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty):
 - 1. Substantial Completion: Contractor shall pay Owner \$100.00 for each day that expires after the time (as duly adjusted pursuant to the Contract) specified in Paragraph 4.02.A above for Substantial Completion until the Work is substantially complete.
 - 2. Completion of Remaining Work: After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Time (as duly adjusted pursuant to the Contract) for completion and readiness for final payment, Contractor shall pay Owner \$100.00 for each day that expires after such time until the Work is completed and ready for final payment.
 - 3. Liquidated damages for failing to timely attain Substantial Completion and final completion are not additive and will not be imposed concurrently.
 - 4. Milestones: Contractor shall pay Owner \$0.00 for each day that expires after the time (as duly adjusted pursuant to the Contract) specified above for achievement of the Milestone dates, until the Milestone dates are achieved.
- B. *Bonus*: Contractor and Owner further recognize the Owner will realize financial and other benefits if the Work is completed prior to the time specified for Substantial Completion. Accordingly, Owner and Contractor agree that as a bonus for early completion, Owner shall pay Contractor \$0.00 for each day prior to the time specified in Paragraph 4.02 for Substantial Completion (as duly adjusted pursuant to the Contract) that the Work is substantially complete. The maximum value of the bonus shall be limited to \$0.00.

ARTICLE 5 – CONTRACT PRICE

- 5.01 Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents the amounts that follow, subject to adjustment under the Contract:

EJCDC® C-520, Agreement Between Owner and Contractor for Construction Contract (Stipulated Price).
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and American Society of Civil Engineers. All rights reserved. Page v

- A. For all Work other than Unit Price Work, a lump sum of: \$236,756.56.
All specific cash allowances are included in the above price in accordance with Paragraph 13.02 of the General Conditions.
- B. **Any additional work or quantities needed to complete the Work as requested by Owner shall be completed at the contract unit prices and must be agreed upon by the OWNER and the CONTRACTOR in writing pursuant to a Change Order before any additional work begins.**
- C. For all Work, see the schedule of values stated in CONTRACTOR's Bid attached hereto as Exhibit A.

ARTICLE 6 – PAYMENT PROCEDURES

6.01 *Submittal and Processing of Payments*

- A. Contractor shall submit Applications for Payment in accordance with Article 15 of the General Conditions. Applications for Payment will be processed by Engineer as provided in the General Conditions.

6.02 *Progress Payments; Retainage*

- A. Owner shall make progress payments on account of the Contract Price on the basis of Contractor's Applications for Payment on or about the last day following receipt by OWNER of CONTRACTOR'S Application for Payment, provided that such Applications for Payment have been submitted by the 25th of the month and otherwise meet the requirements of the Contract. The CONTRACTOR shall submit their progress payments on AIA Form G702 and G703 to OWNER and ENGINEER for review and approval. All such payments will be measured by the Schedule of Values established as provided in the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no Schedule of Values, as provided elsewhere in the Contract.
 - 1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Owner may withhold, including but not limited to liquidated damages, in accordance with the Contract
 - a. 90 percent of Work completed (with the balance being retainage). If the Work has been 50 percent completed as determined by Engineer, and if the character and progress of the Work have been satisfactory to Owner and Engineer, then as long as the character and progress of the Work remain satisfactory to Owner and Engineer, there will be no additional retainage; and
 - b. 90 percent of cost of materials and equipment not incorporated in the Work (with the balance being retainage).
- B. Upon Substantial Completion, Owner shall pay an amount sufficient to increase total payments to Contractor to 100 percent of the Work completed, less such amounts set off by Owner pursuant to Paragraph 15.01.E of the General Conditions, and less 125 percent of Engineer's estimate of the value of Work to be completed or corrected as shown on the punch list of items to be completed or corrected prior to final payment.

- C. No claims for additional work will be paid unless the additional work is approved by the OWNER and ENGINEER in writing and the price for same is agreed to by the OWNER prior to the additional work being done by the CONTRACTOR pursuant to a signed Change Order.
- D. Prior to each progress payment and the final payment, CONTRACTOR shall provide the OWNER with an Affidavit of Bills Paid, Partial Release of Lien for current Application for Payment and Final Release for all prior payments from CONTRACTOR and each SUBCONTRACTOR or material supplier that provided services to the CONTRACTOR for the Project in excess of five thousand dollars (\$5,000.00). The form of Lien Releases and Affidavit of Bills Paid are attached to this Agreement. CONTRACTOR agrees to additionally provide any forms or affidavits reasonably requested by OWNER'S lender

6.03 Final Payment

- A. Upon final completion and acceptance of the Work by Owner, Engineer and all regulating bodies, to include but not limited to the City, County, District and any Special Utility Districts and in accordance with Paragraph 15.06 of the General Conditions, Owner shall pay the remainder of the Contract Price as recommended by Engineer as provided in said Paragraph 15.06.

ARTICLE 7 – INTEREST

- 7.01 All amounts not paid when due shall bear interest at the rate of 0 percent per annum.

ARTICLE 8 – CONTRACTOR'S REPRESENTATIONS

- 8.01 In order to induce Owner to enter into this Contract, Contractor makes the following representations:
- A. Contractor has examined and carefully studied the Contract Documents, and any data and reference items identified in the Contract Documents and has not solely relied on bid quantities provided by the Engineer in determining the lump sum price. The Contract lump sum will not be adjusted due to omissions by the Owner, Engineer or Contractor.
 - B. Contractor has visited the Site, conducted a thorough, alert visual examination of the Site and adjacent areas, and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
 - C. Contractor is familiar with and is satisfied as to all Laws and Regulations that may affect cost, progress, and performance of the Work.
 - D. Contractor has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or adjacent to the Site and all drawings of physical conditions relating to existing surface or subsurface structures at the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings, and (2) reports and drawings relating to Hazardous Environmental Conditions, if any, at or adjacent to the Site that have been identified in the Supplementary Conditions, especially with respect to Technical Data in such reports and drawings. All Documents in Owners possession have been provided.
 - E. Contractor has considered the information known to Contractor itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Site-related

reports and drawings identified in the Contract Documents, with respect to the effect of such information, observations, and documents on (1) the cost, progress, and performance of the Work; (2) the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor; and (3) Contractor's safety precautions and programs.

- F. Based on the information and observations referred to in the preceding paragraph, Contractor agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract.
- G. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
- H. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
- I. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
- J. Contractor's entry into this Contract constitutes an incontrovertible representation by Contractor that without exception all prices in the Agreement are premised upon performing and furnishing the Work required by the Contract Documents.
- K. CONTRACTOR agrees to work in harmony with other contractors on site where CONTRACTOR's work abuts, connects, or is adjacent to other work being performed, or to existing infrastructure.
- L. CONTRACTOR agrees to work within the agreed upon limits of construction and shall work to eliminate construction crossing of all areas, natural or otherwise, outside the working limits. CONTRACTOR further agrees to pay a penalty of \$1000 per occurrence where CONTRACTOR is found to violate the agreed upon working limits and will be required to reseed all disturbed areas at CONTRACTORS expense. CONTRACTOR may be required to install cable or snow fencing at CONTRACTORS expense on the perimeter of construction limits should traffic invade these areas.
- M. CONTRACTOR agrees to keep all roads free of construction dirt, debris and mud throughout the Construction timeframe. All construction equipment must be cleaned of dirt, mud and debris prior to exiting working limits. CONTRACTOR agrees to sweep all construction roads, including existing infrastructure used for equipment transport, prior to exiting the Project. This applies only to what is caused by this scope of work.

ARTICLE 9 – CONTRACT DOCUMENTS

9.01 Contents

- A. The Contract Documents consist of the following:
 - 1. This Agreement (pages C-520-i to C-520-xix inclusive).
 - 2. Performance bond (pages N/A to N/A, inclusive).
 - 3. Payment bond (pages N/A to N/A, inclusive).
 - 4. General Conditions (pages C-700-1 to C-700-65 inclusive).

5. Supplementary Conditions (pages N/A to N/A, inclusive).
6. Drawings (not attached but incorporated by reference) bearing the following general title: Sonoma Verde Edwards Road & League Road Exhibit dated August 2021 attached as Exhibit E
7. Geotechnical Report (not attached but incorporated by reference) bearing the following general title: N/A
8. Exhibits to this Agreement (enumerated as follows):
 - a. Contractor's Bid
 - b. Contractors Insurance Requirements
 - c. Subcontractor Insurance Requirements
 - d. Contractor's Certificate of Insurance
 - e. Form of Partial Release of Liens and Bills Paid Affidavit
 - f. Form of Final Release of Liens and Bills Paid Affidavit
9. The following which may be delivered or issued on or after the Effective Date of the Contract and are not attached hereto:
 - a. Notice to Proceed.
 - b. Work Change Directives.
 - c. Change Orders.
 - d. Field Orders.
 - e. Consent of Contractor
 - f. Affidavit of Commencement
- B. The documents listed in Paragraph 9.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 9.
- D. The Contract Documents may only be amended, modified, or supplemented as provided in the General Conditions.

ARTICLE 10 – MISCELLANEOUS

10.01 Terms

- A. Terms used in this Agreement will have the meanings stated in the General Conditions and the Supplementary Conditions.

10.02 Assignment of Contract

- A. Unless expressly agreed to elsewhere in the Contract, no assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, money that may become due and money that is due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

- B. OWNER may rely solely upon CONTRACTOR for enforcement of all subcontracts. To effect such purpose, CONTRACTOR now assigns to OWNER all right to bring any actions against SUBCONTRACTORS and material vendors without waiver by OWNER of its right against CONTRACTOR because of defaults, delays and defects for which a SUBCONTRACTOR or material vendor may also be liable; provided, however, that OWNER shall not have the right to bring such actions directly against such SUBCONTRACTOR unless CONTRACTOR has defaulted hereunder (and such default remains uncured) or OWNER has terminated this Agreement as a result of such default. CONTRACTOR will indemnify, defend and hold OWNER harmless from any failure or refusal of any SUBCONTRACTOR to comply with any provision of the Contract Documents. In addition, this Agreement may be collaterally assigned by OWNER (or any permitted assignee) to a financial institution providing financing to OWNER (or any permitted assignee) for the purchase and/or development of the Project.

10.03 *Successors and Assigns*

- A. Owner and Contractor each binds itself, its successors, assigns, and legal representatives to the other party hereto, its successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

10.04 *Severability*

- A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

10.05 *Contractor's Certifications*

- A. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 10.05:
1. "corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value likely to influence the action of a public official in the bidding process or in the Contract execution;
 2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of Owner, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;
 3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish Bid prices at artificial, non-competitive levels; and
 4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

10.06 *Other Provisions*

- A. Supervision: CONTRACTOR shall provide a competent superintendent, satisfactory to the OWNER and the ENGINEER, on the Site at all times during working hours with full authority

to act for CONTRACTOR. The CONTRACTOR shall provide an adequate staff for the proper coordination and expediting of the Work. CONTRACTOR'S supervisor shall coordinate with OWNER and Engineer on any additional work required.

- B. Testing: Testing and inspection of materials required for the Work shall be performed by a commercial laboratory acceptable to OWNER and ENGINEER. In the event tests indicate a material does not meet the minimum requirements of the Specifications, the cost of additional testing required, as determined by the laboratory, will be paid for by the CONTRACTOR.

Testing Lab: **Alpha Testing, Inc.**
 Chris Moore, P.E.
 2209 Wisconsin Street, Suite 100
 Dallas, TX. 75229
 972-620-8911

- C. Guarantee and Warranty:

1. CONTRACTOR agrees to promptly make good, without cost to OWNER any and all defects in the CONTRACTOR's Work due to faulty workmanship and/or materials which may appear within the guarantee or warranty period so established in the Contract Documents and if no such period be stipulated in the Contract Documents, then such **guarantee shall be a for a minimum period of One (1) year from the date of completion and acceptance of the Project by OWNER and Final Acceptance by all regulating bodies, to include but not limited to the City, County, District and any Special Utility Districts or the duration further required.** Receipt by OWNER of all guarantees or warranties stipulated by the Contract Documents is required prior to processing CONTRACTOR's final payment. This warranty shall be in addition to all other warranties and remedies, expressed or implied, under the law and the Contract Documents. CONTRACTOR shall provide OWNER with copies of all guarantees or warranties which have been made to the CONTRACTOR by suppliers or SUB-CONTRACTORS as required hereunder, together with an assignment of such warranties and guarantees to the OWNER and/or the County; however, such assignment shall not relieve the CONTRACTOR of the responsibility stated in the preceding paragraph in case of failure of SUB-CONTRACTORS or suppliers to fulfill the provision of such warranties or guarantees.
2. Notwithstanding any other term or provision contained herein to the contrary, and in accordance with Tex. Civ. Prac. & Rem. Code § 16.009(e)(1), OWNER and CONTRACTOR expressly understand, agree and accept that for the purpose of calculating the ten (10) year period in § 16.009, the Date of Substantial Completion of CONTRACTOR's Work shall be the same date as the Date of Substantial Completion for the Project (final acceptance from the OWNER all regulating bodies and release from the OWNER'S lender).
3. CONTRACTOR further understands, accepts and agrees that if any person or entity brings suit for damages for any claim arising out of an alleged defective or unsafe condition of the Project, or an alleged deficiency in the construction or repair of the Project, which may be covered by the indemnification agreements specified below, and if a court of competent jurisdiction determines that the Date of Substantial Completion of CONTRACTOR's Work is not the same date as the Date of Substantial Completion of

the Project, in spite of the parties' agreement in (a) above, CONTRACTOR hereby waives and relinquishes any right it may have to assert a defense based upon CONTRACTOR's Date of Substantial Completion being different than the Date of Substantial Completion for the entire Project, against any action brought by OWNER against CONTRACTOR to enforce the terms and provisions of the indemnification agreements contained in the Contract.

- D. *Storage of Materials*: No materials shall be stored nor shall any equipment be parked on property adjacent to the Site without the express written consent of OWNER and the owner of the adjacent property. Upon completion of all Work, or when directed by OWNER, the CONTRACTOR shall remove all unused materials from the Site. All materials and equipment stored on Site shall be at the CONTRACTOR'S sole risk and OWNER is hereby released from any and all liability for CONTRACTOR'S materials or equipment at the Site being stolen or damaged in any way.
- E. *Barricades and Warnings*: The safety of the public shall be regarded as of primary importance and the responsibility of CONTRACTOR during construction of the Work. CONTRACTOR shall keep all members of the public away from the Site at all times. Where public safety is involved and/or otherwise required by Laws and Regulations, the CONTRACTOR shall provide caution tape, warning lights which shall be kept burning between the hours of sunset and sunrise and other such measures to ensure public safety at the Site at all times. Barricades and warnings shall be as approved by the ENGINEER
- F. *Clean-up*:
1. The CONTRACTOR shall at all times keep the Site and structures or facilities thereon, free from accumulations of waste material, debris, or rubbish caused in connection with the Work. At the completion of the Work, CONTRACTOR shall remove from the Site all of CONTRACTOR'S tools, surplus materials, and debris, and shall leave the Site and Work in a neat and orderly condition unless otherwise noted on the Drawings or specified herein.
 2. Upon completion of the Work and before final acceptance and final payment, the CONTRACTOR shall remove rubbish, unused materials, and temporary structures from the limits of the Project and restore, in a manner acceptable to the OWNER, all property, both public and private, that has been damaged during execution of the Work, and shall level and grade all portions of the work where the surface of the natural ground or street surfacing has been disturbed during construction. The Site shall be left in a neat and presentable condition and free from ruts. Excavated materials shall not be deposited on adjacent property unless written approval is obtained from the owner of the adjacent property.
- G. *Disposal of Waste & Surplus Materials & Excavation*: All trash, concrete rubble, or other debris shall be removed from the Site and disposed of or placed in a manner approved by the OWNER. When applicable, the spoils from the Work may be disposed of on-Site, at a location specified and agreed upon by OWNER. All excavated earth in excess of that required for backfilling shall be disposed of in a satisfactory manner to the OWNER.
- H. *Indemnification*: CONTRACTOR recognizes that accidents and other problems may occur while it is performing the Work. CONTRACTOR also recognizes that because of such problems, Claims may be made against OWNER or others. Because CONTRACTOR and OWNER intend that CONTRACTOR will be solely responsible for the supervision of the Work

and all consequences of the Work as set forth herein, CONTRACTOR shall, to the fullest extent permitted by law, indemnify, defend, protect, hold harmless and release OWNER, all affiliates of OWNER, ENGINEER, CONSULTANT, and all of such parties' representatives, partners, members, officers, directors, shareholders, employees, agents, successors and assigns, and any lender of OWNER with an interest in the Project (individually, an "Indemnified Party"; and collectively, the "Indemnified Parties") from and against any and all Claims (including, without limitation, claims for bodily injury, death or damage to property) of every kind and nature whatsoever to the extent arising from or in connection with: (a) the performance of the Work or CONTRACTOR's use or occupancy of the Site; (b) any liens or encumbrances incurred or resulting from the acts of CONTRACTOR or its agents, employees or SUBCONTRACTORS or those acting at their instance; (c) any work, occurrence, conduct, act or omission maintained, performed, permitted or suffered by CONTRACTOR or any representative, SUBCONTRACTOR or supplier of CONTRACTOR, or any employee, agent, invitee or licensee of any of the foregoing, on or about or pertaining to the Site or any portion thereof, (d) CONTRACTOR's failure to perform its obligations under this Agreement, or CONTRACTOR's breach of the terms of this Agreement; (e) any act, omission, negligence or misconduct of CONTRACTOR or its representatives, SUBCONTRACTORS, suppliers, employees, agents, invitees or licensees or those acting at their instance (whether active or passive); (f) any accident, injury or damage whatsoever caused to any person, firm or corporation on the Site or any sidewalk, street or land adjacent thereto arising as a result of any act or omission of CONTRACTOR or its representatives, SUBCONTRACTORS, suppliers, employees, agents, invitees or licensees during the term of this Agreement; (g) any claim pertaining to construction defects relating in any way to the Work as defined herein, or to any improvements constructed; and (h) any failure of CONTRACTOR to procure and/or maintain the insurance as required under this Agreement.

CONTRACTOR'S OBLIGATION TO INDEMNIFY, DEFEND, PROTECT AND HOLD HARMLESS ANY INDEMNIFIED PARTY SHALL APPLY WITH FULL FORCE AND EFFECT REGARDLESS OF AN INDEMNIFIED PARTY'S SOLE OR CONCURRENT NEGLIGENCE WITH RESPECT TO ALL CLAIMS RELATING TO THE BODILY INJURY OR DEATH OF AN EMPLOYEE OF CONTRACTOR, ITS AGENTS OR ANY SUBCONTRACTOR (AN "EMPLOYEE CLAIM"). WITH RESPECT TO ALL CLAIMS OTHER THAN AN EMPLOYEE CLAIM, CONTRACTOR SHALL HAVE NO OBLIGATION TO INDEMNIFY ANY INDEMNIFIED PARTY AGAINST SUCH CLAIM TO THE EXTENT, BUT ONLY TO THE EXTENT, SUCH CLAIM IS DETERMINED TO HAVE BEEN CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE INDEMNIFIED PARTY OR BY THE BREACH OF THE TERMS OF THIS AGREEMENT BY OWNER.

Payment to CONTRACTOR by any Indemnified Party or the payment or advance of defense costs by any Indemnified Party shall not be a condition precedent to enforcing such Indemnified Party's rights to indemnification hereunder. CONTRACTOR's indemnification obligation hereunder shall survive acceptance and the expiration or earlier termination of this Agreement until such time as action against the Indemnified Parties for such matter indemnified hereunder is fully and finally barred by the applicable statute of limitations. Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit CONTRACTOR's indemnification obligation or other liability hereunder. The terms of this Agreement are contractual and the result of negotiation between the parties hereto; accordingly, any rule of construction of contracts that ambiguities are to be construed against the drafting party shall not be employed in the interpretation of this Agreement. The express indemnification provision set forth in this

Agreement shall solely govern all issues of indemnification and contribution between CONTRACTOR and OWNER. OWNER AND CONTRACTOR ACKNOWLEDGE AND AGREE THAT THE INDEMNIFICATION PROVISIONS SET FORTH IN THIS PARAGRAPH 9.12 SHALL REPLACE THE INDEMNIFICATIONS PROVISIONS SET FORTH IN PARAGRAPH 6.20 OF THE GENERAL CONDITIONS IN THEIR ENTIRETY.

In addition to any other guarantee, warranty, or indemnity expressly made by CONTRACTOR or implied by law, CONTRACTOR guarantees that the Work complies with all Laws and Regulations and guarantees the Work against defect in workmanship and materials for the benefit of OWNER and each of the other Indemnified Parties, and their successors and assigns, and CONTRACTOR will indemnify and hold OWNER and the other Indemnified Parties, and their successors and assigns, harmless from and against all Claims, including attorneys' fees and other costs of defense incurred by OWNER and/or any of the other Indemnified Parties, and their successors and assigns, defending against any Claim or enforcing this indemnity and defense obligation, arising out of any defective condition. This guarantee will specifically inure to the benefit of and be enforceable by any purchaser of any dwelling constructed or to be constructed and with respect of which the Work applies. This guarantee is broad enough to include any Claim made against OWNER and any of the other Indemnified Parties, and their successors and assigns, concerning the Work. If a Claim is made against the OWNER and/or any of the other Indemnified Parties, and/or their successors and assigns, concerning the Work, OWNER and/or the other Indemnified Party, and their successors and assigns, may tender defense of such Claim to CONTRACTOR and CONTRACTOR agrees to defend same. If demand is made upon CONTRACTOR to perform under this guarantee, CONTRACTOR at its sole cost and expense, will expeditiously repair or replace any defective Work, whether existing because of faulty workmanship, defective equipment or materials, or from any other cause and repair or replace any damage to the work of others caused by such defective Work. If CONTRACTOR fails to perform under this guarantee, the party entitled to performance or the OWNER, and its successors and assigns, will have the right to hire other persons to correct the defective Work and hold CONTRACTOR liable for the costs thereof including costs, disbursements and reasonable attorneys' fees incurred in the enforcement of this provision. The Guarantee in this paragraph is independent from all other obligations of CONTRACTOR under this Agreement, including, without limitation, all indemnification provisions, and will apply whether or not required by any other provision of this Agreement.

- I. Erosion Control: The OWNER shall prepare the Storm-water Pollution Prevention Plan (SWPPP). The CONTRACTOR is responsible for any damage to erosion control devices caused by contractor and ensuring they are performing as intended. OWNER and CONTRACTOR shall file a Notice of Intent with the TCEQ where applicable, and a Notice of Termination upon completion of construction activities. The SWPPP will be posted on-Site at all times.

The OWNER will complete required inspection reports summarizing SWPPP deficiencies and major observations relating to the implementation of the SWPPP. Any deficiencies noted in the inspection reports shall be repaired by OWNER and if repairs are as a result damage by CONTRACTOR, CONTRACTOR shall reimburse OWNER of such expense and must be done so as a condition for monthly payments. If additional controls are required as directed by the OWNER in excess of those disclosed on the prepared SWPPP, they will be paid for by the OWNER.

- J. Property Lines and Monuments: The Contractor shall protect all property corner markers at the Site, and when any such markers or monuments are in danger of being disturbed they shall be properly referenced and if disturbed shall be reset at the expense of the Contractor.
- K. Existing Utilities and Service Lines: The Contractor shall be responsible for the protection of all existing utilities or service lines crossed or exposed by the Work. Where existing utilities or service lines are cut, broken, or damaged in connection with the Work, the Contractor shall replace the utilities or service lines with the same type of original construction, or better, at Contractor's own cost and expense.
- L. Public Utilities and Other Property to be Changed: In case it is necessary to change or move the property of a public utility in connection with the Work, such property shall not be moved or interfered with until authorized by the utility company and approved by the Engineer. The right is reserved to the owner of public utilities to enter upon the limits of the Project for the purpose of making such changes or repairs of their property that may be made necessary by the performance of the Work.
- M. Fence and Drainage Channels: Boundary fences and other improvements removed to perform the Work shall be replaced in the same location and left in a condition as good or better by Contractor than that in which they were found unless otherwise stated in the Contract Documents. Surface drainage channels disturbed or blocked during the Work shall be restored to their original condition of grade and cross section after the Work is completed.
- N. Water for Construction: The Contractor shall make the necessary arrangements for securing and transporting all water required for the Work, including water required for mixing of concrete, sprinkling, testing or flushing. The Contractor shall provide water as required at Contractor's own expense.
- O. Lights and Power: The Contractor shall provide, at its own expense, temporary lighting and power facilities required for the proper prosecution of the Work.
- P. Protection of Trees: The Contractor shall not remove any trees from the Site without specific written approval from the Owner. All trees that are not designated removed shall be protected by Contractor from damage to their trunks and limbs, and the Contractor shall not allow any fill or excavation material to be piled at the base of any of the existing trees so that the natural grade is raised. Any tree that is destroyed by Contractor because of the aforementioned reasons shall be replaced at the Contractor's sole expense. No construction material may be stored under or construction equipment parked or stored under the canopy of an existing tree.
- Q. Insurance:

CONTRACTOR AND OWNER ACKNOWLEDGE AND AGREE THAT THE INSURANCE PROVISIONS SET FORTH BELOW REPLACE THE INSURANCE PROVISIONS IN ARTICLE 5 OF THE GENERAL CONDITIONS IN THEIR ENTIRETY.

So long as any of the Work remains to be completed, Contractor shall, at Contractor's sole cost and expense, carry and maintain in full force and effect insurance coverage in accordance with Exhibit B attached to the Agreement.

Contractor shall also cause each Subcontractor, at each Subcontractor's sole cost and expense, to carry and maintain in full force and effect, prior to commencing any portion of the Work, insurance coverage in accordance with Exhibit C attached hereto and made part

hereof for all purposes. Upon request of Owner, Contractor shall provide Owner with copies of certificates of insurance evidencing the required insurance for each Subcontractor.

Insurance carriers must have a "Best's Rating" and a "Financial Size Category" acceptable to Owner. Insurance carriers must be admitted in the State of Texas, unless otherwise approved in writing by Owner.

The required insurance will cover Contractor, its authorized representatives, employees, agents and any other person (including its authorized representatives, employees and agents) performing any work under any contract or agreement with Contractor.

Contractor for itself and on behalf of its insurers, to the full extent permitted by law without voiding the insurance required herein, hereby waives and releases the additional insureds from liability for loss, damage or loss of property at the Site, which loss or damage is covered by such insurance, to the extent such damages are covered by Contractor's policies of insurance or are required to be covered by the required insurance. This provision is intended to waive fully for the benefit of Owner and the other additional insureds any rights and/or claims which might give rise to a right of subrogation in favor of any insurance carrier issuing the required insurance or any other insurance (including any first party coverage) maintained by Contractor. Contractor will obtain a waiver of any subrogation right that its insurers may acquire against the additional insureds by virtue of payment of any such loss covered by such insurance.

The project/job description and/or description of operations on all certificates, endorsements and other insurance documentation will read "All Work Performed For The Additional Insureds."

Concurrently with the execution of the Agreement, Contractor will file with Owner original certificates of insurance and endorsements showing the required insurance to be in force. Certificates of insurance alone, without the requisite endorsements, are not acceptable to satisfy the provisions of the required insurance. Upon the request of Owner, Contractor will provide Owner with certified copies of all policies as well as any subsequent policies and endorsements that Contractor is required to procure and maintain. Upon the request of Owner, renewal certificates and endorsements for commercial general liability will be provided to Owner, at no expense to Owner, prior to expiration of such insurance, for a period of 1 year after the completion of the Work. Such continuing insurance will comply with the requirements set forth in this Contract. CONTRACTOR WILL NOT COMMENCE OR BE PAID FOR ANY WORK (INCLUDING FINAL PAYMENTS) UNLESS AND UNTIL INSURANCE DOCUMENTATION PROPERLY COMPLETED AND EXECUTED HAS BEEN DELIVERED TO AND APPROVED BY OWNER.

If Contractor fails to procure, maintain or pay for the required insurance, Owner at its sole discretion may define other financial risk transfer mechanisms or secure the same or similar insurance coverage, in which event Contractor will pay the cost thereof and will furnish upon demand, all information that may be required. Owner will have the right to backcharge Contractor for such costs. The failure of Owner to demand certificates of insurance and endorsements evidencing the required insurance or to identify any deficiency in Contractor's coverage based upon the evidence of insurance provided by Contractor will not be construed as a waiver by Owner of Contractor's obligation to procure, maintain and pay for the required insurance. Notwithstanding any provision to the contrary contained herein, any waiver of

the required insurance, including, without limitation, the amount or extent of coverage, may only be obtained by the prior written consent of Owner.

The insurance requirements set forth herein will in no way limit Contractor's liability arising out of the Work or related activities (including liability under the indemnification provisions set forth in the Agreement or under any other provisions of the Contract Documents or at law). The inclusions, coverage and limits set forth herein are minimum inclusions, coverage and limits. The required minimum policy limits set forth in Exhibit B will not be construed as a limitation of Owner's rights under any policy with higher limits, and no policy maintained by Contractor will be endorsed to include such a limitation. Nothing contained herein will be construed as limiting the type, quality or quantity of insurance coverage that Contractor should maintain. Contractor will be responsible for determining appropriate inclusions, coverage and limits which may be in excess of the minimum requirements set forth herein.

The failure of Contractor to fully and strictly comply at all times with the insurance requirements set forth herein will be deemed a material breach of the Agreement.

Contractor will immediately notify (or cause its insurers or insurance broker to notify) Owner of receipt by Contractor of any notice of cancellation or rescission received from an insurance carrier referring to or relating to a policy provided in accordance with the provisions herein which names Contractor, its parent, subsidiary or affiliated companies or their officers, directors or employees as additional insureds or which may otherwise impact the ability of Contractor to fully perform its obligations hereunder (including, without limitation, the indemnity obligations of Contractor set forth in the Contract Documents).

The required insurance set forth herein is independent from all other obligations of Contractor under the Contract Documents, including, without limitation, all indemnification provisions, and will apply whether or not required by any other provision of the Contract Documents and regardless of the enforceability of any other provision in the Contract Documents.

- R. Trenching and Shoring Design: Contractor shall bear sole responsibility for design and execution of acceptable trenching and shoring procedures in accordance with the Work, in accordance with State of Texas HB 662 and HB 665. On trench excavations in excess of five feet in depth, Contractor shall pay a qualified engineer to prepare detailed plans and specifications directing Contractor in the safe execution of trenching and shoring, unless other procedures are reviewed and accepted in writing by the applicable authorities prior to commencing trenching work. The Engineer will not be responsible for reviewing or accepting the Contractor's means and methods for trenching and shoring obligations.
- S. Payment of Taxes: The Contractor shall pay all sales, consumer, use and other similar taxes required by law in connection with the Work, and this amount shall be included in the Contract Price.
- T. Grading Specifications and Verification: Grades are to be within 0.10 feet of proposed pavement and +0.3 feet of proposed lot (pad) grade. This includes grading each lot (pad) level to +/- 0.10 feet within each corner. Paving tolerance shall be according to the North Central Council of Government Specifications. All drainage swales between lots and in the rear lot swales will be installed. The Contractor will be responsible for ensuring positive drainage at all low points including but not limited to construction a temporary diversion swales as directed by Engineer. The Contractor will perform final lot grading after completion of paving and franchise utilities. The contract will not be complete until grades are verified

by the Engineer. Retainage will not be released until final grading is complete and verified. Contractor will notify Engineer when ready for grading verification prior to utility construction and after lot grading.

- U. Waste Material: All acceptable excess excavation shall be disposed of by spreading in thin lifts (not to exceed six inches) on the site as directed by the Owner. Unacceptable excavation, including large rock, pieces of concrete or trash, shall become the property of the Contractor and be disposed of off-site at the expense of Owner. The decision to acceptability of excess excavation for disposal and placement shall rest with the Owner. No compaction tests of excavated material will be required.
- V. Construction Staking: The Contractor shall be responsible for all requests from Owner's surveyor for construction staking relating to the Work. Owner is responsible for hiring the surveyor and shall pay for one set of the following construction staking activities: control set up and benchmarks, clearing & grading, ROW and easement locations, tree preservation and erosion control boundaries, rough grading, rough grade verification, retaining walls, sanitary sewer including front lot corners, water lines including front lot corners, storm sewer, franchise utilities, final paving including all front lot corners, finish grade staking including front property corners. Any subsequent requests for staking by Contractor staking (after initial request) shall be the responsibility of the Contractor.

Surveyor contact information is as follows (unless directed by surveyor):

Lonestar Field Company, LLC
P.O. Box 1180
Royce City, Texas 75189
214-801-5966
rsmith@lonestarfield.com

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement.

This Agreement will be effective on September 1, 2021 (which is the Effective Date of the Contract).

OWNER:

CONTRACTOR:

Land Solutions SV, LLC

5W Contracting, LLC

By: _____

By: _____

Title: _____

Title: _____

(If Contractor is a corporation, a partnership, or a joint venture, attach evidence of authority to sign.)

Attest: _____

Attest: _____

Title: _____

Title: _____

Address for giving notices:

Address for giving notices:

15441 Knoll Trail

5425 FM 1567 West

Suite 150

Sulphur Springs, Texas 75482

Dallas, TX. 75248

With copy to:

License No.: _____

Monty Watson

(where applicable)

Watson Law Group, PLLC

5646 Milton, Ste. 321

Dallas, Texas 75206

Tel (214) 389-1339

Monty@mmwatson.com

EXHIBIT A
Contractor's Proposal

**5W Contracting, LLC**

5425 FM 1567 West

Sulphur Springs, Texas 75482

mwilliams@5wcontracting.com

Phone: 903-348-3796

Fax: 903-485-2715

Prepared by: Michael Williams

BID

DATE 7/14/21

BID # 71421

CUSTOMER ID

DUE DATE

CUSTOMER

Craig Malan, PE

Kimley-Horn

400 N. Oklahoma Dr., Suite 105

Celina, Texas 75009

PROJECT

Sonoma Verde Grading

And Seal Coat

Item No.	Description	Units	Quantity	Unit Cost	Amount
	Edwards & League Road Sealcoating				
	Seal Coat - Edwards 450'x20'	SY	1,000	\$ 12.40	\$ 12,400.00
	HMAC Patch - Edwards	Tons	25	\$ 150.00	\$ 3,750.00
	Base Grading - Edwards 5260'x20'	SY	11,688	\$ 2.16	\$ 25,246.08
	Seal Coat - Edwards 5260'x20'	SY	11,688	\$ 12.40	\$ 144,931.20
	Base Rock - Edwards (As Needed)	Tons	150	\$ 28.00	\$ 4,200.00
	Base Grading - League 170'x20'	SY	378	\$ 2.16	\$ 816.48
	Seal Coat - League 1,630'x20'	SY	3,622	\$ 12.40	\$ 44,912.80
	Maintenance Bond 1 Year	LS	1	\$ 500.00	\$ 500.00

Subtotal \$ 236,756.56

TERMS AND CONDITIONS

Permits, Engineering, Testing, Utility Relocations, Subgrade Repairs, Traffic Controls, Erosion Controls or anything not mentioned in the above Work items.

Acceptance of Proposal: The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified.

Payment will be made within 15 days of the work completion.

TOTAL \$ 236,756.56

Accepted By: _____ Date: _____

If you have any questions about this bid please contact me.

Thank You For Your Business!

EXHIBIT B

Contractor Insurance Requirements

General Liability Requirements:

❖ General Liability Limits

Per Occurrence / Project
Each Occurrence: \$1,000,000
Personal Advertising Injury: \$1,000,000
General Aggregate: \$2,000,000
Products & Completed Operations Aggregate: \$2,000,000

Additional General Liability Requirements:

- ❖ The following requirements must be included in the policy and referenced in the COI:
1. "This insurance is primary and non-contributory"
 2. "There is no exclusionary language or limitations relating to residential construction, condominiums, multi-family, or multi-unit dwelling."
 3. "Defense costs are outside of policy limits"
- ❖ Policy must be endorsed to extend Products and Completed Operations insurance for a minimum period equal to the greater of (i) the period under which a claim can be asserted under the applicable statutes of limitations and/or repose or (ii) three (3) years after substantial completion of the work or services
- ❖ Waiver of Subrogation endorsement is required for the GL
- ❖ Additional Insured Endorsements (utilizing CG 20 10 10 01 for On-going Operations and CG 20 37 10 01 for Completed Operations, or their equivalent) must be attached to the policy and accompany the certificate and be acceptable to Owner
- ❖ Deductible / SIR amount must be shown on the certificate
- ❖ The deductible is not to exceed \$100,000 and the SIR not to exceed \$50,000

Automobile Liability:

❖ Automobile Liability Limits

Combined Single Limit for Bodily Injury and Property
Damage: \$1,000,000 Each Accident

- ❖ Commercial automobile liability insurance covering the ownership, maintenance, and operations of any automobile or automotive

equipment, whether such auto is owned, hired, and non-owned. Such insurance shall provide coverage against third-party claims for bodily injury, including death resulting therefrom, and damage to the property of others caused by accident regardless of whether such operations are performed by Contractor, Contractor's agents, or by anyone directly or indirectly employed by any of them.

- ❖ Policies shall be endorsed to add Owner as an additional insured and to include a waiver of subrogation in favor of Owner.

Workers Compensation:

- ❖ Statutory Limit for Workers Compensation
- ❖ Employers Liability: Each Accident: \$1,000,000
 Disease Each Employee: \$1,000,000
 Disease Policy Limit: \$1,000,000
- ❖ Waiver of Subrogation is required for the WC
- ❖ If Contractor uses temporary or leased employees, Contractor shall submit a certificate of insurance respectively from the employer of the temporary or leased employees indicating that the policy is endorsed to name Contractor as an alternate employer.

Umbrella Liability:

- ❖ Umbrella/Excess Liability Insurance on a follow form basis with a per occurrence and annual aggregate limit of \$10M per location / project
- ❖ Scheduled underlying policies must include General Liability, Automobile Liability, and Employers Liability.
- ❖ Policies shall be written as follow form or with a form that provides coverage that is at least as broad as the primary insurance policies.

Additional Insureds:

- ❖ Contractor's General Liability, Umbrella/Excess Liability and Automobile Liability insurance shall be endorsed to add the following entities as additional insureds:
 - Land Solutions SV, LLC
 - Kimley-Horn & Associates, Inc
 - Taylor Duncan Interests, LLC
 - Any additional parties requested by Owner

EXHIBIT C

Subcontractor Insurance Requirements

General Liability Requirements:

❖ General Liability Limits

Per Occurrence / Project
Each Occurrence: \$1,000,000
Personal Advertising Injury: \$1,000,000
General Aggregate: \$2,000,000
Products & Completed Operations Aggregate: \$2,000,000

Additional General Liability Insurance Requirements:

- ❖ The following requirements must be included in the policy and referenced in the COI:
 - 1. “This insurance is primary and non-contributory”
- ❖ Waiver of Subrogation endorsement is required for the GL
- ❖ Additional Insured Endorsements (utilizing CG 20 10 10 01 for On-going Operations and CG 20 37 10 01 for Completed Operations, or their equivalent) must be attached to the policy and accompany the certificate and be acceptable to Owner
- ❖ Deductible / SIR amount must be shown on the certificate
- ❖ The deductible is not to exceed \$100,000 and the SIR not to exceed \$50,000

Automobile Liability:

❖ Automobile Liability Limits

Combined Single Limit for Bodily Injury and Property
Damage: \$1,000,000 Each Accident

- ❖ Commercial automobile liability insurance covering the ownership, maintenance, and operations of any automobile or automotive equipment, whether such auto is owned, hired, and non-owned. Such insurance shall provide coverage against third-party claims for bodily injury, including death resulting therefrom, and damage to the property of others caused by accident regardless of whether such operations are performed by Contractor, Contractor’s agents, or by anyone directly or indirectly employed by any of them.
- ❖ Policies shall be endorsed to add Owner as an additional insured and to include a waiver of subrogation in favor of Owner.

Workers Compensation:

- ❖ Statutory Limit for Workers Compensation
- ❖ Employers Liability: Each Accident: \$1,000,000
 Disease Each Employee: \$1,000,000
 Disease Policy Limit: \$1,000,000
- ❖ Waiver of Subrogation is required for the WC
- ❖ If Contractor uses temporary or leased employees, Contractor shall submit a certificate of insurance respectively from the employer of the temporary or leased employees indicating that the policy is endorsed to name Contractor as an alternate employer.

Umbrella Liability:

- ❖ Umbrella/Excess Liability Insurance on a follow form basis with a per occurrence and annual aggregate limit of \$3M per location / project
- ❖ Scheduled underlying policies must include General Liability, Automobile Liability, and Employers Liability.
- ❖ Policies shall be written as follow form or with a form that provides coverage that is at least as broad as the primary insurance policies.

Additional Insureds:

- ❖ Subcontractor's General Liability, Umbrella/Excess Liability and Automobile Liability insurance shall be endorsed to add the following entities as additional insureds
 - Land Solutions SV, LLC
 - Kimley-Horn & Associates, Inc
 - Taylor Duncan Interests, LLC
 - Any additional parties requested by Owner

EXHIBIT D

Contractor's Certificate of Insurance



SONOMA VERDE EDWARDS ROAD & LEAGUE ROAD EXHIBIT

AUGUST 2021

Exhibit E

DWG NAME: K:\CEL_CIVIL\080000000-SONOMA VERDE\CAD\EXHIBIT\PLANS\HETS\EDWARDS & LEAGUE ROADS OPC EXHIBIT-071421.DWG
LAST SAVED: 8/13/2021 9:10 AM

Edwards and League Road Chip and Seal

Repair, Chip and Seal	\$ 236,756.56
Alpha	\$ 3,000.00
Kimley-Horn	\$ 3,500.00
Traffic Control	\$ 4,000.00
Sub-Total	\$ 247,256.56
Contingency	\$ 49,451.31
Total	\$ 296,707.87



5W Contracting, LLC
5425 FM 1567 West
Sulphur Springs, Texas 75482
mwilliams@5wcontracting.com
Phone: 903-348-3796
Fax: 903-485-2715
Prepared by: Michael Williams

BID

DATE 7/14/21
BID # 71421
CUSTOMER ID
DUE DATE

CUSTOMER

Craig Malan, PE
Kimley-Horn
400 N. Oklahoma Dr., Suite 105
Celina, Texas 75009

PROJECT

Sonoma Verde Grading
And Seal Coat

Item No.	Description	Units	Quantity	Unit Cost	Amount
	Edwards & League Road Sealcoating				
	Seal Coat - Edwards 450'x20'	SY	1,000	\$ 12.40	\$ 12,400.00
	HMAC Patch - Edwards	Tons	25	\$ 150.00	\$ 3,750.00
	Base Grading - Edwards 5260'x20'	SY	11,688	\$ 2.16	\$ 25,246.08
	Seal Coat - Edwards 5260'x20'	SY	11,688	\$ 12.40	\$ 144,931.20
	Base Rock - Edwards (As Needed)	Tons	150	\$ 28.00	\$ 4,200.00
	Base Grading - League 170'x20'	SY	378	\$ 2.16	\$ 816.48
	Seal Coat - League 1,630'x20'	SY	3,622	\$ 12.40	\$ 44,912.80
	Maintenance Bond 1 Year	LS	1	\$ 500.00	\$ 500.00

Subtotal \$ 236,756.56

TERMS AND CONDITIONS

Permits, Engineering, Testing, Utility Relocations, Subgrade Repairs,
Traffic Controls, Erosion Controls or anything not mentioned in the above
Work items.

*Acceptance of Proposal: The above prices, specifications and conditions are satisfactory and are
hereby accepted. You are authorized to do the work as specified.
Payment will be made within 15 days of the work completion.*

TOTAL \$ 236,756.56

Accepted By: _____ Date: _____

If you have any questions about this bid please contact me.

Thank You For Your Business!

Edwards and League Road Chip and Seal

Repair, Chip and Seal	\$ 236,756.56
Alpha	\$ 3,000.00
Kimley-Horn	\$ 3,500.00
Traffic Control	\$ 4,000.00
Sub-Total	\$ 247,256.56
Contengency	\$ 49,451.31
Total	\$ 296,707.87



SONOMA VERDE EDWARDS ROAD & LEAGUE ROAD REHAB EXHIBIT AUGUST 2021

DWG NAME: LAST SAVE: K:\CEL_Civil\10000000 SONOMA VERDE\CD\DWG\10000000 EDWARDS & LEAGUE ROADS OPC EXHIBIT-011.dwg 8/13/2021 8:43 AM

DEVELOPMENT AGREEMENT (TRILOGY)

This Development Agreement (this "Agreement") is executed between MC Trilogy Texas, LLC, a Texas limited liability company (the "Owner") and the City of McLendon-Chisholm (the "City"), each a "Party" and collectively the "Parties" to be effective upon the Owner's acquisition of fee simple title to the Property and the In-City Property, both of which are hereinafter defined (the "Effective Date"). If the Owner does not acquire fee simple title to the Property and the In-City Property by December 31, 2022, this Agreement shall be null and void and of no further force or effect on such date.

ARTICLE I RECITALS

WHEREAS, the Owner is the owner of that certain tract of land described on **Exhibit A** (the "Property") located wholly within the extraterritorial jurisdiction ("ETJ") of the City and not within the ETJ or corporate limits of any other town or city, and that certain tract of land described on **Exhibit B** (the "In-City Property") located wholly within the City's corporate limits; and

WHEREAS, pursuant to the authority of Section 242.001(a)(3) of the Texas Local Government Code, the City will have and exercise exclusive governmental jurisdiction over the subdivision and platting of the Property and the design and construction of water, wastewater, drainage, roadway, and other public infrastructure to serve the Property and the In-City Property in accordance with this Agreement ("Public Infrastructure"), and Rockwall County will have and exercise no jurisdiction over such matters; and

WHEREAS, the Parties intend that the Property be developed: (i) as a quality, master-planned, mixed-use community including parkland, open space, and other public and private amenities that will benefit and serve the present and future citizens of the City; and (ii) pursuant to binding, contractual development regulations that are approved by Owner and the City, that are recorded in the deed records of Rockwall County (so as to bind Owner and all future owners of the Property or any portion thereof), and that will provide regulatory certainty during the term of this Agreement; and

WHEREAS, the City is unable (at the current time and for the foreseeable future) to provide, or participate in the cost of, the Public Infrastructure that will allow the Parties' intended development of the In-City Property and the Property; and

WHEREAS, the City is unable (at the current time and for the foreseeable future) to provide full municipal services for the Parties' intended development of the In-City Property or the Property; and

WHEREAS, to facilitate the Parties' intended development of the In-City Property and the Property in a cost-effective and market-competitive manner, Owner submitted written petitions to the City Council of the City (the "City Council") dated _____, 2021

requesting that the City Council consent to the creation of a municipal utility district encompassing the In-City Property and the subsequent addition of the Property into such district (whether one or more, the "District") that will design, construct and install the Public Infrastructure necessary for the Parties' intended development of the In-City Property and the Property; and

WHEREAS, the City Council adopted Ordinance No. _____ dated _____, 2021 consenting to the creation of the District and Ordinance No. _____ dated _____, 2021 consenting to the District's addition of the Property into the boundaries of the District (collectively, the "Consent Ordinance"); and

WHEREAS, the City has also consented to the creation of the District and the addition of the Property to the District as set forth in this Agreement; and

WHEREAS, the Parties intend that the consent given by the City (both in the ordinance referenced above and in this Agreement) to the creation of the District shall be unconditional and irrevocable and are given in full satisfaction of all statutory and regulatory requirements including, but not limited to, any applicable requirement for consent contained in the Texas Water Code, the Texas Local Government Code, or any rule, regulation, or policy promulgated by the Texas Commission on Environmental Quality (the "TCEQ") and by the Attorney General of the State of Texas (the "AG"); and

WHEREAS, the Parties intend that the District, or Owner as appropriate, will design, construct and install the Public Infrastructure: (i) at no cost or expense to the City; (ii) in accordance with the "Governing Regulations" as defined in this Agreement; and (iii) in accordance with the applicable requirements of the Texas Water Code, and the rules, regulations and policies of the TCEQ; and

WHEREAS, the Parties intend that the District, or Owner as appropriate, will design, construct and install the Public Infrastructure using funds advanced to the District by Owner; and that the District will thereafter reimburse Owner for such advances using the proceeds of bonds issued by the District and secured solely by ad valorem taxes levied on property within the District and by other funds legally available to the District (with the City having no responsibility or liability whatsoever for any District bonds); and

WHEREAS, RCH Water Supply Corporation ("RCH") currently holds the water certificate of convenience and necessity ("CCN") over the Property and a portion of the In-City Property; and

WHEREAS, no entity holds the wastewater certificate of convenience and necessity over the Property or the In-City Property; and

WHEREAS, the Parties intend that the City will be the retail provider of wastewater service to the Property and the In-City Property; and

WHEREAS, the City of Rockwall entered into that certain Wastewater Service Contract with the City dated March 24, 2008 (the "Rockwall Wastewater Agreement"), pursuant to which Rockwall will serve as the wholesale wastewater provider to the City; and

WHEREAS, the City intends to negotiate with the City of Rockwall for amendments to the Rockwall Wastewater Agreement to the extent necessary to allow the City to provide adequate wastewater service for the full development of the Property and the In-City Property for the Term of this Agreement; and

WHEREAS, the Parties' intended development of the Property, including the design, construction and installation of Public Infrastructure, will benefit the City and its current and future citizens, including the creation of substantial future tax base for the City, without any capital investment by the City; and

WHEREAS, the Parties intend that the City will consider an application by the Owner to rezone the In-City Property through the Chapter 211, Texas Local Government Code zoning process to allow a ~~maximum of 156~~ one acre minimum lot size for residential dwelling units on the approximately 179-acre In-City Property, as well as certain non-residential development, and acknowledge that nothing in this Agreement is intended to regulate the zoning or land use of the In-City Property or to require that the City approve any particular zoning of the In-City Property; and

WHEREAS, the Parties intend that this Agreement be a development agreement as provided for by Section 212.172 of the Texas Local Government Code with respect to all provisions in this Agreement that pertain to the Property; and

WHEREAS, the Parties have the authority to enter into this Agreement pursuant to Section 212.172 of the Texas Local Government Code.

NOW THEREFORE, for and in consideration of the mutual covenants of the Parties set forth in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are acknowledged and agreed by the Parties, the Parties agree as follows:

ARTICLE II **DEVELOPMENT REGULATIONS**

2.1 Governing Regulations. Development of the Property and the In-City Property shall be governed solely by the following regulations (collectively, the "Governing Regulations"):

(a) the Concept Plan attached as **Exhibit C** as amended from time to time in accordance with this Agreement (the "Concept Plan"), which shall apply only to the Property; and

(b) the development regulations set forth on **Exhibit D** (the "Development Regulations"), which shall apply only to the Property; and

(c) the following building codes adopted by the City and in effect on the Effective Date: the provisions of the International Building Code (2018 edition), the International Residential Code (2018 edition), the International Energy Conservation Code (2018 edition), the International Mechanical Code (2018 edition), the International Plumbing Code (2018 edition), the International Fuel Gas Code (2018 edition), the International Property Maintenance Code (2018 edition), and the National Electrical Code (2020 edition), as well as amendments thereto adopted by Ordinance No. 2020-03 (the "Building Codes"), which shall apply to both the Property and the In-City Property; and

(d) the subdivision regulations of the City in effect on the Effective Date (the "Subdivision Regulations"), as amended by the special regulations set forth on **Exhibit E** (the "Special Regulations"), both of which shall apply to the Property and the In-City Property.

With the exception of zoning regulations that apply to the In-City Property, the Governing Regulations are exclusive, and no other City-adopted ordinances, rules, regulations, standards, policies, orders, guidelines, or other City-adopted or City-enforced requirements of any kind (including but not limited to any moratorium adopted by the City after the Effective Date) apply to the development of the Property or the In-City Property. Pursuant to the authority of Section 242.001(a)(3) of the Texas Local Government Code, the Parties agree that the Governing Regulations shall include the City's exercise of exclusive jurisdiction over the subdivision and platting of the Property and the design, construction, installation, and inspection of Public Infrastructure.

2.2 Concept Plan Revisions. Revisions to the street layout and the location and configuration of open space areas shown on **Exhibit C** are permitted without City approval provided such revisions comply with all other Governing Regulations. In addition, any amendment to the Concept plan that is approved on a plat is deemed to be a City-approved amendment to the Concept Plan. All other revisions to the Concept Plan require the approval of the City Council, which shall not be unreasonably withheld.

2.3 Conflicts. In the event of any conflict between this Agreement and any other ordinance, rule, regulation, standard, policy, order, guideline or other City-adopted or City-enforced requirement, whether existing on the Effective Date or hereinafter adopted, this Agreement shall control. In the event of a conflict between this Agreement (including any exhibit attached hereto) and the Subdivision Regulations, this Agreement (including all exhibits attached hereto) shall control.

ARTICLE III **DEVELOPMENT PROCESS**

3.1 Jurisdiction. Pursuant to the authority of Section 242.001(a)(3) of the Texas Local Government Code, the Parties intend that the City shall have and exercise exclusive jurisdiction over the review and approval of preliminary and final plats, and the design,

construction, installation, and inspection of Public Infrastructure, and that Rockwall County shall have and exercise no jurisdiction over such matters during the term of this Agreement.

3.2 Plat Approval. Subdivision of the Property and the In-City Property requires approval of plats by the City in accordance with the Governing Regulations and this Agreement.

3.3 Public Infrastructure. The following requirements apply to both the In-City Property and the Property:

(a) The Public Infrastructure must be designed to comply with the Subdivision Regulations as amended by the Special Regulations, and no construction or installation of Public Infrastructure shall begin until plans and specifications have been approved by the City (which approvals must not be unreasonably withheld or delayed). Nothing herein is intended to waive or modify any applicable requirements for retail or wholesale providers to review and approve any water or wastewater construction plans.

(b) Inspections. The City acknowledges that all Public Infrastructure must be inspected as required by the rules of the TCEQ to the extent the costs and expenses paid or incurred by Owner in connection with such infrastructure will be reimbursable to Owner from bonds issued by the District or other funds legally available to the District. In order to avoid the duplication of time and expense of dual inspection and testing of Public Infrastructure, the Parties have agreed for inspection and testing of the Public Infrastructure as set forth in this section. The engineer for the District shall perform inspections of all Public Infrastructure and issue certifications to confirm compliance with City requirements and TCEQ requirements, and file copies of his or her reports with the City. Alternatively, at the City's option, the City's engineer may perform all inspections of Public Infrastructure, in which case the City shall require its engineer to issue certifications to confirm compliance with City requirements and TCEQ requirements.

3.4 Building Permits. No permanent structure (as such term may be defined, from time to time, by the District, but in any event, including every structure designed or intended for human occupancy and every accessory structure intended for human occupancy (a "Structure") shall be constructed unless a building permit has been issued by the City. Building permits shall not be unreasonably withheld, conditioned, or delayed. A building permit must be issued for any structure that complies with the applicable regulations. Except for model homes, no building permit may be issued for a Structure unless a final plat has been recorded for the lot on which the Structure is being constructed. Building permits must be issued for model homes prior to the recordation of a final plat if the Public Infrastructure to serve the model homes has been completed and inspected as required by Section 3.3 (including fire protection and excluding sewer); however, no model home may be sold to any end-buyer of a fully developed and improved lot within the Property ("End-Buyer") until a final plat has been recorded.

3.5 Certificate of Substantial Completion. Except for model homes, no Structure may be occupied until a certificate of substantial completion has been issued by the City certifying

that the Structure has been constructed in compliance with the applicable regulations, which certificates shall not be unreasonably withheld, conditioned, or delayed. Model homes may be occupied for the sole purpose of sales and marketing; however, no model home may be sold to or occupied by an End-Buyer until a certificate of substantial completion has been issued.

ARTICLE IV **DEVELOPMENT CHARGES**

4.1 Plat Review Fees. Development of the Property and the In-City Property shall be subject to payment to the City of the following fees (the "Plat Review Fees"): (a) for a preliminary plat, \$280 per acre (or fraction thereof) within the plat plus the City's costs to hire a consultant to review the preliminary plat if City staff is not able to review the plat; and (b) for a final plat, \$250 plus \$5 per lot within the final plat, plus the City's costs to hire a consultant to review the final plat if City staff is not able to review the plat.

4.2 Plan Review Fees. Development of the Property and the In-City Property shall be subject to payment to the City of the reasonable and lawful costs to hire a consultant to review the District's plans and specifications for Public Infrastructure (the "Plan Review Fees").

4.3 Building Permit Fees. Development of the Property and the In-City Property shall be subject to payment to the City of the reasonable and lawful fees and charges applicable to the City's review of building construction plans, issuance of building permits, inspection of buildings, and issuance of certificates of substantial completion (the "Building Permit Fees") according to the fee schedule adopted by the City Council and in effect on the date of submittal of a building permit application. The fee schedule applicable to the Property and the In-City Property shall be uniformly applicable to all development within the corporate limits of the City.

4.4 Flood Study Fee. A fee equal to the actual cost of the City's engineer's review of a new flood study for the In-City Property and the Property shall be paid to the City in connection with the City's analysis of any new flood study that is required by the Governing Regulations (the "Flood Study Fee"), which fee is required to be a reasonable market rate fee for a licensed professional engineer to review a flood study of a comparable scope.

4.5 City Fees. The Parties agree that the City may collect a \$1,500 wastewater fee per dwelling unit from each building permit applicant at the time of building permit issuance as a condition to issuance of the building permit for the dwelling unit (the "Wastewater City Fees"), which is a fee that shall be used to fund administrative and facility operation and maintenance costs associated with providing wastewater service to the Property and the In-City Property. If the City is the retail water provider to the Property and the In-City Property, the Parties agree that the City may collect a \$1,000 water fee per dwelling unit from each building permit applicant at the time of building permit issuance as a condition to issuance of the building permit for the dwelling unit (the "Water City Fees"), which is a fee that shall be used to fund administrative and facility operation and maintenance costs associated with providing water service to the Property and the In-City Property. The City agrees that no impact fees adopted pursuant to Chapter 395 of the Texas Local Government

Code will be collected in connection with the development or use of the Property or the In-City Property. This Section 4.5 applies to both the Property and the In-City Property.

4.6 Public Safety Fees. The Parties agree that the City may collect a \$250 public safety fee per dwelling unit from each building permit applicant at the time of building permit issuance as a condition to issuance of the building permit for the dwelling unit (the "Public Safety Fees"), which fees shall be used to fund the City's provision of public safety services to the Property and the In-City Property. This Section 4.6 applies to both the Property and the In-City Property.

4.7 Exclusive Fees. Except for Plat Review Fees, Plan Review Fees, Building Permit Fees, Flood Study Fee, and Wastewater City Fees, the Water City Fees, and the Public Safety Fees (collectively, the "Fees"), no other fees or charges of any kind are due and payable to the City in connection with the development of the Property or the In-City Property.

ARTICLE V **RETAIL UTILITY SERVICE**

5.1 Water. The Parties contemplate entering into a separate agreement at a later date regarding water service and water Public Infrastructure to serve the Property and the In-City Property.

5.2 Wastewater.

(a) The City agrees to be the retail provider of wastewater service to the Property and the In-City Property. The City agrees to negotiate in good faith with the City of Rockwall for amendments to the Rockwall Wastewater Agreement, and if necessary, negotiate in good faith with a different wholesale provider of wastewater service, to allow the City to provide adequate wastewater service for the full development of the Property as contemplated by this Agreement and the full development of the In-City Property as contemplated by the Owner's proposed PD zoning of the In-City Property as further described in Section 7.3(a) below (collectively, the "Full Development"), and will reserve such capacity for the Full Development.

(b) If (i) the City is unable or unwilling to provide wastewater service for the Full Development at any time; or (ii) prior to the annexation of the Property by the City, the City has not entered into a written extension of the Rockwall Wastewater Agreement that extends the term of the agreement for at least the Term of this Agreement and provides for adequate capacity to provide retail wastewater service for the Full Development, or alternatively, has not entered into a new written wholesale wastewater agreement with the City of Rockwall or a different wholesale provider for a term that is at least the Term of this Agreement and that provides for adequate capacity to provide retail wastewater service for the Full Development, (i) the Owner or the District may construct and maintain a temporary wastewater treatment plant at a location approved by Owner and the City, with such approval not to be unreasonably withheld, delayed or conditioned, to serve all or a portion of the Full Development; and (ii) the City consents

to, and agrees to support the issuance of a discharge permit to allow the construction and maintenance for a temporary wastewater treatment plant for such purpose.

(c) If necessary for the City to provide adequate wastewater service to the Full Development, on behalf of and at no cost to the City, the Owner or the District may construct at a location approved by Owner and the City, with such approval not to be unreasonably withheld, delayed or conditioned, a temporary wastewater treatment plant to serve all or a portion of the Full Development, and the City consents to, and agrees to apply for and support the issuance of, a discharge permit to the City to allow the construction and maintenance of a temporary wastewater treatment plant for such purpose.

ARTICLE VI

CONSENT TO DISTRICT

6.1 Consent to the District Creation. This Agreement constitutes the irrevocable and unconditional consent of the City to the creation of the District thereof pursuant to the authority of Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 54, Texas Water Code, as amended. The City further consents (a) to the authority of the District to include road powers pursuant to Section 54.234, Texas Water Code, as amended (by petition to and approval of the TCEQ or otherwise); (b) to expansions, from time to time, of the authority of the District (by special acts of the Texas legislature or otherwise) to include additional powers to exercise eminent domain, the right to divide, or other powers that are authorized by the Texas Constitution or by the laws of the State of Texas, as amended; and (c) the District's addition of the Property subsequent to the District's creation and following the City's annexation of the Property. The City further consents to divisions of the Districts and to boundary adjustments among the resulting districts in the form of exclusions and additions of land within the In-City Property and the Property.

6.2 Consent Ordinances; Other Documents. The City agrees to adopt such further ordinances and execute such further documents as may reasonably be requested by Owner, the TCEQ, the AG, or the District to evidence the City's consents as set forth in this Agreement and in the Consent Ordinance.

6.3 No Limitation of Powers. Nothing in this Article VI is intended to limit, impair, or conflict with the authority of or powers granted to the District by the Texas Constitution, Texas Water Code, Texas Local Government Code, or any other current or future statute applicable to the District.

6.4 Full Satisfaction. The consents contained in this Article VI and in the Consent Ordinance (the "District Consents") are given by the City: (a) in full satisfaction of any requirements for district consents contained in any statute or otherwise required by law, rule, regulation or policy including, but not limited to, consents required by the Texas Water Code, as amended, the Texas Local Government Code, as amended, any rules, regulations, or policies of the TCEQ, or any rules, regulations, or policies of the Texas AG; (b) with the understanding that the District Consents are irrevocable and cannot be withdrawn or modified in any way by the City or by any action of the City Council without the prior written approval

of Owner; (c) with the understanding that Owner has relied on the District Consents to Owner's material detriment and but for the District Consents Owner would not have entered into this Agreement; and (d) with the understanding that the District Consents shall not be affected by: (1) any default under this Agreement, whether by Owner or any other person or entity that is or hereafter becomes bound by this Agreement, (2) any other act or omission by Owner or any other person or entity, whether or not related to this Agreement, the In-City Property, or the Property, or (3) any act or omission by the District, whether or not related to this Agreement, the In-City Property, or the Property.

6.5 Dissolution by City.

(a) The City hereby acknowledges and agrees that: (i) the District's purpose and function include the acquisition, construction, and financing of all Public Infrastructure necessary for the full development of the area within the District, including the Property and In-City Property (the "District Area"); (ii) the District currently has no funds legally available for such purpose and function; (iii) the District will enter into obligations to secure funds and perform such purpose and function in the form of one or more developer reimbursement agreements (a "Developer Reimbursement Agreement") with Owner and other developers of land within the District Area; and (iv) the District intends to meet its obligations and perform its function so as to reimburse such developers to the maximum extent permitted for all monies advanced or to be advanced on behalf of the District pursuant to each Developer Reimbursement Agreement and complete the acquisition and construction of all Public Infrastructure necessary for full development of the District Area.

(b) If the City dissolves the District prior to the District's completion of performance of its function and purpose of the acquisition and construction of all Public Infrastructure necessary for full development of the District Area, and reimbursement of each developer for monies advanced to or on behalf of the District for such purposes to the maximum extent permitted under a Developer Reimbursement Agreement, on the effective date of District dissolution the City shall (i) pay in cash to each developer who has advanced monies to or on behalf of the District pursuant to a Developer Reimbursement Agreement, to the maximum extent permitted under the Developer Reimbursement Agreement, an amount equal to actual costs incurred by developer in connection with the Public Infrastructure that has not been reimbursed as of the date of dissolution as required under the terms of the Developer Reimbursement Agreement; and (ii) be deemed to have assumed all of the District's ongoing contractual obligations, including, but not limited to, the District's obligations to reimburse a developer to the maximum extent permitted hereunder for future expenditures to be made subsequent to the date of dissolution for Public Infrastructure in accordance with any then existing Developer Reimbursement Agreement, with the source of funds for the City's payment being proceeds of bonds, notes or other obligations the City determines to issue for such purpose or other legally available funds of the City. All obligations assumed by the City, including obligations to issue bonds, notes or other obligations for the payment to a developer, shall be subject to all conditions, restrictions or other limitations applicable to the District under this Agreement, the Facilities Agreement between the City and the owners of the Property and the In-City Property effective on the Effective Date of this

Agreement (the "Facilities Agreement"), and the Consent Resolution, including for the issuance of Bonds. This obligation is conditional upon the acquisition and construction of such Public Infrastructure by a developer, in lieu of the District, in the manner required by the Developer Reimbursement Agreement. This Section 6.5 survives the termination or expiration of this Agreement and the Facilities Agreement.

(c) Should the City determine to proceed with dissolving the District, the City shall give the District and Owner and all other owners of land within the District nine (9) months advance written notice of its intent prior to initiation of formal dissolution proceedings. Upon receipt of such notice, the Parties will meet with the City to confirm the status of the outstanding obligations of each of the Parties under this Agreement.

(d) The Parties intend for the obligations of the District under this Agreement to constitute "obligations" of the District within the meaning of Section 43.074, Local Government Code. The Parties further intend in the event that the City adopts an ordinance dissolving the District, the City shall assume all of the obligations of the District, including those set forth in this Agreement, to the fullest extent permitted by law and the terms of the Development Agreement, Facilities Agreement, and this Agreement.

6.6 Notice. Pursuant to Section 49.452 of the Texas Water Code, purchasers of land within the District will receive notices in a format that is substantially the same as the one attached as **Exhibit R** in compliance with such statute.

ARTICLE VII **ADDITIONAL PROVISIONS**

7.1 Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; (c) are legislative findings of the City Council, and (d) reflect the final intent of the Parties with regard to the subject matter of this Agreement. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

7.2 Term. The term of this Agreement shall be 45 years after the Effective Date ("Term").

7.3 Annexation and Zoning; Public Safety Site Dedication Following Annexation.

(a) The Property shall remain in the ETJ of the City and be immune from full purpose annexation until such time the Owner submits a notarized request for voluntary annexation of the Property to the City, which the Owner shall do within 30 days after all of the following conditions have been satisfied: (i) the In-City Property has been zoned as a planned development district with regulations consistent with those that apply to the Property pursuant to this Agreement (excluding commercial land use regulations, which shall not apply to the In-City Property) and the Governing Regulations, which planned

development zoning ordinance must be approved by the City Council on the Effective Date of this Agreement in order for this condition precedent to annexation of the Property to be satisfied; (ii) the City and the owners of the Property and the In-City Property have entered into the Facilities Agreement; (iii) the City Council has adopted the Consent Ordinance, which shall occur on the Effective Date of this Agreement; (d) the District has been created by the TCEQ; (iv) the City Council has adopted an ordinance consenting to the District's annexation of the Property in a form reasonable approved by the Owner and the District, which shall occur within 45 days after the date the Owner presents a written request for such consent to the City; and (v) District elections have been held confirming the creation of the District and its initial directors and authorizing the District to levy a maintenance tax. Nothing in this subsection shall be construed as requiring the City Council to adopt a particular zoning ordinance for the In-City Property, and part (i) of this subsection merely constitutes a condition precedent to annexation of the Property. Annexation of the Property by the City shall not impact the Term of this Agreement or the continued applicability of this Agreement.

(b) Within 30 days after the annexation of the Property, the City agrees to consider zoning the Property as a planned development district with regulations consistent with this Agreement; however, this Agreement shall control in the event of any conflict between this Agreement and the future zoning of the Property.

(c) Within 180 days after the annexation of the Property in accordance with this Section 7.3, the Owner and the City shall mutually approve the location of a minimum two-acre public safety site within the Property or the In-City Property, which approval shall not be unreasonably withheld by either Party, and the Owner shall dedicate such site to the City at no cost to the City. If the Parties cannot agree on the location of the public safety site, the 180-day period shall be extended automatically until the Parties reach an agreement and the site is dedicated to the City. The deed conveying the public safety site to the City may contain restrictions limiting the use of such land to public safety purposes and may contain reversion language that causes ownership of the land to revert to the Owner if the City does not construct a public safety building on the public safety site within ten years after the conveyance to the City.

7.4 Notices. All notices required or contemplated by this Agreement (or otherwise given in connection with this Agreement) (a "Notice") shall be in writing, shall be signed by or on behalf of the Party giving the Notice, and shall be effective as follows: (a) on or after the 10th business day after being deposited with the United States mail service, Certified Mail, Return Receipt Requested with a confirming copy sent by E-mail; (b) on the day delivered by a private delivery or private messenger service (such as FedEx or UPS) as evidenced by a receipt signed by any person at the delivery address (whether or not such person is the person to whom the Notice is addressed); or (c) otherwise on the day actually received by the person to whom the Notice is addressed, including, but not limited to, delivery in person and delivery by regular mail (with a confirming copy sent by E-mail). Notices given pursuant to this section shall be addressed as follows:

To the City:

Attn: City Administrator
City of McLendon-Chisholm

1371 West FM 550
McLendon-Chisholm, Texas 75032
E-mail: lisa@mcclendon-chisholm.com

With a copy to:

Attn: Michael Halla,
City of McLendon-Chisholm Attorney
12655 North Central Expressway, Ste. 1000
Dallas, Texas 75243
E-mail: mhalla@hallalawfirm.com

To the Owner:

Attn: Phillip Huffines
8200 Douglas Avenue, Suite 300
Dallas, Texas 75225
E-mail: pwh@huffinescommunities.com

With a copy to:

Attn: Misty Ventura
Shupe Ventura, PLLC
9406 Biscayne Blvd.
Dallas, TX 75218
E-mail: misty.ventura@svlandlaw.com

To the District:

Board of Directors
Rockwall County Municipal Utility District No. 10
c/o Crawford & Jordan LLP
19 Briar Hollow Lane, Suite 245
Houston, Texas 77027
E-mail: cjordan@crawlawn.net

With a copy to:

Attn: Mr. Christopher Jordan
Crawford & Jordan LLP
19 Briar Hollow Lane, Suite 245
Houston, Texas 77027
E-mail: cjordan@crawlawn.net

7.5 Binding Obligations. Pursuant to the requirements of Section 212.172(f) of the Texas Local Government Code, this Agreement and all amendments hereto (excluding amendments to the Concept Plan, which shall be maintained in a file kept by the City Secretary) shall be recorded in the deed records of Rockwall County. In addition, all assignments to this Agreement shall be recorded in the deed records of Rockwall County. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns permitted by this Agreement and upon the Property; however, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any End-Buyer except for land use and development regulations that apply to specific lots. For purposes of this Agreement, the Parties agree: (a) that the term "End-Buyer" means any owner, developer, tenant, user, or occupant; (b) that the term "fully developed and improved lot" means any lot, regardless of proposed use, for which a final plat has been approved by the City and recorded

in the deed records; and (c) that the term "land use and development regulations that apply to specific lots" means all of the Governing Regulations.

7.6 Events of Default. The Owner shall not be in default under this Agreement until the City has given notice of the alleged failure to perform (which notice shall set forth in reasonable detail the nature of the alleged failure) and until the Owner has been given a reasonable time to cure the alleged failure (such reasonable time determined based on the nature of the alleged failure, but in no event less than 30 days after written notice of the alleged failure has been given). In addition, the Owner shall not be in default under this Agreement if, within the applicable cure period, the Owner begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured.

7.7 REMEDIES. IF A PARTY IS IN DEFAULT, THE AGGRIEVED PARTY MAY, AT ITS OPTION AND WITHOUT PREJUDICE TO ANY OTHER RIGHT OR REMEDY UNDER THIS AGREEMENT, SEEK ANY RELIEF AVAILABLE AT LAW OR IN EQUITY, INCLUDING, BUT NOT LIMITED TO, AN ACTION UNDER THE UNIFORM DECLARATORY JUDGMENT ACT, SPECIFIC PERFORMANCE, MANDAMUS, AND INJUNCTIVE RELIEF. NOTWITHSTANDING THE FOREGOING, HOWEVER, NO DEFAULT UNDER THIS AGREEMENT SHALL:

- (a) entitle the aggrieved Party to terminate this Agreement; or
- (b) entitle the City to suspend performance under this Agreement unless the portion of the Property for which performance is suspended is the subject of the default (for example, the City shall not be entitled to suspend its performance with regard to the development of "Tract X" by "Developer A" based on the grounds that Developer A is in default with respect to any other tract or based on the grounds that any other developer is in default with respect to any other tract); or
- (c) adversely affect or impair the current or future obligations of the City to provide any service to any portion of the Property; or
- (d) entitle the aggrieved Party to seek or recover exemplary damages; or
- (e) adversely affect or impair the effectiveness or validity of any District Consents; or
- (f) adversely affect or impair the current or future rights, powers or authority of the District (including, but not limited to, the issuance of bonds) or the day-to-day administration of the District; or
- (g) allow the Property to be annexed except as contemplated and authorized by this Agreement;
- (h) entitle either Party to receive attorney's fees; or
- (i) limit the Term.

7.8 Governmental Powers; Waivers of Immunity. By its execution of this Agreement, the City does not waive or surrender any of its governmental powers, immunities, or rights except as follows:

(a) The City waives its governmental immunity from suit and immunity from liability as to any action brought by a Party (or by the District) to pursue the remedies available under this Agreement, but only to the extent necessary to pursue such remedies. Nothing in this section shall waive any claims, defenses or immunities that the City has with respect to suits against the City by persons or entities other than the District or a Party to this Agreement.

(b) Nothing in this Agreement is intended to delegate or impair the performance by the City of its governmental functions, and the City waives any claim or defense that any provision of this Agreement is unenforceable on the grounds that it constitutes an impermissible delegation or impairment of the City's performance of its governmental functions.

7.9 Assignment by Owner to the District. Owner has the right to assign to the District those portions of this Agreement concerning the provision of water and/or wastewater service to the Property and the design, construction, installation, maintenance, and repair of parks or open space and any Public Infrastructure, including, but not limited to, water, wastewater, stormwater, roadway, and detention Public Infrastructure. Thereafter, for the limited purposes of such assignment, the District shall be considered an "Assignee," and therefore a Party, for purposes of this Agreement. Each assignment shall be in writing executed by Owner and the District and shall obligate the District to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each assignment shall be provided to all Parties within 15 days after execution. From and after such assignment, the City agrees to look solely to the District for the performance of all obligations assigned to the District and agrees that Owner shall be released from subsequently performing the assigned obligations and from any liability that results from the District's failure to perform the assigned obligations; provided, however, if a copy of the assignment is not given to the City within 15 days after execution, Owner shall not be released until the City receives the assignment. No assignment by Owner shall release Owner from any liability resulting from an act or omission by Owner that occurred prior to the effective date of the assignment unless the City approves the release in writing. Owner shall maintain written records of all assignments made by Owner to the District, including a copy of each executed assignment, and, upon written request from any Party or Assignee, shall provide a copy of such records to the requesting person or entity.

7.10 Assignment by Owner. Owner has the right (from time to time without the consent of the City, but upon written notice to the City) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of Owner under this Agreement, to any person or entity (an "Assignee") that is or will become an owner of any portion of the Property or that is an entity that is controlled by or under common control with Owner. Each assignment shall be in writing executed by Owner and the Assignee and shall obligate the Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each assignment shall be

provided to all Parties within 15 days after execution. From and after such assignment, the City agrees to look solely to the Assignee for the performance of all obligations assigned to the Assignee and agrees that Owner shall be released from subsequently performing the assigned obligations and from any liability that results from the Assignee's failure to perform the assigned obligations; provided, however, if a copy of the assignment is not received by the City within 15 days after execution, Owner shall not be released until the City receives such assignment. No assignment by Owner shall release Owner from any liability that resulted from an act or omission by Owner that occurred prior to the effective date of the assignment unless the City approves the release in writing. Owner shall maintain written records of all assignments made by Owner to Assignees, including a copy of each executed assignment and the Assignee's Notice information as required by this Agreement, and, upon written request from any Party or Assignee, shall provide a copy of such records to the requesting person or entity. An Assignee shall be a "Party" and the "Owner" for purposes of the obligations, rights, title, or interests being assigned. The City shall not assign this Agreement.

7.11 Encumbrance. Owner and Assignees have the right, from time to time, to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of their respective rights, title, or interest under this Agreement for the benefit of their respective lenders without the consent of, but with prompt written notice to, the City. The collateral assignment, pledge, grant of lien or security interest, or other encumbrance shall not, however, obligate any lender to perform any obligations or incur any liability under this Agreement unless the lender agrees in writing to perform such obligations or incur such liability. Provided the City has been given a copy of the documents creating the lender's interest, including Notice (hereinafter defined) information for the lender, then that lender shall have the right, but not the obligation, to cure any default under this Agreement and shall be given a reasonable time to do so in addition to the cure periods otherwise provided to the defaulting Party by this Agreement; and the City agrees to accept a cure offered by the lender as if offered by the defaulting Party. A lender is not a Party to this Agreement unless this Agreement is amended, with the consent of the lender, to add the lender as a Party. Notwithstanding the foregoing, however, this Agreement shall continue to bind the Property and shall survive any transfer, conveyance, or assignment occasioned by the exercise of foreclosure or other rights by a lender, whether judicial or non-judicial. Any purchaser from or successor owner through a lender of any portion of the Property shall be bound by this Agreement, but shall not be entitled to the rights and benefits of this Agreement with respect to the acquired portion of the Property until all defaults under this Agreement with respect to the acquired portion of the Property have been cured. The City shall not collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of its rights, title, or interest under this Agreement without Owner's prior written consent.

7.12 No Restriction on Property Transfer. No provision of this Agreement shall limit the ability of the Owner or any other person to transfer voluntarily or involuntarily its right, title, or interest in or to all or any portion of the Property.

7.13 Releases. From time to time upon written request of Owner or the District, the City Administrator shall execute, in recordable form, a release of this Agreement if the

requirements of this Agreement have been met, subject to the continued application of the Building Codes and Development Regulations.

7.14 Estoppel Certificates. From time to time upon written request of Owner or the District, the City Administrator will execute a written estoppel certificate identifying any obligations of Owner under this Agreement that are in default or, with the giving of notice or passage of time, would be in default; and stating, to the extent true, that to the best knowledge and belief of the City, Owner is in compliance with its duties and obligations under this Agreement.

7.15 RESERVATION OF RIGHTS. THIS AGREEMENT CONSTITUTES A "PERMIT" WITHIN THE MEANING OF CHAPTER 245, TEXAS LOCAL GOVERNMENT CODE. EXCEPT AS PROVIDED IN THIS SECTION, OWNER DOES NOT, BY ENTERING INTO THIS AGREEMENT, WAIVE (AND OWNER EXPRESSLY RESERVES) ANY RIGHT THAT OWNER MAY NOW OR HEREAFTER HAVE WITH RESPECT TO ANY CLAIM: (A) OF "VESTED" OR "PROTECTED" DEVELOPMENT OR OTHER PROPERTY RIGHTS ARISING FROM CHAPTERS 43 OR 245, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED, OR OTHERWISE ARISING FROM COMMON LAW OR OTHER STATE OR FEDERAL LAWS; (B) THAT ANY GOVERNING REGULATION DEFINED IN ARTICLE II OF THIS AGREEMENT, ON ITS FACE OR AS APPLIED TO THE PROPERTY OR ANY PORTION THEREOF, VIOLATES ANY LOCAL, STATE, OR FEDERAL LAW; OR (C) THAT AN ACTION BY THE CITY CONSTITUTES A "TAKING" OR INVERSE CONDEMNATION OF ALL OR ANY PORTION OF THE PROPERTY OR THE IN-CITY PROPERTY OR AN ILLEGAL EXACTION.

7.16 Manufactured Housing. Notwithstanding any other provision of this Agreement to the contrary, HUD-certified manufactured homes may be located within the In-City Property and the Property, from time to time, for any purpose necessary for the creation or administration of the District (including, but not limited to, providing qualified voters within the District or qualifying persons to serve on the Board of Directors of the District). Owner will notify the City of the location of, make and model of, HUD number for, and 911 address of each home within 30 days after the home is occupied. Manufactured homes permitted by this Agreement: (a) are not required to be located on a platted lot; (b) do not require a building permit; (c) do not require a certificate of substantial completion; (d) do not otherwise have to comply with the Governing Regulations in the case of the Property or zoning regulations in the case of the In-City Property; (e) do not require any permit or other approval by the City; (f) are not subject to payment of any of the Fees; and (g) will be promptly removed when no longer needed for the creation or administration of the District. Manufactured homes must have adequate access for fire protection.

7.17 Water Wells. Water wells may be drilled within the In-City Property and the Property to provide irrigation water and water for domestic use, including, but not limited to, use by the residents of the manufactured housing described in Section 7.16 above; subject, however, to all applicable rules and regulations of Rockwall County and the TCEQ.

7.18 Interpretation. The Parties acknowledge that each of them has been actively involved in negotiating this Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Agreement. In the event of any dispute over the meaning or application of any provision of this Agreement, the provision will be interpreted fairly and reasonably and neither more strongly for or against any Party, regardless of which Party originally drafted the provision.

7.19 Authority and Enforceability. The City represents and warrants that this Agreement has been approved by ordinance duly adopted by the City Council in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been duly authorized to do so. Owner represents and warrants that this Agreement has been approved by appropriate action of Owner, and that the individual executing this Agreement on behalf of Owner has been duly authorized to do so. Each Party acknowledges and agrees that this Agreement is binding upon such Party and enforceable against such Party in accordance with its terms and conditions and that the performance by the Parties under this Agreement is authorized by Section 212.172 of the Texas Local Government Code.

7.20 Entire Agreement; Severability. This Agreement, together with the Facilities Agreement, constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties. Without limiting the generality of the foregoing, (a) if it is determined that, as of the Effective Date, Owner does not own any portion of the Property, this Agreement shall remain in full force and effect with respect to all of the Property that Owner does then own, and (b) if it is determined, as of the Effective Date, that any portion of the Property is not within the City's ETJ, this Agreement shall remain in full force and effect with respect to all of the Property that is then within the City's ETJ.

7.21 Director Qualifying Lots. Notwithstanding any other provision of this Agreement to the contrary, the conveyance, from time to time, by metes and bounds or otherwise of any portion of the In-City Property or the Property to any person for the purpose of qualifying such person to be a member of the board of directors of the District shall not be considered a subdivision of land requiring a plat or otherwise requiring the approval of the City; provided, however, no Structure, other than manufactured housing authorized by this Agreement, shall be constructed on any property conveyed for such purpose unless and until a plat of such portion has been approved by the City in accordance with this Agreement.

7.22 Applicable Law; Venue. This Agreement is entered into under and pursuant to, and is to be construed and enforceable in accordance with, the laws of the State of Texas, and

all obligations of the Parties are performable in Rockwall County. Venue for any action to enforce or construe this Agreement shall be in Rockwall County.

7.23 Non Waiver. Any failure by a Party to insist upon strict performance by another Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

7.24 No Third Party Beneficiaries. Except as otherwise provided in this section, this Agreement only inures to the benefit of, and may only be enforced by, the Parties. If the District is not an Assignee, the District shall be considered a third-party beneficiary of this Agreement. An End-Buyer shall be considered a third-party beneficiary of this Agreement, but only for the limited purposes for which an End-Buyer is bound by this Agreement. No other person or entity shall have any right, title, or interest under this Agreement or otherwise be deemed to be a third-party beneficiary of this Agreement.

7.25 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within ten business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give Notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term "force majeure" shall include events or circumstances that are not within the reasonable control of the Party whose performance is suspended and that could not have been avoided by such Party with the exercise of good faith, due diligence and reasonable care, including, but not limited to, events or circumstances caused by a pandemic or flooding

7.26 Boycott of Israel. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to enable compliance with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, 'boycott Israel,' a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel

or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

7.27 Iran, Sudan and Foreign Terrorist Organizations. Section 2252.151 of the Texas Government Code defines a "governmental contract" as a contract awarded by a governmental entity for general construction, an improvement, a service, or a public works project or for a purchase of supplies, materials, or equipment, and provides that the term includes a contract to obtain a professional or consulting service subject to Chapter 2254 of the Texas Government Code. The Owner represents that, as of the date of this Agreement, to the extent this Agreement constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, neither the Owner nor any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Owner (if any) is an entity listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code or identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>; <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

7.28 Form 1295. Submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Owner, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Parties understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Owner; and, neither the City nor its consultants have verified such information.

7.29 Verification Regarding Discrimination Against Fossil Fuel Companies. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the the Owner to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, "boycott energy companies," a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to

penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

7.30 Verification Regarding No Discrimination Against Firearm Entities and Firearm Trade Associations. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. The foregoing verification is made solely to enable the Owner to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification and the following definitions, ‘discriminate against a firearm entity or firearm trade association,’ a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association, ‘firearm entity,’ a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting), and ‘firearm trade association,’ a term

defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.”

7.31 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

7.32 Further Documents. Each Party shall, upon request of the other Party, execute and deliver such further documents and perform such further acts as may reasonably be requested to effectuate the terms of this Agreement and achieve the intent of the Parties.

7.33 Exhibits. The following Exhibits are attached to this Agreement and are incorporated herein for all purposes:

Exhibit A	Metes and Bounds Description of the Property
Exhibit B	Metes and Bounds Description of the In-City Property
Exhibit C	Concept Plan
Exhibit D	Development Regulations
Exhibit E	Special Regulations
Exhibit F	Product Type Illustrations
Exhibit G	Repetition Restrictions
Exhibit H	Mailbox Design
Exhibit I	Parks, Open Space, and Trail Plan
Exhibit J	Street Sections
Exhibit K	Architectural Guidelines
Exhibit L	Trash Can Pads
Exhibit M	Address Plaques
Exhibit N	Fence Design for Single Family Detached
Exhibit O	Realtor and Builder Sign Specifications
Exhibit P	Sidewalks
Exhibit Q	Shrub Planting Locations
Exhibit R	District Notice

Executed by Owner and the City to be effective on the Effective Date.

ATTEST:

CITY OF MCLENDON-CHISHOLM

Name: _____
Title: City Secretary

By: _____
Name: _____
Title: _____

Date: _____

**APPROVED AS TO FORM AND
LEGALITY:**

Name: _____
City Attorney

STATE OF TEXAS §
 §
COUNTY OF ROCKWALL §

This instrument was acknowledged before me on _____, 2021 by _____,
_____ of the City of McLendon-Chisholm Texas on behalf of said city.

Notary Public, State of Texas

OWNER:

MC Trilogy Texas, LLC,
a Texas limited liability company

By: _____
Phillip Huffines, Managing Director

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2021 by Phillip Huffines, Managing Director of MC Trilogy Texas, LLC, a Texas limited liability company on behalf of said company.

Notary Public, State of Texas

ETJ TRACT 1

28317523 S.F.
650.0809 AC. TRACT 1
893.3117 AC. COMPOSITE

ETJ TRACT 2

10595133 S.F.
243.2308 AC. TRACT 2

IN-CITY TRACT 1

IN-CITY TRACT 2

PROPERTY DATA TABLES

TRACT	AREA (S.F.)	AREA (AC.)
1	28317523	650.0809
2	10595133	243.2308
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TRIOLOGY

DISTRICT BOUNDARY COMMITTEE
BUSINESS DEVELOPMENT ETJ

DATE: 10/1/2010
BY: [Signature]

tnp

BEING ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATED IN THE J. SIMMONS SURVEY, ABSTRACT NO. 202, THE W.W. FORD SURVEY, ABSTRACT NO. 80, AND THE A. RODRIGUEZ SURVEY, ABSTRACT NO. 231, IN ROCKWALL COUNTY, TEXAS, AND ALSO BEING A PORTION OF THE PROPERTY DESCRIBED IN DEED TO HODGES RANCH PARTNERS, LTD., AS RECORDED IN VOLUME 3828 AT PAGE 322 ALSO KNOWN AS DOCUMENT NUMBER 00319510 ON DECEMBER 4TH 2004 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS, AND BEING SUBJECT TO A MEMORANDUM OF INTEREST WITH REGARD TO OWNERSHIP OF REAL PROPERTY RECORDED UNDER COUNTY CLERKS FILE NUMBER 2016000014831 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

THENCE S 45°49'51" E a distance of 3464.03' to a point for corner;

THENCE N 45°15'27" E a distance of 845.37'to a point for corner;
THENCE S 45°20'50" E a distance of 770.32'to a point for corner;
THENCE S 45°52'07" E a distance of 371.76'to a point for corner;
THENCE S 45°39'45" E a distance of 866.70'to a point for corner;
THENCE S 45°04'02" E a distance of 400.01'to a point for corner;
THENCE S 44°19'52" W a distance of 614.77'to a point for corner;
THENCE S 44°19'52" W a distance of 618.71'to a point for corner;
THENCE S 45°40'08" E a distance of 706.56'to a point for corner;
THENCE S 44°23'53" W a distance of 1352.29'to a point for corner;
THENCE S 44°42'29" W a distance of 1349.67'to a point for corner;
THENCE N 45°05'00" W a distance of 30.40'to a point for corner;
THENCE S 68°20'00" W a distance of 151.80'to a point for corner;
THENCE N 88°15'00" W a distance of 274.51'to a point for corner;
THENCE N 88°15'00" W a distance of 102.49'to a point for corner;
THENCE N 87°05'36" W a distance of 499.42'to a point for corner;
THENCE N 88°20'23" W a distance of 365.10'to a point for corner;
THENCE N 45°00'00" W a distance of 1596.73'to a point for corner;
THENCE N 45°00'00" E a distance of 1050.00'to a point for corner;
THENCE N 45°00'00" W a distance of 150.87'to a point for corner;
THENCE N 48°33'57" E a distance of 83.82'to a point for corner;
THENCE N 08°18'57" E a distance of 54.00'to a point for corner;
THENCE N 43°11'03" W a distance of 104.00'to a point for corner;
THENCE N 12°41'03" W a distance of 111.00'to a point for corner;

THENCE N 39°33'57" E a distance of 93.00'to a point for corner;
THENCE S 89°11'03" E a distance of 140.00'to a point for corner;
THENCE N 33°48'57" E a distance of 108.00'to a point for corner;
THENCE N 81°48'57" E a distance of 98.00'to a point for corner;
THENCE N 13°18'57" E a distance of 143.00'to a point for corner;
THENCE N 61°11'03" W a distance of 57.00'to a point for corner;
THENCE N 44°56'03" W a distance of 123.00'to a point for corner;
THENCE N 08°56'03" W a distance of 57.00'to a point for corner;
THENCE N 86°18'57" E a distance of 129.00'to a point for corner;
THENCE N 40°03'57" E a distance of 128.00'to a point for corner;
THENCE N 57°03'57" E a distance of 110.00'to a point for corner;
THENCE N 69°48'57" E a distance of 81.15'to a point for corner;
THENCE N 41°14'57" W a distance of 2018.90'to a point for corner;

THENCE N 40°35'51" W A DISTANCE OF 1575.68' TO THE POINT OF BEGINNING,
CONTAINING 19,245,590.6 SQUARE FEET, OR 441.818 ACRES OF LAND MORE OR
LESS.

ETJ TRACT 2

BEING ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATED IN THE J. SIMMONS SURVEY, ABSTRACT NO. 202, THE W.W. FORD SURVEY, ABSTRACT NO. 80, AND THE A. RODRIGUEZ SURVEY, ABSTRACT NO. 231, IN ROCKWALL COUNTY, TEXAS, AND ALSO BEING A PORTION OF THE PROPERTY DESCRIBED IN DEED TO HODGES RANCH PARTNERS, LTD., AS RECORDED IN VOLUME 3828 AT PAGE 322 ALSO KNOWN AS DOCUMENT NUMBER 00319510 ON DECEMBER 4TH 2004 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS, AND BEING SUBJECT TO A MEMORANDUM OF INTEREST WITH REGARD TO OWNERSHIP OF REAL PROPERTY RECORDED UNDER COUNTY CLERKS FILE NUMBER 20160000014831 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT FOR CORNER IN PULLEN ROAD,(A VARIABLE WIDTH RIGHT-OF-WAY), AT THE NORTH CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE S 45°52'07" E a distance of 836.75' to a point for corner;

THENCE N 44°13'38" E a distance of 717.19' to a point for corner;

THENCE S 45°44'07" E a distance of 1529.00' to a point for corner;

THENCE S 45°00'00" W a distance of 1708.95' to a point for corner;

THENCE N 45°00'00" W a distance of 1750.00' to a point for corner;

THENCE S 45°00'00" W a distance of 800.00' to a point for corner;

THENCE S 45°00'00" E a distance of 600.00' to a point for corner;

THENCE S 45°00'00" W a distance of 1092.91' to a point for corner;

THENCE N 88°13'09" W a distance of 163.88' to a point for corner;

THENCE N 86°06'41" W a distance of 301.66' to a point for corner;

THENCE N 88°15'00" W a distance of 1073.00' to a point for corner;

THENCE N 01°45'00" E a distance of 65.55' to a point for corner;

THENCE N 44°34'36" E a distance of 928.59' to a point for corner;

THENCE N 44°31'40" E a distance of 151.79' to a point for corner;

THENCE N 43°28'23" E a distance of 346.55' to a point for corner;

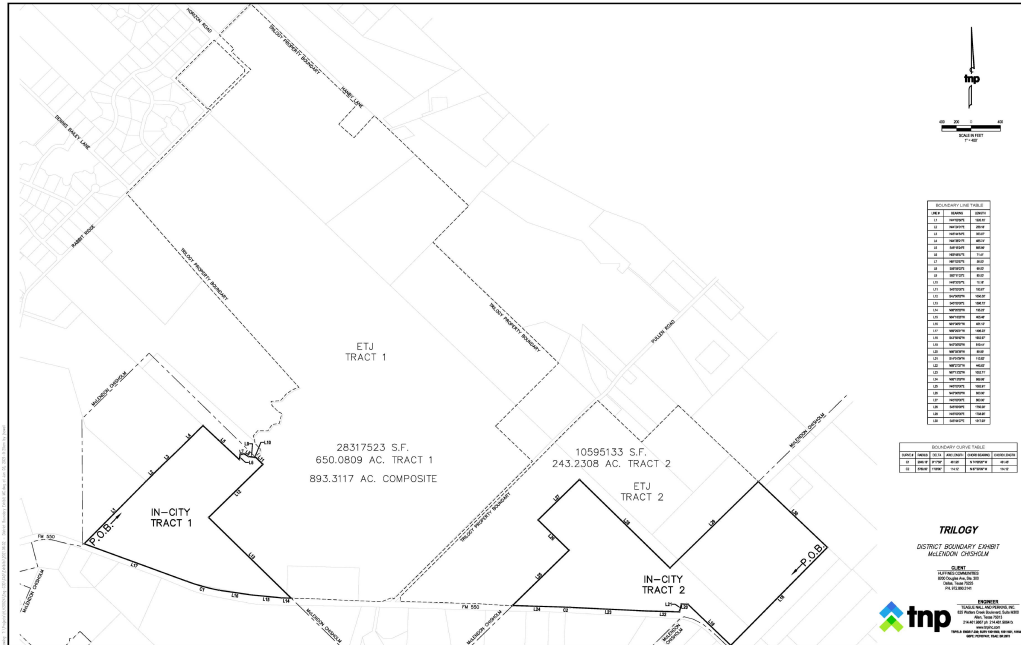
THENCE N 44°43'11" E a distance of 901.86' to a point for corner;

THENCE N 44°06'02" E a distance of 914.03' to a point for corner;

THENCE N 44°44'29" E a distance of 285.28' to a point for corner;

THENCE N 45°50'03" E A DISTANCE OF 322.68' TO THE POINT OF BEGINNING,
CONTAINING 5,807,645.3 SQUARE FEET, OR 133.325 ACRES OF LAND MORE OR
LESS.

Exhibit B
Metes and Bounds Description of the In-City Property



TRACT 1

BEING ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATED IN THE J. SIMMONS SURVEY, ABSTRACT NO. 202, THE W.W. FORD SURVEY, ABSTRACT NO. 80, AND THE A. RODRIGUEZ SURVEY, ABSTRACT NO. 231, IN ROCKWALL COUNTY, TEXAS, AND ALSO BEING A PORTION OF THE PROPERTY DESCRIBED IN DEED TO HODGES RANCH PARTNERS, LTD., AS RECORDED IN VOLUME 3828 AT PAGE 322 ALSO KNOWN AS DOCUMENT NUMBER 00319510 ON DECEMBER 4TH 2004 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS, AND BEING SUBJECT TO A MEMORANDUM OF INTEREST WITH REGARD TO OWNERSHIP OF REAL PROPERTY RECORDED UNDER COUNTY CLERKS FILE NUMBER 20160000014831 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT FOR CORNER IN THE NORTH RIGHT-OF-WAY LINE OF F.M. ROAD 550 (VARIABLE WIDTH RIGHT-OF-WAY) AS RECORDED IN VOLUME 41 AT PAGES 545 565 OF THE DEED RECORDS OF ROCKWALL COUNTY, TEXAS AT THE RECOGNIZED SOUTHWEST CORNER OF SAID TRACT;

THENCE NORTH 44° 03' 50" EAST A DISTANCE OF 1,220.15 FEET TO A POINT FOR CORNER, SAID POINT BEING THE SOUTH CORNER OF A CALLED 58.110 ACRE TRACT OF LAND DESCRIBED IN DEED TO DONALD R. HOLLOWAY RECORDED UNDER COUNTY CLERKS FILE NUMBER 2011-00444931 (VOL. 6347, PG. 221) OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS;

THENCE NORTH 44° 24' 01" EAST AND FOLLOWING ALONG THE SOUTHEAST LINE OF SAID HOLLOWAY 58.110 ACRE TRACT A DISTANCE OF 258.18 FEET TO A POINT FOR CORNER;

THENCE NORTH 45°44'54" EAST AND CONTINUING ALONG THE SOUTHEAST LINE OF SAID HOLLOWAY 58.110 ACRE TRACT A DISTANCE OF 353.97 FEET TO A POINT FOR CORNER;

THENCE NORTH 44° 38' 21" EAST AND CONTINUING ALONG THE SOUTHEAST LINE OF SAID HOLLOWAY 58.110 ACRE TRACT A DISTANCE OF 485.74 FEET TO A POINT FOR THE MOST EASTERLY CORNER OF SAID HOLLOWAY 58.110 ACRE TRACT AT ITS INTERSECTION WITH THE SOUTHWEST LINE OF A CALLED 89.287 ACRE TRACT OF LAND DESCRIBED IN DEED TO HOLLOWAY FAMILY LIMITED PARTNERSHIP AS RECORDED UNDER COUNTY CLERKS FILE NUMBER 20150000020975 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS;

THENCE SOUTH 46° 15' 24" EAST AND FOLLOWING ALONG THE SOUTHWEST LINE OF SAID HOLLOWAY FAMILY LIMITED PARTNERSHIP 89.287 ACRE TRACT A DISTANCE OF 685.89 FEET TO THE MOST SOUTHERLY CORNER OF SAID 89.287 ACRE TRACT, SAID POINT BEING IN A SOIL CONSERVATION LAKE AND CALLED IN THE OLD MEANDERS OF LONG BRANCH CREEK;

THENCE FOLLOWING ALONG THE SOUTHEASTERLY LINE OF SAID HOLLOWAY FAMILY LIMITED PARTNERSHIP 89.287 ACRE TRACT AND ALONG THE CALLED OLD MEANDERS OF LONG BRANCH CREEK AS FOLLOWS;

- (1) NORTH 09° 48' 57" EAST A DISTANCE OF 71.41 FEET TO A POINT CORNER;
- (2) NORTH 81° 03' 57" EAST A DISTANCE OF 56.00 FEET TO A POINT FOR CORNER;
- (3) SOUTH 56° 56' 03" EAST A DISTANCE OF 69.00 FEET TO A POINT FOR CORNER;
- (4) SOUTH 83° 11' 03" EAST A DISTANCE OF 85.00 FEET TO A POINT FOR CORNER;
- (5) NORTH 48° 33' 57" EAST, A DISTANCE OF 10.18 FEET TO A POINT FOR CORNER;

THENCE DEPARTING THE CALLED OLD MEANDERS OF LONG BRANCH CREEK AND THROUGH THE INTERIOR OF SAID PREMISES AS FOLLOWS;

(1) SOUTH 45° 00' 00" EAST, A DISTANCE OF 150.87 FEET TO A POINT FOR CORNER;

(2) SOUTH 45° 00' 00" WEST, A DISTANCE OF 1050.00 FEET TO A POINT FOR CORNER;

(3) SOUTH 45° 00' 00" EAST, A DISTANCE OF 1596.73 FEET TO A POINT FOR CORNER ON THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. ROAD 550;

THENCE NORTH 88° 20' 23" WEST AND ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. ROAD 550 A DISTANCE OF 135.23 FEET TO A POINT FOR CORNER;

THENCE NORTH 84° 16' 25" WEST AND CONTINUING ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. ROAD 550 A DISTANCE OF 405.48 FEET TO A POINT FOR CORNER;

THENCE NORTH 81° 36' 51" WEST AND CONTINUING ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. ROAD 550 A DISTANCE OF 451.13 FEET TO A POINT FOR CORNER, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 2,846.18 FEET, WITH A CENTRAL ANGLE OF 09° 17' 58", AND A CHORD BEARING NORTH 74°08'20" WEST AT A DISTANCE OF 461.45 FEET;

THENCE WESTERLY AND CONTINUING ALONG THE NORTH RIGHT-OF-WAY LINE OF F.M. ROAD 550 AND SAID CURVE TO THE RIGHT FOR AN ARC DISTANCE OF 461.95 FEET TO A POINT FOR CORNER;

THENCE NORTH 69° 29' 21" WEST CONTINUING ALONG THE NORTH RIGHT-OF-WAY LINE OF F.M. ROAD 550A DISTANCE OF 1,496.23 FEET TO THE POINT OF BEGINNING CONTAINING 3,011,847 SQUARE FEET, OR 69.143 ACRES OF LAND MORE OR LESS.

TRACT 2

BEING ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATED IN THE J. SIMMONS SURVEY, ABSTRACT NO. 202, THE W.W. FORD SURVEY, ABSTRACT NO. 80, AND THE A. RODRIGUEZ SURVEY, ABSTRACT NO. 231, IN ROCKWALL COUNTY, TEXAS, AND ALSO BEING A PORTION OF THE PROPERTY DESCRIBED IN DEED TO HODGES RANCH PARTNERS, LTD., AS RECORDED IN VOLUME 3828 AT PAGE 322 ALSO KNOWN AS DOCUMENT NUMBER 00319510 ON DECEMBER 4TH 2004 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS, AND BEING SUBJECT TO A MEMORANDUM OF INTEREST WITH REGARD TO OWNERSHIP OF REAL PROPERTY RECORDED UNDER COUNTY CLERKS FILE NUMBER 20160000014831 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY,

TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT FOR THE RECOGNIZED EAST CORNER OF THIS TRACT IN THE SOUTHWEST LINE OF A 25.279 ACRE TRACT OF LAND DESCRIBED IN DEED TO REGGIE L. HICKERSON RECORDED UNDER VOLUME 2388, PAGE 198 OF THE DEED RECORDS OF ROCKWALL COUNTY, TEXAS, SAID POINT BEING THE MOST NORTHERLY CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO RONALD PRICE AND SHARON DUBACK RECORDED UNDER VOLUME 1591, PAGE 111 OF THE DEED RECORDS OF ROCKWALL COUNTY, TEXAS;

THENCE SOUTH 43° 56' 42" WEST AND DEPARTING THE SOUTHWEST LINE OF SAID 2.79 ACRE TRACT TO REGGIE L. HICKERSON AND FOLLOWING ALONG THE NORTHWEST LINE OF SAID RONALD PRICE AND SHARON DUBACK TRACT A DISTANCE OF 1,902.97 FEET TO A POINT FOR CORNER; SAID POINT ALSO BEING THE NORTHWEST CORNER OF SAID RONALD PRICE AND SHARON DUBACK TRACT;

THENCE NORTH 45° 35' 00" WEST A DISTANCE OF 819.44 FEET TO A POINT FOR CORNER IN THE NORTHEAST RIGHT-OF-WAY LINE OF F.M. ROAD 550 (VARIABLE WIDTH RIGHT-OF-WAY) AS RECORDED IN VOLUME 41 AT PAGES 545 565 OF THE DEED RECORDS OF ROCKWALL COUNTY, TEXAS;

THENCE NORTH 86° 58' 39" WEST AND CONTINUING ALONG THE NORTHEAST RIGHT-OF-WAY LINE OF SAID F.M. 550 A DISTANCE OF 89.89 FEET TO A POINT FOR CORNER;

THENCE SOUTH 14° 01' 34" WEST AND CONTINUING ALONG THE NORTHEAST RIGHT-OF-WAY LINE OF SAID F.M. 550 A DISTANCE OF 113.82 FEET TO A POINT FOR CORNER;

THENCE NORTH 88° 27' 27" WEST AND FOLLOWING ALONG THE WEST RIGHT-OF-WAY LINE OF SAID F.M. 550 A DISTANCE OF 445.63 FEET TO A POINT FOR CORNER;

THENCE NORTH 87° 13' 22" WEST AND FOLLOWING ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. 550 A DISTANCE OF 1,052.71 FEET TO A POINT FOR CORNER, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 5,769.60 FEET, A CENTRAL ANGLE OF 01° 08' 00", AND A CHORD BEARING NORTH 87° 39' 09" WEST AT A DISTANCE OF 114.12 FEET;

THENCE WESTERLY AND CONTINUING ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. 550 AND FOLLOWING ALONG SAID CURVE FOR AN ARC DISTANCE OF 114.12 FEET;

THENCE NORTH 88° 13' 09" WEST AND CONTINUING ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. 550 A DISTANCE OF 669.98 FEET TO A POINT FOR CORNER;

THENCE DEPARTING THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. 550 AND THROUGH THE INTERIOR OF SAID PREMISES AS FOLLOWS;

(1) NORTH 45° 00' 00" EAST, A DISTANCE OF 1,092.91 FEET TO A POINT FOR CORNER;

(2) NORTH 45° 00' 00" WEST, A DISTANCE OF 600.00 FEET TO A POINT FOR CORNER;

(3) NORTH 45° 00' 00" EAST, A DISTANCE OF 800.00 FEET TO A POINT FOR CORNER;

(3) SOUTH 45° 00' 00" EAST, A DISTANCE OF 1,750.00 FEET TO A POINT FOR CORNER;

(4) NORTH 45° 00' 00" EAST, A DISTANCE OF 1,708.95 FEET TO A POINT FOR CORNER ON THE RECOGNIZED NORTHEAST LINE OF THIS TRACT;

THENCE SOUTH 45° 44' 07" EAST ALONG SAID RECOGNIZED LINE, A DISTANCE OF 1317.93 FEET TO THE POINT OF BEGINNING CONTAINING 4,787,547 SQUARE FEET, OR 109.907 ACRES OF LAND MORE OR LESS.

Exhibit C Concept Plan



Exhibit D
Development Regulations

1. **Definitions.**
 - a. Alley means a publicly or privately owned access way that provides access to the rear of a lot and functions as a traditional alley.
 - b. City Administrator means the City Administrator or his or her designee.
 - c. Concept Plan means the concept plan attached to this Agreement as **Exhibit C**, as amended in accordance with Section 2.2 of this Agreement.
 - d. Front entry garage means a garage accessed from the street in front of a single family detached home or duplex. This term does not include side entry or j-swing garages.
 - e. Open space means generally undeveloped property that can be used for active or passive recreation, is publicly or privately owned and maintained, is accessible by the residents of the Property or by the general public, and is designated as open space on an approved final plat.
 - f. Property means the property described on **Exhibit A** of this Agreement.
 - g. Single family detached means a single dwelling unit on a platted lot that is not physically attached to any other dwelling unit (excluding an accessory dwelling unit). A single family dwelling unit includes, but is not limited to, zero lot line homes and patio homes.
2. **Concept Plan.** Development of the Property shall be in general conformance with the Concept Plan; however, the nonresidential uses permitted by this **Exhibit D** shall be permitted at any location within the Property.
3. **Permitted Uses.**
 - a. The following uses shall be permitted in the areas designated "Residential Zone" on the Concept Plan:
 - i. Single family detached (SF-D2, SF-D3, SF-D4).
 - ii. School, public or private (elementary, middle, or high school, home school, day care).
 - iii. Model homes.

- iv. Accessory uses and structures, including, but not limited to buildings, garages, patio covers, pergolas, decks, carports, fences, signs, swimming pools, spas, antenna, satellite dishes, game courts, flagpoles).
 - v. Accessory dwelling units that are accessory to single family detached uses located on lots with a width greater than 59 feet. An accessory dwelling unit shall not exceed 750 square feet in floor area, and shall be located on the same lot as the principal use. A separate meter is permitted, but not required, for the accessory secondary living units.
 - vi. Accessory home occupations, which shall conform to the City's zoning ordinance in effect on the Effective Date with respect to regulations specific to accessory home occupations.
 - vii. Sales office.
 - viii. Amenity Centers. Accessory private community center is permitted as an accessory use to an amenity center. An accessory private community center may include a restaurant or coffee shop open to members and their guests and may include a banquet facility that may be rented for special occasions, such as wedding receptions and parties. This use may include recreational uses and amenities, including, but not limited to, swimming pools and tennis courts. An amenity center may include one or more food trucks.
 - ix. Temporary Residential Sales Office, Temporary Construction Office, and Model Homes. A residential real estate sales office and/or construction office, located on a platted lot, may be permitted within a subdivision for which building permits have been issued and may be located either in a model home, in a temporary building, or in a portable trailer. Model homes are permitted within a subdivision for which building permits have been issued. A permit for a temporary residential sales office, construction office, or a model home may be issued for no more than one year, but shall be automatically extended for so long as the builder maintains active and continuous sales or construction activities within the subdivision and a minimum of five lots in the subdivision remain unsold. Such sales office shall be used for sales in the subject subdivision only and not for sales in any other subdivision.
 - x. Farmers market.
- b. The following uses shall be permitted in the area designated "Commercial Zone" at at any other location on the Concept Plan:
- i. All uses permitted by right in the NC Neighborhood Commercial District pursuant to the City's comprehensive zoning ordinance in effect on the Effective Date are permitted by right without conditions

- ii. All uses permitted by SUP in the NC Neighborhood Commercial District pursuant to the City's comprehensive zoning ordinance in effect on the Effective Date are permitted by SUP
 - iii. All uses permitted in the "Residential Zone" designated on the Concept Plan
 - iv. Restaurant, drive-in or drive-thru
 - v. Restaurant/refreshment stand (temporary or seasonal)
 - vi. Retail uses of any type and size
 - vii. Service uses of any type, such as nail salons, hair salons and similar uses providing services to the public
 - viii. Pharmacy
 - ix. Office (business, professional, or medical)
 - x. Fuel sales, with or without convenience store
 - xi. Furniture repair
 - xii. Bank or other financial institution
 - xiii. Accessory banking
 - xiv. Florist
 - xv. Veterinary clinic or hospital with or without outside kennels and boarding
 - xvi. Day care
 - xvii. Farmers market
- c. In the area designated "Open Space" on the Concept Plan, parks, trails, active and passive open space, and other recreational amenities, uses, and improvements are permitted, including, but not limited to, all uses and structures referenced in Section 8 below.
 - d. Agricultural uses are permitted at any location within the Property, and may include, but are not limited to, raising crops and livestock, livestock services (including horses), and landscape/horticulture services.
 - e. Real estate development field offices and sales offices are permitted at any location without any time limit.
 - f. Temporary construction yards are permitted during ongoing construction within the Property, and the locations shall be approved by the City Manager with such approval not to be unreasonably withheld, conditioned or delayed.
 - g. Concrete or asphalt batch plant, temporary associated with development of the Property, are permitted at any location, and the locations shall be approved by the City Manager with such approval not to be unreasonably withheld, conditioned or delayed.
4. Residential Development Standards. The requirements in this Section 4 shall apply to residential development:
- a. Table 1 below contains the exclusive lot size, setback, lot coverage, density, garage orientation, building height, and dwelling unit size requirements for

residential development. Exhibit F illustrates the residential product types described on Table 1.

- b. Single family detached homes shall comply with the anti-repetition requirements on Exhibit G. At least 10 percent of an elevation must be different, or it will be considered to be a repeated elevation.
- c. Each single family detached home shall be serviced by a central cluster mailbox located at a street intersection as approved by the US Postal Service. Mailbox designs shall be similar to the design shown on Exhibit H.
- d. All streets shall have street lights chosen from the standard street lighting guide of the electric provider.
- e. The front most portion of a residential front entry garage shall not extend more than three feet in front of the front facade or the front porch of a single family detached home.
- f. All residential rear entry garage doors must be a minimum of 20 feet from the edge of the right-of-way.
- g. All residential side and front entry garage doors for all permitted uses must be a minimum of 22 feet from the edge of the right-of-way.
- h. Each single family detached home shall have a minimum of two enclosed garage parking spaces.
- i. Front entry garage doors on a single family detached home shall be recessed a minimum of six inches into the building facade in which they are located.
- j. Residential garage doors shall be clad with faux wood. Solid metal garage doors are prohibited on residences.

5. Non-Residential Development Standards. The requirements in this Section 5 shall apply to non-residential development:

- a. The minimum front yard building setback shall be 25 feet, measured from all streets. All other yards shall be considered side yards, and shall have a minimum building setback of 15 feet, unless adjacent to an existing residential use, in which case the minimum building setback shall be 25 feet and a six foot solid fence or screening wall shall be constructed on the non-residential lot line where residential adjacency exists.
- b. The maximum lot coverage shall be 35 percent, measured as the building footprint.
- c. The minimum lot size for a non-residential use shall be 10,000 square feet.

- d. The maximum building height shall be two stories and 40 feet.
 - e. An amenity center is considered non-residential development for purposes of this Section 5.
6. Residential Landscaping, Fencing, and Screening. The following requirements shall be the exclusive landscaping requirements applicable to residential development:
- a. Except as otherwise provided below in this paragraph, chain link, barbed wire, pipe, and razor wire fences are prohibited. This restriction does not apply to temporary construction fencing, fencing around a lift station or other utility uses, barbed wire fencing around cattle or other agricultural uses. The City Administrator may permit these materials for limited use in other specific circumstances if the Director finds the use of these materials to be appropriate. Vinyl and polywood fencing and manufactured fencing materials are permitted on residential lots. Vinyl coated chain link fencing is permitted in connection with a dog park or open space. Wrought iron fencing or similar open metal fencing is required where lots abut an open space or park designed on a final plat.
 - b. A minimum of one three-inch caliper canopy tree shall be planted on each residential lot or in the adjacent parkway, except that on each residential lot that is larger than 60 feet in width, a minimum of two three-inch caliper canopy trees shall be planted.
 - c. In addition to the requirements in subsection (a) above, each corner lot with a single family detached home shall have landscape enhancements along the side street as follows:
 - i. At least two minimum three-inch caliper trees shall be planted per lot within the parkway, and a minimum of one five-gallon evergreen shrub shall be planted every five feet on center along the fence facing the side street.
 - ii. Trees may be planted between a sidewalk and curb. When trees are planted within the parkway, there shall be a minimum of five feet between the curb and sidewalk.
 - d. Shrubs are required to be planted in the areas shown on Exhibit Q.
 - e. Berms, shrubs, trees, and groundcover are permitted in medians.
 - f. When the back or side of a single family residence abuts a collector road, screening will be provided in the form of a minimum six-foot tall board on board fence with the finished side facing the street, which shall be constructed by the home builder and shall have consistent materials and a consistent design along all collector streets. A collector road shall be defined as a road having a divided two-lane boulevard connecting major off-site roadways.

- g. A minimum of one three-inch caliper ornamental or canopy tree, or three eight-foot tall ornamental trees, shall be planted for every 50 linear feet of street frontage or fraction thereof along perimeter arterial and collector thoroughfares in the parkway. Trees may be planted in clusters to create a natural appearance along perimeter arterial and collector streets.
- h. Entryways into and exits from the Property shall be landscaped with grass, shrubs, and trees.
- i. Landscaping at entryways into the Property shall be designed so as to avoid an impairment of visibility of operators of motor vehicles entering and exiting the subdivision when the plant materials reach full maturity.
- j. The developer and/or a homeowners' association shall be responsible for the perpetual maintenance and upkeep of all landscaped areas that are not contained within residential lots or within District-owned property.
- k. Landscaped areas at entryways into the Property shall be planted with at least one shade tree (minimum four inches in caliper measured at four feet above natural grade and 16 feet in height at time of planting) for each 55 linear feet or portion thereof of adjacent exposure.
 - a. Synthetic or artificial lawn or plant material shall not be used to satisfy the landscape requirements of this article, but shall be permitted in addition to required landscaping. Synthetic or artificial lawn or plant material shall be permitted within an amenity center lot.
 - b. All required landscaped area shall be permanently landscaped with living plant material, and shall have an irrigation system installed.
 - c. Landscaped areas shall be kept free of trash, litter, weeds, and other such material or plants not a part of the landscaping.
 - d. All plant materials shall be maintained in a healthy and growing condition as is appropriate for the season of the year. Maintenance shall include mowing, watering, trimming, pruning, etc.
 - e. Plant materials which die shall be replaced with plant material of similar variety and size within 90 days period, with a one time extension not exceeding 90 days being provided upon approval of the city council.
 - f. All landscaping shall be completed and installed in accordance with the landscape plan within 90 days of a certificate of occupancy being granted. A one-time extension not to exceed 90 days may be granted upon approval of the City Administrator or his/her designee.

7. Non-Residential Landscaping and Screening. The following requirements shall be the exclusive landscaping requirements applicable to non-residential development:

- a. A minimum of 20 percent of each platted lot developed with a non-residential use shall be landscaped with a combination of grass, shrubs and trees. Where the construction is to be a single phase of a multi-phase development, only the area being constructed in the current phase need be subject to the landscape regulations. However, each phase will be required to meet the landscaping requirements as they are being developed.
- b. A minimum of ten percent of the gross area within a parking lot shall be planted with living plant material. Gross parking area shall be measured from the edge of the parking and/or driveway paving and sidewalks. Such landscaping shall be counted towards satisfaction of the requirements in Section 7(a) above. Landscape material which is located within the interior of a parking lot shall be surrounded by a curb of four inches in height.
- c. All required landscaped area shall be permanently landscaped with living plant material, and shall have an irrigation system installed. Synthetic or artificial lawn or plant material shall not be used to satisfy the landscape requirements of this article, except for an amenity center lot.
- d. Landscaped areas shall be kept free of trash, litter, weeds, and other such material or plants not a part of the landscaping.
- e. All plant materials shall be maintained in a healthy and growing condition as is appropriate for the season of the year. Maintenance shall include mowing, watering, trimming, pruning, etc.
- f. Plant materials which die shall be replaced with plant material of similar variety and size within 90 days period, with a one time extension not exceeding 90 days being provided upon approval of the city council.
- g. All landscaping shall be completed and installed in accordance with the landscape plan within 90 days of a certificate of occupancy being granted. A one-time extension not to exceed 90 days may be granted upon approval of the City Administrator or his/her designee.
- h. Synthetic or artificial lawn or plant material shall not be used to satisfy the landscape requirements of this article unless part of an amenity center lot.
- i. An amenity center is considered non-residential development for purposes of this Section 7.

8. Parks and Open Space.

- a. Parks and open space areas shall be designated on approved preliminary and final plats and shall generally comply with the Parks, Open Space, and Trail Plan

attached as **Exhibit I**. The exact locations of trails and other amenities shown on **Exhibit I** is conceptual and subject to modification by the developer at the time of final design and platting. The Owner shall have the right to move park and open space locations shown on **Exhibit I** without City approval provided all dwelling units within the Property are located within 1,500 feet of a park or open space area (meaning an open space area designated on a final plat). City Manager approval of park design to confirm compliance with the requirements of this Agreement shall be required for any park that will be owned and maintained by the City, which approval shall not be unreasonably withheld, conditioned, or delayed. City approval of the park design and amenities for privately owned and maintained open space and parks shall not be required other than standard approval of plats, building permits, and inspections in accordance with the Governing Regulations.

- b. Trails will be constructed in phases with each plat. As each phase of the project is platted, any portion of a trail required within the platted phase shall be completed with the other improvements required as part of the plat approval, and if a gap in trail connections is less than 750 feet, the connection shall be constructed with the platted phase under construction (otherwise, the connection shall be constructed with the completion of the next phase adjacent to the gap).
- c. Either the property owner, the District or a homeowners association will be responsible for maintaining parks, open space, and trails within the Property, as well as the amenities listed below in this Section 8; however, the City shall maintain the City Park identified on **Exhibit I**. The Owner shall make payments to the City in accordance with this subsection to assist with funding the maintenance of the City Park identified on **Exhibit I**, which payments shall be used by the City for the sole purpose of such maintenance. The Owner shall pay to the City \$25,000 per year for a five-year period commencing 30 days after the date the City delivers written notice to the Owner of the City's acceptance of the City Park identified on **Exhibit I** following the Owner's completion of the development of the park, which notice shall meet the notice requirements of this Agreement. Any lakes will be maintained by the District. Floodplain areas will be owned and maintained by the District, and may be used for crops and other agricultural uses, an amphitheater or other event space, dog parks, and other similar uses. Areas containing 100-year floodplain shall be maintained in the condition that is included in the approved floodplain model. Amenity centers will be maintained by a homeowners association.
- d. The following amenities are required to be started prior to the issuance of the Certificate of Occupancy or final inspection for the 100th single family detached residence within the Property and completed within 36 months after the City's final acceptance of the first platted phase of development within the Property:

- i. An amenity center with a minimum of 4,000 square feet plus a minimum 1,500 square foot fitness facility, for a total of at least 5,500 square feet of air conditioned space in the amenity center.
 - ii. A pool complex with one resort pool, one adult pool, and one tot pool;
 - iii. A minimum of one playground;
 - iv. A covered community outdoor gathering space;
 - v. A minimum of one shade structure, two picnic tables, and two park benches for each active park (i.e., a park with at least one of the following: playground equipment, sports field, or other similar facilities for activity);
 - vi. A minimum of two dog waste stations;
 - vii. Trash cans;
 - viii. Park signage;
 - ix. The City-owned park, which shall include, at a minimum, the following: a playground with one play structure (such as climbers, hangers, slides or spinners); five picnic tables; five benches; 40 off-street parking spaces; a 2,500 square foot covered shade structure with a restroom; a 1,500 square foot outdoor seating area; a one-half acre open lawn or amphitheater space; and a 200 square foot fishing pier or boardwalk.
- e. The developer shall, at a minimum, construct the following amenities within an active park by the approval of the final inspection or the certificate of occupancy for the 400th dwelling unit within the Property:
 - i. A minimum of one play structure (such as climbers, hangers, slides or spinners);
 - ii. A minimum of two picnic tables and two park benches for each active park (i.e., a park with playground equipment, sports field, or other similar facilities for activity);
 - iii. A minimum of one dog waste station;
 - iv. Trash cans;
 - v. Park signage; and
 - vi. A minimum of one shade structure per park.
- f. Open space amenities not specifically listed above, but of a similar type and nature to those listed above, are permitted.

- g. Except as otherwise provided in this paragraph, every dwelling unit shall be located within 1,500 feet of a park or open space designated on a final plat that includes a community trail system with a minimum width of six feet, as generally shown on **Exhibit I**. For purposes of this paragraph, open space is any open space that can be used by residents and is improved with any of the following: outdoor seating, playground equipment, a dog park, a play structure, a picnic table, a park bench, a dog clean up station, or a trail. The City Administrator has authority to allow a phase of homes to be constructed without meeting the requirements in this paragraph provided the subsequent plat will include the park or open space, including a community trail system with a minimum width of six feet necessary to serve the prior phase of homes.
 - h. Required trails shall be constructed of concrete and follow standards of the Engineering Design Manual.
 - i. Subject to all applicable laws and permit requirements, lakes may be recharged from rain collection or wells and used for irrigation.
 - j. Open space areas that do not include existing trees shall be landscaped with one tree that is a minimum of three inches in caliper for every 50 feet of street frontage or fraction thereof. Trees may be planted in clusters to create a natural appearance.
 - k. The requirements of this Section 8 are the exclusive requirements for parks and open space, and no other park land dedication, park fee, or park improvement requirements shall apply to the Property.
- 9. Street Sections. Non-standard street sections are permitted as shown on **Exhibit J**. Minimum median width may be ten feet.
- 10. Street Signs.
 - a. Street signs shall be maintained by the homeowners association or the District until the subdivision is accepted by the City or if damaged by construction activities.
 - b. Alternative street signs may include a non-standard color, font, and text size that varies from standard City street signs. Alternative street signs shall be reviewed and approved by city staff and must follow the Manual on Uniform Traffic Control Devices (MUTCD).
- 11. Miscellaneous.
 - a. Front entry and rear entry (alley-served) residential types are permitted.
 - b. The master developer and homeowners association ("HOA") are hereby granted a license to use the public right of way within the Property boundaries for the exclusive purpose of constructing, operating, repairing and maintaining the

following improvements and any improvements reasonably related thereto or necessary for the operation thereof: street and pedestrian lighting, public seating areas, landscaping and related amenities, including fountains, monuments, statues, or other public artwork, street furniture, including benches, drinking fountains, trash containers, tunnels; security cameras, bollards, temporary construction barricades, underground duct banks, pedestrian bridges and overpasses, arches, string lighting or other decorative lighting, wiring, and similar improvements. The removal of improvements for maintenance and replacement of utilities, pavement, drainage structures, and sidewalks shall be at the developer's or HOA's expense. Prior to installing any improvement within the right-of-way, the developer or HOA shall obtain the City Administrator's approval, which approval shall not be unreasonably withheld or delayed if the improvement does not unreasonably interfere with the public use of the right-of-way.

- c. Development shall comply with the architectural guidelines on **Exhibit K**.
- d. Trash can pads shall be provided as shown on **Exhibit L**.
- e. Address plaques will be installed on each home in a design similar to that shown on **Exhibit M**.
- f. Residential fencing details shall comply with **Exhibit N**.
- g. Realtor and builder sign design shall conform to the specifications on **Exhibit O**.
- h. Sidewalks shall comply with **Exhibit P**.

Table 1
Development Standards Table

Residential Type	Examples of Residential Type*	Minimum Lot Area (SF)	Minimum Lot Width (ft)	Minimum Lot Depth (ft)	Maximum Number of Stories	Garage Orientation	Max Density Based on Gross Acre	Minimum Front Yard Building Setback (ft)**	Minimum Interior Side Yard Building Setback (ft)	Minimum Corner Side Yard Building Setback (ft)	Minimum Rear Yard Setback Building (Home)	Maximum Lot Coverage (%)	Minimum Dwelling Unit Size (SF)	Special Conditions
SF-D 2	Single Family Detached (executive homesites side drive: attached/detached garage)	5000	50	110	2	Side/Alley	5	15	5	10	5	75	1750	Except for zero lot line types where 10' minimum side setback is required on one side and zero feet on the other
SF-D 2	Single Family Detached (executive homesites front loaded)	5000	50	110	2	Front	5	20	5	10	5	75	1750	Except for zero lot line types where 10' minimum side setback is required on one side and zero feet on the other
SF-D 3	Single Family Detached (manor homesites)	6000	60	115	2	All	4	20	5	10	5	75	2000	Garage setback is subject to Section 4 of

Residential Type	Examples of Residential Type*	Minimum Lot Area (SF)	Minimum Lot Width (ft)	Minimum Lot Depth (ft)	Maximum Number of Stories	Garage Orientation	Max Density Based on Gross Acre	Minimum Front Yard Building Setback (ft)**	Minimum Interior Side Yard Building Setback (ft)	Minimum Corner Side Yard Building Setback (ft)	Minimum Rear Yard Setback Building (Home)	Maximum Lot Coverage (%)	Minimum Dwelling Unit Size (SF)	Special Conditions
SF-D 4	Single Family Detached (chateau homesites)	7000	70	125	2	All	3.5	25	5	10	5	75	2500	this Exhibit D Garage setback is subject to Section 4 of this Exhibit D

Notes to Table 1:

***Exhibit F** includes drawings illustrating each residential type for illustrative purposes only. Homes are not required to be designed as illustrated.

******The minimum front yard building setback for all rear entry homes shall be 15 feet, or 12 feet if a front porch is provided, in which case the front porch must comply with the minimum front yard building setback.

Notes:

All rear entry garage doors must be a minimum of 20 feet from the edge of the right-of-way. All side and front entry garage doors must be a minimum of 22 feet from the edge of the right-of-way.

When the rear yard of a front entry single family residential lot is contiguous to the lot line of a developed single family residential lot located outside the PD boundaries, a minimum rear yard building setback of 25 feet shall be required.

Exception to minimum setback: Minimum side yard building setback to detached garages or accessory buildings may be reduced to three feet when a greater setback would otherwise be required.

Permitted encroachments into minimum building setbacks: porches (up to eight feet into front yard setback and corner side yard setback, provided, however, no less than a 12-foot setback from the property line shall be permitted on any lot that requires a 12-foot or larger front yard setback); fireplaces and box windows up to two feet into all setbacks; balconies, awnings, overhang eaves up to two feet into all setbacks); bay windows up to four feet into front and rear yard setbacks; stoops and stairs up to five feet into front and rear yard setbacks; suspended planter or flower boxes up to 24 inches into all setbacks; and foundation encroachments of up to six inches in all setbacks for architectural details such as brick ledges.

Swimming pools shall have a minimum five-foot setback from rear and side property lines; however, such setback only applies to the swimming pool, and not to associated decking or paving around a swimming pool.

Plats for zero lot line homes shall designate the side with the zero-foot building setback and the side with the minimum ten-foot building setback. A five-foot maintenance easement shall also be provided along the lot line adjacent to a neighboring lot's zero setback side. The maintenance easement shall include a drainage easement to allow for lot-to-lot drainage.

Exhibit E
Special Regulations

1. If a plat complies with the Concept Plan for the Property or the applicable zoning regulations for the In-City Property, it shall be deemed to comply with all of the City's plans, including, but not limited to, the City's master plan (also known as the comprehensive plan) and major street plan (also known as the master thoroughfare plan). This Agreement shall control in the event of a conflict with the City's master plan or master thoroughfare plan.
2. The term preliminary plan means a preliminary plat.
3. No plat shall be required for a division of land into parts greater than five acres, where each part has access and no public improvement is being dedicated.
4. A preliminary plat may include all or any portion of the Property or the In-City Property.
5. A final plat may include all or any portion of an approved preliminary plat. A final plat may include minor changes to an approved preliminary plat.
6. An approved preliminary plat shall not expire if an application for a final plat for all or a portion of the land shown on the approved preliminary plat is submitted to the City within two years.
7. All water, wastewater, roadway, and drainage Public Infrastructure will be dedicated to, owned by, and maintained by the District unless the retail provider opts to own and maintain the water or wastewater Public Infrastructure, at its sole option. Parks and open space will be owned and maintained by the property owner, the District, or a homeowners association consistent with the Development Regulations. The owner's dedication language on each plat will be customized to reflect ownership and maintained as described in this paragraph.
8. The City will not be required to own or maintain any Public Infrastructure; therefore, maintenance bonds shall not be required to be provided to the City.
9. Final plat approval shall expire two years after the date of approval unless the final plat has been filed of record by the end of such two-year period. The City Council may grant a request for an extension of up to one additional year.
10. A final plat shall not be filed of record until the subdivision has been constructed and accepted by the City unless the subdivider provides the City with adequate security for completion of all final plat improvements in the form of an escrow, a letter of credit, or a bond in the amount of the estimated cost to complete all final plat improvements. A building permit may be issued prior to plat recordation provided the water and roadway improvements necessary to provide fire protection to the building are complete prior to building permit issuance.

11. In the event of a conflict with the Subdivision Regulations, the development processes and fee provisions set forth in Article III and Article IV of this Agreement shall control.

12. Thoroughfares and Traffic Impact Study.

a. The only thoroughfare improvements required for the development of the Property are the on-site thoroughfare improvements shown on the Concept Plan, which consist of the on-site portions of Pullen Road and Trilogy Boulevard, which shall be constructed according to the street sections on Exhibit J and shall be constructed in phases as portions of the Property adjacent to, or including, the roadways are final platted. Nothing herein shall prohibit the Owner from constructing either thoroughfare in a single phase earlier than required by this paragraph.

b. A traffic impact study shall be submitted with the application for the first preliminary plat for all or any portion of the Property, and the scope of such study shall be limited to studying traffic impacts from the development of the Property on adjacent portions of roads along the perimeter of the Property. No other traffic impact study, traffic impact analysis, or other traffic related studies or analyses shall be required in connection with the development of the Property or the In-City Property.

c. No off-site roadway improvements are required with the exception of any adjacent perimeter roadway improvements that are recommended by the traffic impact study.

13. Roadways shall be designed in accordance with the Concept Plan and the street sections contained in this Agreement.

14. Turnarounds shall have a minimum right-of-way radius of 50 feet and a pavement radius of 40.5 feet.

15. The maximum length of a dead-end street with a permanent turnaround or a cul-de-sac with a permanent turnaround shall be 1,200 feet.

16. Sections 10.02.006(b), (c), (d), and (e) of the Subdivision Regulations [Lots, Building Lines, Alleys, and Easements] shall not apply.

17. Section 10.02.008 of the Subdivision Regulations [Landscape Buffers] shall not apply and the exclusive landscaping requirements shall be those set forth in the Development Regulations in the case of the Property and those set forth in the applicable zoning regulations in the case of the In-City Property. A homeowners association shall be created to perpetually maintain all landscaped areas located with parkways, medians, open space, and other common areas.

18. Section 10.02.0010 of the Subdivision Regulations [Drainage Requirements] shall be modified to delete subsection (c)(5) and revise subsection (c)(6) to read in its entirety as follows: In areas where downstream pipes or channels are inadequate to handle proposed increased flows, the city as one alternative may accept cash payment in lieu of actual drainage

improvements. The developer must show that the proposed pipe system to handle the flow from his development would not function properly without substantial downstream improvements. Prior to permitting any development that will significantly increase flood heights downstream or upstream, a hearing before the planning and zoning commission is required with special notice to the adjacent property owners.

19. Detention is permitted.

20. Floodplain reclamation is permitted.

21. Section 10.02.010 of the Subdivision Regulations is amended in its entirety to read as follows in italics:

Sec. 10.02.010 Drainage requirements

(a) General policy.

(1) The commission shall not recommend for approval any plat, development plan, or subdivision which does not make adequate provision for stormwater or floodwater runoff channels or basins and the city council may not approve such plats, development plans, or subdivisions without such provisions. Drainage provisions shall ensure the health and safety of the public and property in times of flood and such drainage facilities shall not cause excessive increases in flood heights or velocities, particularly to adjacent and downstream properties. When calculations indicate that curb capacities are exceeded at a point, no further allowance shall be made for flow beyond that point, storm drains shall be designed to intercept a portion of the stormwater, and basins shall be used to intercept flow at that point.

~~(2) The owner/subdivider or applicant may be required by the planning and zoning commission or city council as a condition of preliminary plan and/or final plat approval to carry away by pipe or open ditch any spring or surface water that exists either previous to, or as a result of, the subdivision. Such drainage facilities shall be located in the road right of way where feasible, or in perpetual unobstructed easements of appropriate width, and shall be constructed in accordance with the construction standards and specifications of the town.~~

(b) General design standards. For all subdivisions consisting of more than ten lots, the following requirements must be demonstrated as a condition for the approval of any preliminary plan or final plat, and must be shown on the face of the plan or plat or by separate document filed contemporaneously with the application for approval of the plan or plat:

~~(1) Coordination with any comprehensive master drainage plan adopted by the city council is required and shall be demonstrated in the preliminary plan and/or final plat.~~

(2) The complete drainage system is composed of:

(A) The initial system, consisting of inlets, storm drains, and the associated appurtenances to convey the initial storm runoff (ten-year); and

(B) The major system of the major runoff (~~100-50-year~~), which consists of swales, creeks, channels, floodways and emergency overflows to prevent water encroachment into residential and commercial facilities.

~~(3) Channels are to be concrete lined at least to the ten year frequency channel flow level with additional height to carry the 25 year flow. 100 year flow is to be contained within the building lines of the channel. Unlined channels will be considered and may be approved for quantities of floodwater larger than the equivalent flow of a 72-inch pipe.~~

(4) Utilization of retention ponds and dispersion areas and preservation of major floodplains, etc., shall be strongly encouraged and may be required if a proposed drainage improvement is found to create actual or potential upstream, adjacent or downstream property damage due to the creation of excessive flood velocities or heights.

~~(5) The city's major drainage floodplains that are still functioning in a natural or semi-natural state will require special drainage and other preservation considerations. To implement this policy of the natural 100-year floodplain for flooding areas draining one square mile or more, it may be recommended that these areas be zoned for planned development when zoning requests are made so that channel improvements and preservation efforts will be coordinated and defined on the site plan before detailed plans are submitted.~~

(6) Criteria for pipes.

(A) Minimum velocity with the pipe flowing full shall be ~~three~~ two feet per second.

(B) The minimum storm drainpipe diameter shall be ~~15~~ 18 inches.

(C) Pipe diameters shall not normally decrease downstream.

(D) Pipe crowns at change in sizes should be set at the same elevation.

~~(7) Vertical curves in the conduit will not be permitted, and horizontal curves will be permitted only with the approval of the town engineer.~~

(8) Inverted crown sections will be permitted only in alleys.

(9) At streets with culverts or bridges, an emergency overflow shall be provided to contain the ~~100-50-year~~ channel flow ~~within~~ outside the building lines.

(10) Detention ponds may be used to control the increase in runoff between the development and undeveloped areas ~~if approved by the city council.~~

(c) Off-site drainage.

(1) The owner or developer of property to be developed shall be responsible for all storm drainage flowing on his property. This responsibility includes the drainage directed to that property by ultimate development as well as drainage naturally flowing through the property by reason of topography.

(2) Adequate consideration shall be given by the owner in the development of property to determine how the discharge leaving the proposed development will affect adjacent and downstream property.

(3) On lots or tracts of three acres or more where stormwater runoff has been collected or concentrated, ~~it shall not be permitted to drain onto adjacent property~~

~~except in existing creeks, channels or storm sewers unless proper drainage easements or notarized letters of permission from the affected property owners are provided. If necessary easements or letters of permission cannot be obtained, the city engineer will review the downstream damage potential and make recommendations to the commission and city council it shall not be permitted to be discharged except in a manner consistent with sound engineering practices.~~

~~(4) The owner/subdivider shall pay for the cost of all drainage improvements required for the development of the subdivision, including any necessary off-site channels or storm sewers and acquisition of the required easements. The developer or subdivider shall pay for the cost of all drainage improvements required for the development of the subdivision, including necessary off-site channels or storm sewers and acquisition of the required easements, unless the off-site drainage improvements are part of a regional drainage improvement area in which case the developer or subdivider shall pay its proportionate share (based on capacity) of such regional improvements.~~

~~(5) Where it is anticipated that additional runoff incidental to the development of the subdivision will overload an existing downstream drainage facility, whether natural or manmade, the commission or city council may withhold approval of the subdivision, and the city may refuse to issue building, construction or development permits, until improvements including storm sewer systems, channel grading, driveway adjustments, culvert improvements, etc., are made.~~

~~(6) In areas where downstream pipes or channels are ~~adequate~~ inadequate to handle proposed increased flows, the city as one alternative may consider accepting cash payment in lieu of actual drainage improvements. The developer must show that the proposed pipe system to handle the flow from his development would not function properly without substantial downstream improvements. Prior to permitting any development that will significantly increase flood heights downstream or upstream, a hearing before the planning and zoning commission is required with special notice to the adjacent property owners.~~

~~(d) Drainage easements.~~

~~(1) Where topography or other conditions are such as to make impractical the inclusion of drainage facilities within road rights-of-way, perpetual unobstructed easements for such drainage facilities shall be provided across property outside the road lines and with satisfactory access to the road. Easements shall be indicated on the plat. Drainage easements shall be carried from the road to a natural watercourse or to other drainage facilities.~~

~~(2) When a proposed drainage system will carry water across private land outside the subdivision, appropriate drainage rights must be secured and indicated on the plat or other instrument as approved by the city. In the case of clear public interest, the city may participate in easement acquisition by power of condemnation.~~

~~(3) The owner/subdivider shall dedicate an appropriate drainage easement either in fee or by drainage easement or by conservation easement of land on both sides of existing watercourses to a distance to be determined by the planning and zoning commission or city council.~~

22. Section 10.02.009 of the Subdivision Regulations is amended in its entirety to read as follows in italics: *~~No permanent structures shall be built within any floodplain at an elevation below the 100-year flood line. The finished floor pad shall be a minimum two feet above the 100-year flood level. No septic tanks or on-site septic systems shall be built, located or situated in areas designated as a floodplain. All floodplain areas designated as a Zone A on FEMA's most current flood insurance rate maps may be removed from the Property or redefined through the process of a conditional letter of map revision ("CLOMR") or a letter of map revision ("LOMR"). Non-residential permanent structures, amenities, trails, sports fields and park improvements may be placed within floodplain areas without requiring either a CLOMR or a LOMR. The finished floor pad shall be a minimum two feet above the 100-year flood level. No septic tanks or on-site septic systems shall be built, located or situated in areas designated as a floodplain.~~*

23. Park restrooms shall be connected to a sanitary sewer system.

24. Section 10.02.012 of the Subdivision Regulations [Reservations] shall not apply.

25. Building setback lines are not required to be shown on a plat.

26. Oversizing of Public Infrastructure to serve land outside of the boundaries of the Property shall not be required. Section 3 of Appendix 1 of the Subdivision Regulations [Street Improvements and Oversizing] shall not apply unless oversizing is funded by the City or a third party.

27. Section 4 of Appendix 1 of the Subdivision Regulations [Off-Site Access Roadways] shall not apply.

28. Section 5 of Appendix 1 of the Subdivision Regulations [Street Lighting] shall not apply.

29. For a residential street, the minimum radii requirements at the centerline of streets is 50 feet, and the maximum design speed is 25 miles per hour.

30. Section 9 of Appendix 1 of the Subdivision Regulations [Drainage and Storm Sewers] controls over any conflicting provisions in the Subdivision Regulations.

31. Section 10, item 4 of Appendix 1 of the Subdivision Regulations is amended to allow fittings to be ductile iron.

32. In the event of a conflict between the requirements of any retail provider of water or wastewater service and the Subdivision Regulations, the retail provider's requirements for Public Infrastructure shall control. Section 13.01.001 of the Subdivision Regulations [Water Treatment Plant Must Be Approved by Water District] shall not apply.

33. Section 10.03.007 of the Subdivision Regulations [Street Arrangement] is amended in its entirety to read as follows: "(a) All streets shall be laid out so that they intersect at right angles with a maximum tolerance of plus or minus ~~five~~ 15 percent. (b) Cul-de-sacs shall not be longer than ~~2,000~~ 1,200 feet from the nearest intersecting street, ~~and shall provide a~~

~~turnaround having an outside roadway diameter of at least 80 feet in areas zoned SF2 and SF3. Cul de sacs shall not be longer than 3,000 feet in areas zoned SF1."~~

34. A six-inch thickness of concrete pavement on a compacted subbase shall be required for street paving. The concrete must have a 28-day compressive strength of 3,600 pounds per square inch (ppsi). All steel reinforcing shall be deformed No. 3 bars on 18-inch centers both ways.

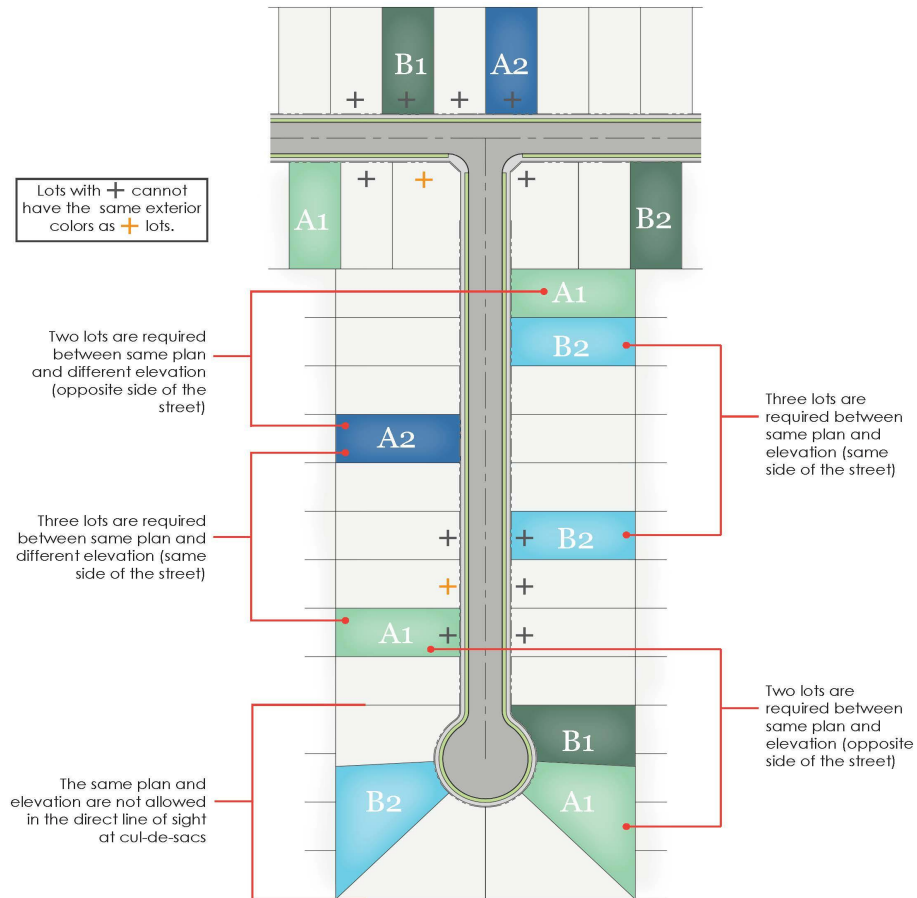
35. In the event of a conflict between the Subdivision Regulations and Chapter 212, Texas Local Government Code, as amended, the latter shall control.

36. The park, open space, amenity center, and trail requirements in **Exhibit D** of this Agreement fully satisfy all open space, parkland dedication, and park improvement requirements for the In-City Property and the Property, and no separate open space, parkland dedication, or park improvement ordinances or other regulations outside of this Agreement shall apply to the Property or the In-City Property.

Exhibit F
Product Type Illustrations

[separately attach]

Exhibit G Repetition Restrictions



Repetition Guidelines are as follows:

Same side of street -

- Same plan, same elevation must have 3 lots in between,
- Same plan, different elevation must have 3 lot in between

Opposite side of the street -

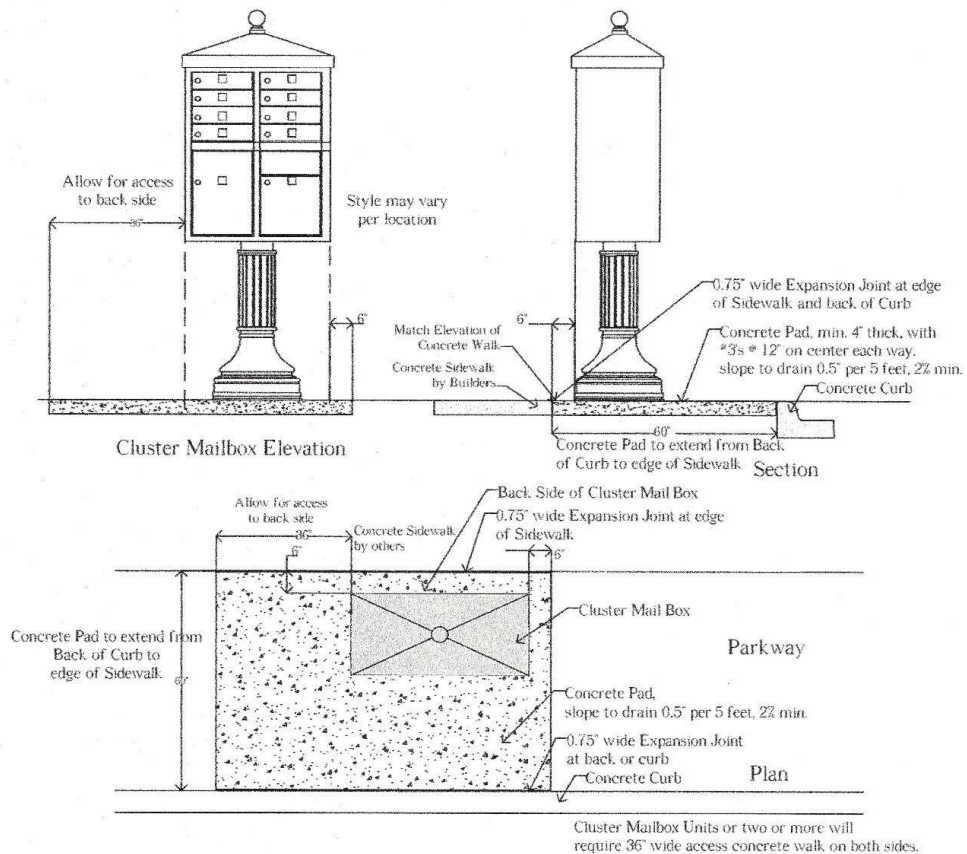
- Same plan, same elevation must have 2 complete lots in between,
- Same plan, different elevation must have 2 complete lot in between.

Exterior colors

- Exterior colors may not be the same side by side, or in direct line of sight, regardless of plan or elevation. Direct line of sight refers to the 3 lots directly across the street.

Exhibit H
Mailbox Design

Mailbox Design



Manufacturer:
Brandon Industries
1601 Wilmet Road
McKinney, Texas 75069
214-542-3000

Color: Black
Style: Cluster Box Units (CBU)
Type: Depending on location and
number of Tenants and Parcels
Top Style: Sloped with ball cap
Base: Decorative
Include: Required Anchor Bolts

Exhibit I Parks, Open Space, and Trail Plan

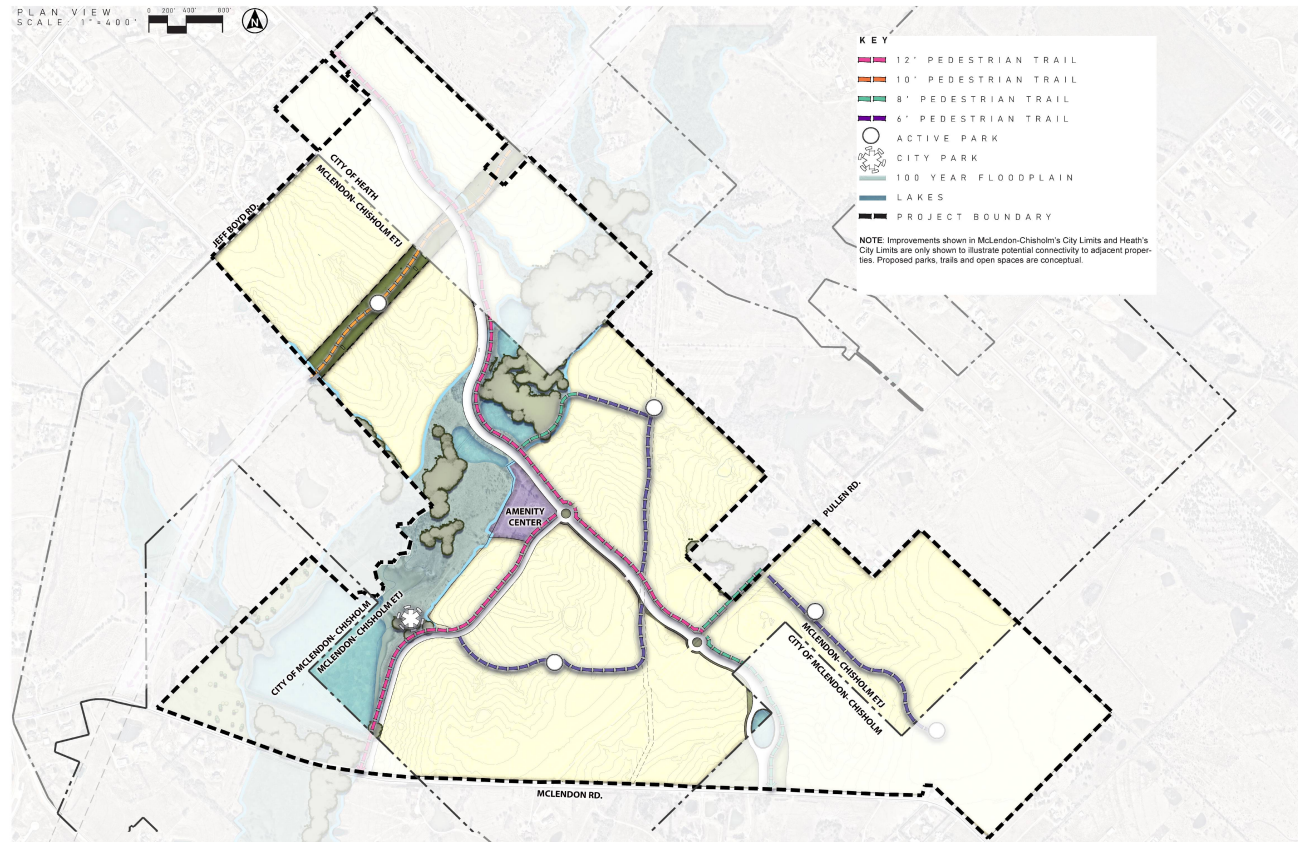


Exhibit J

Street Sections

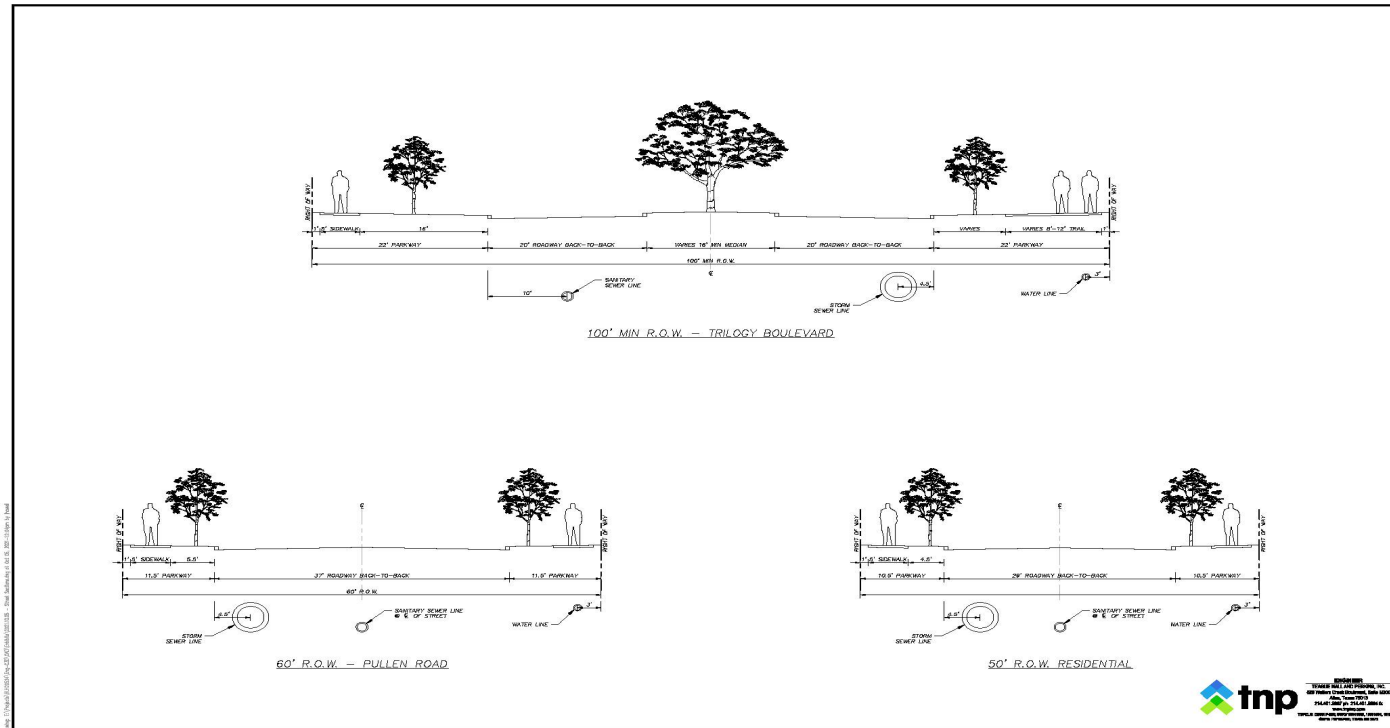


Exhibit K
Architectural Guidelines

1. Design Standards.

- a. Applicability of Other Design Standards. The design standards in this section are the exclusive design standards applicable to the Property, and apply only to principal buildings. An accessory building shall be designed consistent with the building materials used for the principal building on the same lot, but shall not otherwise be regulated by the design standards in this section.
- b. Approved Building Materials. In the context of approved building materials, a facade does not include doors, fascia, windows, chimneys, dormers, window box-outs, bay windows, soffits, eaves, and outdoor fireplaces. Multiple buildings on the same lot will each be deemed to have separate facades.
 - i. A minimum of 90 percent of each exterior building facade shall consist of one or more of the following building materials (subject to further restrictions in facade area set forth below for cementitious fiber board and EIFS):
 - 1. Stone, brick or tile laid up unit by unit and set in mortar;
 - 2. Stucco (exterior Portland cement plaster with three coats over metal lath or wire fabric lath or other methods approved by the City Administrator as equal or better quality in durability);
 - 3. Natural stone, cultured stone, or cast stone;
 - 4. Architecturally finished block (i.e. burnished block or split faced concrete laid up unit by unit and set in mortar), which shall be limited to the amenity center and other non-residential buildings;
 - 5. Cementitious fiber board. Cementitious fiber board is permitted subject to the following conditions: the style and color of a building using this product must be approved as part of a site plan, no more than 20 percent of the residential buildings in the Property may have a facade that is predominantly composed of this product unless the style of the home dictates more such as a Cape Cod, Craftsman or Victorian style home.
 - 6. Exterior Insulation and Finish System (EIFS), which shall be limited to the amenity center and other non-residential buildings. EIFS may be used only on that portion of a facade that is four feet or higher above grade. A maximum of 50 percent of all sides of a building visible from the street and not ultimately screened by another building or other device may consist of EIFS;

7. LEED-certified materials;
 8. Glass; or
 9. An alternative material approved by the City Administrator based on a finding that it is of a quality equal to or better than the materials listed above in durability.
- ii. A maximum of ten percent of a facade may include accent materials not listed above, except that aluminum siding, vinyl siding, unfinished concrete block, reflective glass, and galvanized steel are prohibited. The use of reflective glass and galvanized steel may be approved by the City Administrator for use on an amenity center or on other non-residential structures in unique circumstances in order to comply with green building techniques.
 - iii. The following requirement shall apply to a minimum of 50 percent of all single family residences at the time of full build out of the Property: A minimum of 25 percent of each exterior building façade shall consist of natural, cultured, or cast stone.
 - iv. The building material requirements in this section shall not apply to buildings in open space areas, including, but not limited to, an amenity center.
- c. Roofing Design and Materials.
- i. Roofing materials for sloped roofs shall be selected from the following list:
 1. Asphalt shingles;
 2. Industry approved synthetic shingles;
 3. Standing seam metal roofs;
 4. Tile roofs;
 5. Slate roofs;
 6. LEED-certified roofing materials; or
 7. An alternative material approved by the City Administrator based on a finding that it is of a quality equal to or better than the materials listed above in durability.
 - ii. Amenity centers and other non-residential buildings may have flat roofs or pitched roofs. All pitched roofs of non-residential buildings shall have a

minimum pitch of 4:12. Roofs covering porches and other architectural elements are excluded from this requirement. The City Administrator may approve a roof that does not meet these requirements based on a finding that a different roof pitch is appropriate for the proposed architectural style.

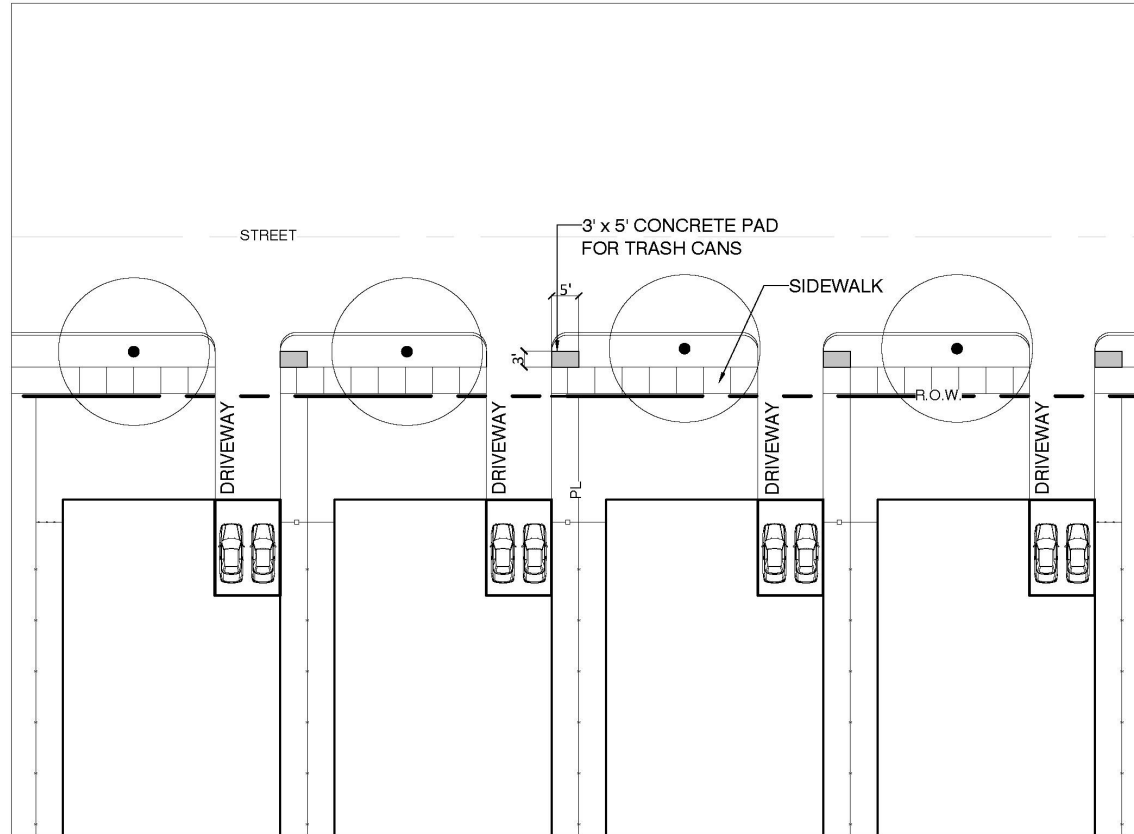
- iii. All pitched roofs of residential buildings shall have a minimum pitch of 6:12. Roofs covering porches, bay windows, box windows and other architectural elements are excluded from this requirement. The City Administrator may approve a roof that does not meet these requirements based on a finding that a different roof pitch is appropriate for the proposed architectural style.
 - iv. Flat roofs require parapet screening that adheres to vertical articulation requirements for the facade.
 - v. Parapets shall require cornice detailing.
 - vi. Each single-family detached home will have a 30-year dimensional shingle, tile, composite or metal seam roof.
- d. Design Features for Certain Residential Buildings. A minimum of four of the following design features are required on the exterior of each single family detached residential structure:
- i. Dormers;
 - ii. Cupolas;
 - iii. Gables;
 - iv. Recessed entries (minimum three feet);
 - v. Balconies;
 - vi. Covered front porches (minimum 70 square feet in area and seven feet in depth);
 - vii. Courtyards;
 - viii. Box windows or bay windows;
 - ix. Architectural pillars or posts;
 - x. Exterior chimneys;
 - xi. Varied roof heights;

- xii. Archways;
 - xiii. Porte cocheres;
 - xiv. Porticos;
 - xv. Shutters (functional or decorative);
 - xvi. Fireplaces with chimneys;
 - xvii. Minimum eight-foot tall front doors; or
 - xviii. Articulated cornice lines.
- e. Design Features for Non-Residential Buildings. Non-residential buildings shall comply with the following requirements:
- i. Cladding materials used on a facade shall extend a minimum of 20 feet around building corners onto adjacent facades, other than facades abutting an alley.
 - ii. All buildings must include at least four of the following design features, and buildings that are greater than 20,000 square feet in floor area must include at least six of the following design features:
 - A. Canopies, archways, covered walkways, or porticos;
 - B. Awnings;
 - C. Arcades;
 - D. Courtyards;
 - E. Cupolas;
 - F. Balconies;
 - G. Tower elements;
 - H. Recesses, projections; columns; pilasters projecting from the planes; offsets; reveals; or projecting ribs used to express architectural or structural bays;
 - I. Varied roof heights for pitched, peaked, sloped, or flat roof styles;
 - J. Articulated cornice line;
 - K. Arches;

- L. Display windows, faux windows, or decorative glass windows;
 - M. Architectural details, such as tile work and molding, or accent materials integrated into the building facade;
 - N. Integrated planters or wing walls that incorporate landscaping and sitting areas or outdoor patios;
 - O. Integrated water features; or
 - P. Other similar architectural features approved by the City Administrator.
- f. Entries.
- i. All non-residential buildings shall comply with the following requirements:
 - 1. All ground floor entrances shall be covered or inset.
 - 2. Building entrances shall be articulated with architectural elements such as columns, porticos, porches, and overhangs.
 - ii. All non-residential buildings over 20,000 square feet in floor area shall incorporate elements such as arcades, roofs, alcoves, porticos, and awnings that protect pedestrians from sun and weather for a minimum of 50 percent of the length of the building frontage along a street.
- g. Building Articulation. All non-residential building facades adjacent to and facing a street or open space shall include changes in relief such as columns, cornices, bases, fenestration, and fluted masonry at least every 50 feet along a building facade. This provision shall not apply to buildings in open space areas, including, but not limited to, an amenity center.
- h. Transparency.
- i. Residential Uses. At least 25 percent of each front residential facade facing the street shall contain windows or doorways. If a lot is located on a corner, only one street-facing facade is required to meet this requirement, which shall be the street that the front facade of the home faces.
 - ii. Non-Residential Uses. At least 50 percent of each front non-residential facade facing the street shall contain windows or doorways. If a lot is located on a corner, both street-facing facades are required to meet this requirement. This provision shall not apply to buildings in open space areas, including, but not limited to, an amenity center.

Note: For purposes of this exhibit, an amenity center is considered a non-residential building.

Exhibit L
Trash Can Pads



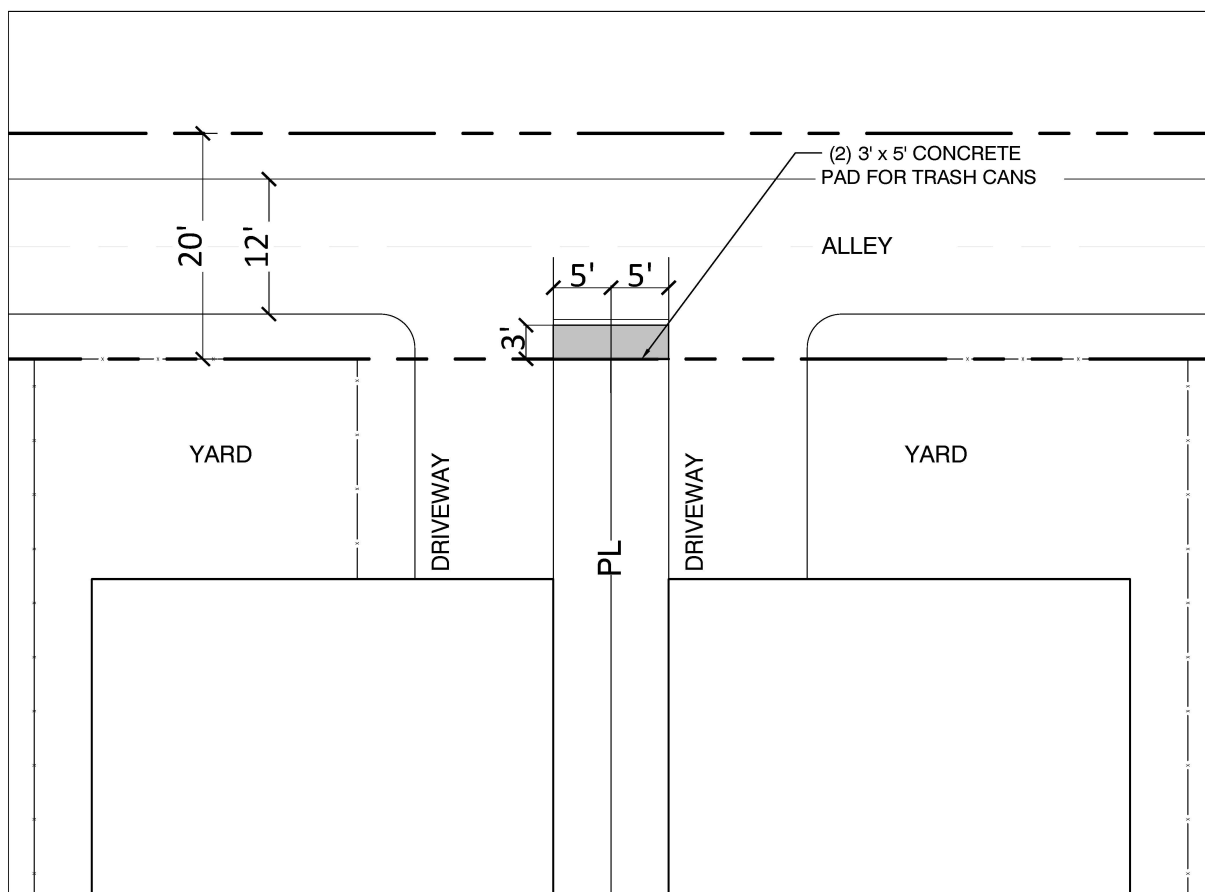


Exhibit M
Address Plaques

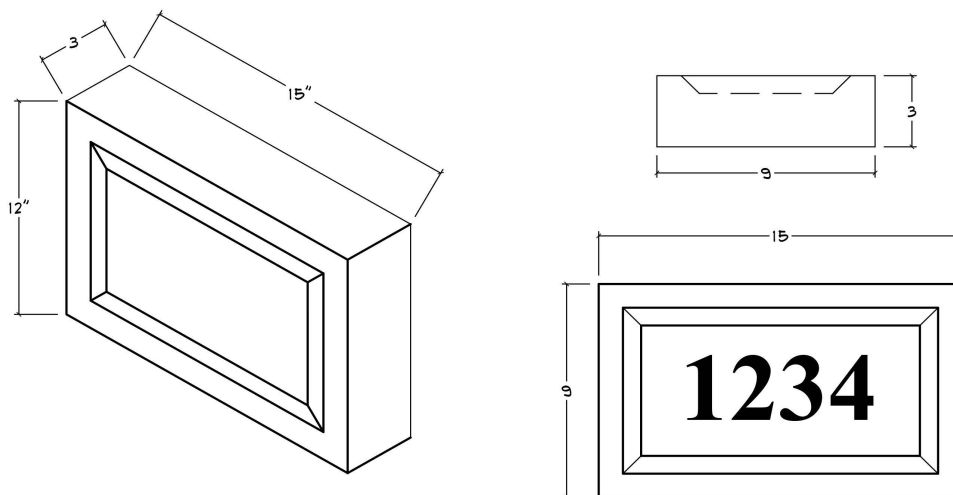
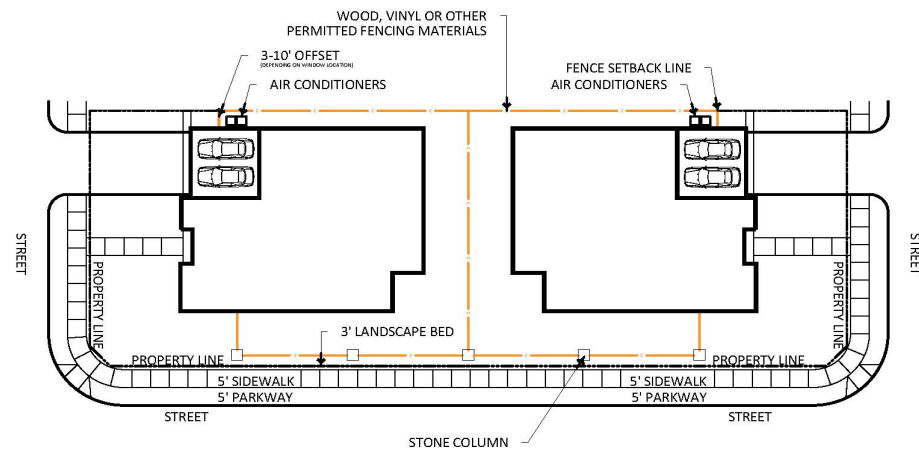
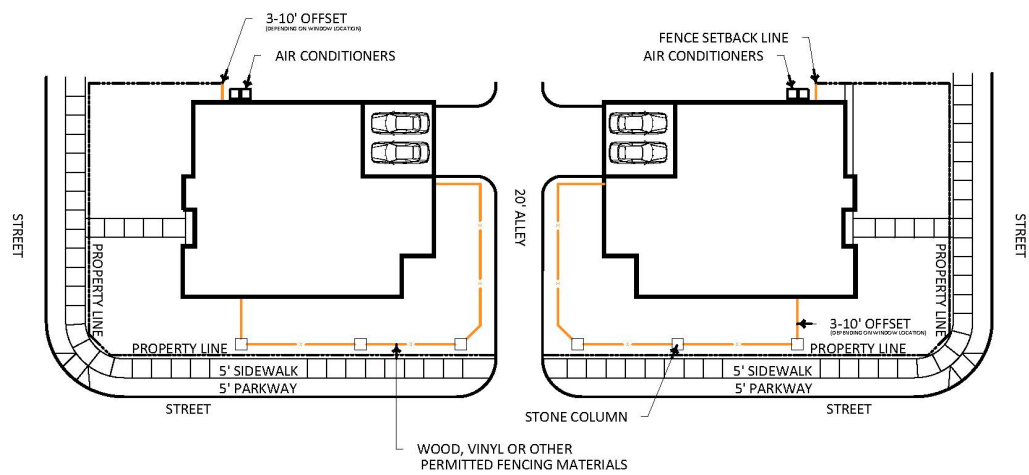


Exhibit N
Fence Design for Single Family Detached





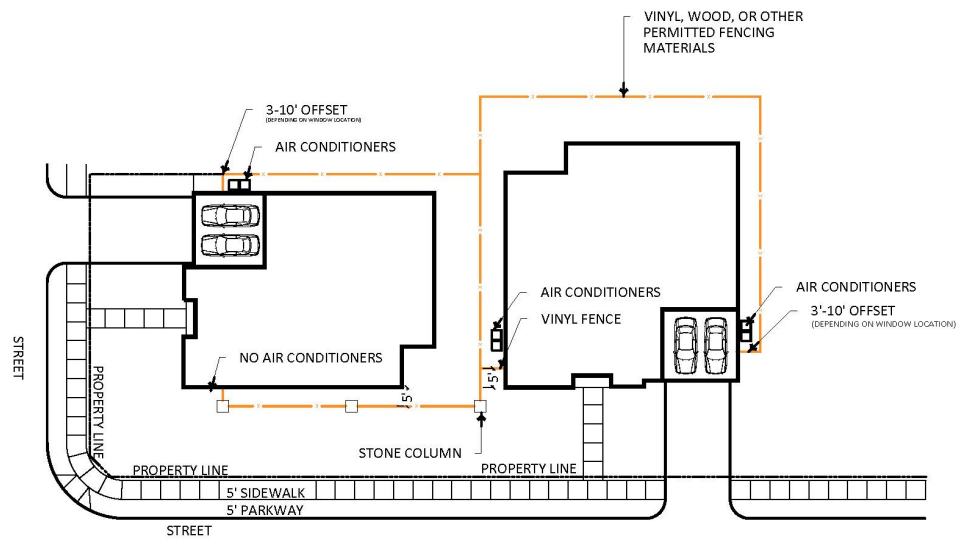


Exhibit O
Realtor and Builder Sign Specifications

T R I O L O G Y



Trilogy Color Specifications:



Tropical Blue
CMYK: 73.7.24.0
RGB: 27.177.193



Ocean Blue
CMYK: 50.0.100.10
RGB: 127.181.57

Exhibit P
Sidewalks

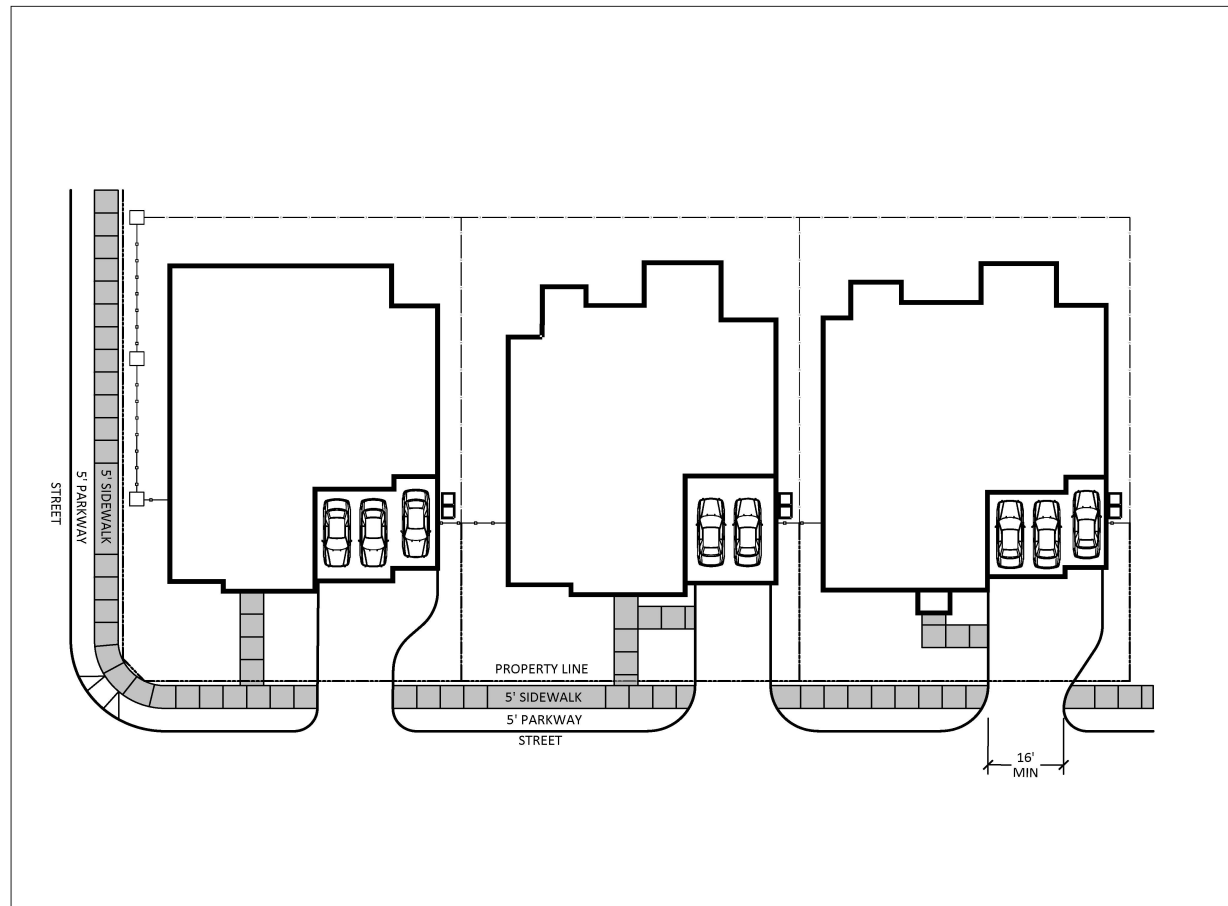


Exhibit P – Page 2

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Exhibit Q
Shrub Planting Locations

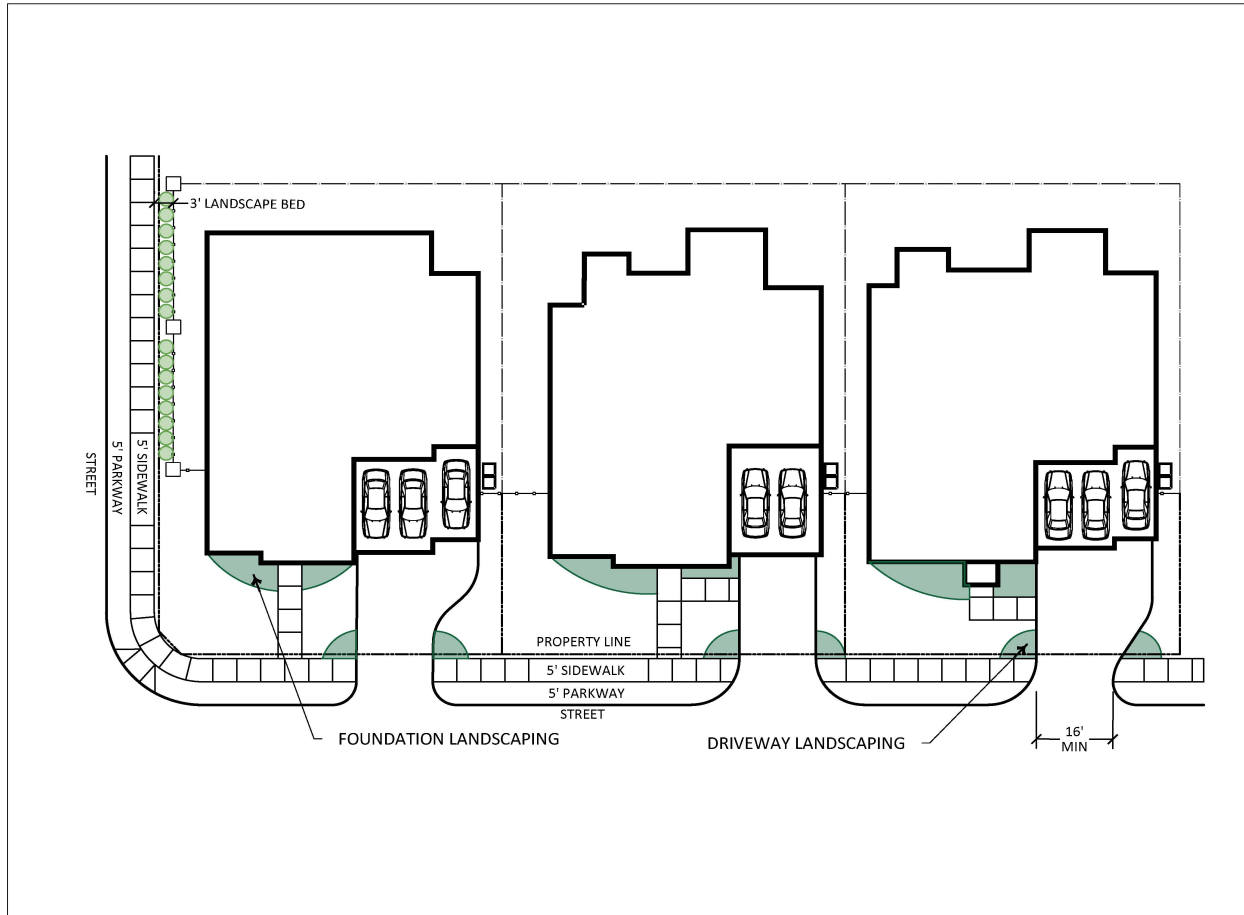


Exhibit R
District Notice

AFTER RECORDING, RETURN TO:

NOTICE TO PURCHASER
(Pursuant to Texas Water Code §49.452)

The real property, described below, that you are about to purchase is located in _____ District. The district has taxing authority separate from any other taxing authority and may, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of tax in payment of such bonds. [As of this date, the District has not yet levied taxes on real property located within the District. However, the most recent projected rate of tax, as of this date, is \$0.____ on each \$100 of assessed valuation.] [As of this date, the rate of taxes levied by the district on real property located in the district is \$0.____ on each \$100 of assessed valuation.] The total amount of bonds, excluding refunding bonds in any bonds or any portion of bonds issued thereof payable solely from revenues received or expected to be received under a contract with a governmental entity, approved by the voters and which have been or may, at this date, be issued is \$ _____, and the aggregate initial principal amounts of all bonds issued for one or more of the specified facilities of the district and payable in whole or in part from property taxes is \$ _____.

The District is located within the corporate boundaries of the City of McClendon-Chisholm (the "City"). The taxpayers of the District are subject to the taxes imposed by the City and by the District until the District is dissolved. By law, a district located within the corporate boundaries of a municipality may be dissolved by municipal ordinance without the consent of the district or the voters of the district.

The purpose of this district is to provide water, sewer, drainage, or flood control facilities and services [and road facilities] within the district through the issuance of bonds payable in whole or in part from property taxes. The cost of these facilities is not included in the purchase price of your property, and these facilities are owned or to be owned by the district. The legal description of the property you are acquiring is as follows:

THE REAL PROPERTY DESCRIBED IN EXHIBIT "A" ATTACHED HERETO.

Date: _____

Name: _____

Name: _____
Signature of Seller

PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT ROUTINELY ESTABLISHES TAX RATES DURING THE MONTHS OF SEPTEMBER THROUGH DECEMBER OF EACH YEAR, EFFECTIVE FOR THE YEAR IN WHICH THE TAX RATES ARE APPROVED BY THE DISTRICT. PURCHASER IS ADVISED TO CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or prior to execution of a binding contract for the purchase of the real property described in such notice or at closing of purchase of the real property.

Date: _____
Name: _____

Name: _____
Signature of Purchaser

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20__, by _____.

Notary Public, State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20__, by _____.

Notary Public, State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20__, by _____.

Notary Public, State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20__, by _____.

Notary Public, State of Texas

EXHIBIT "A"

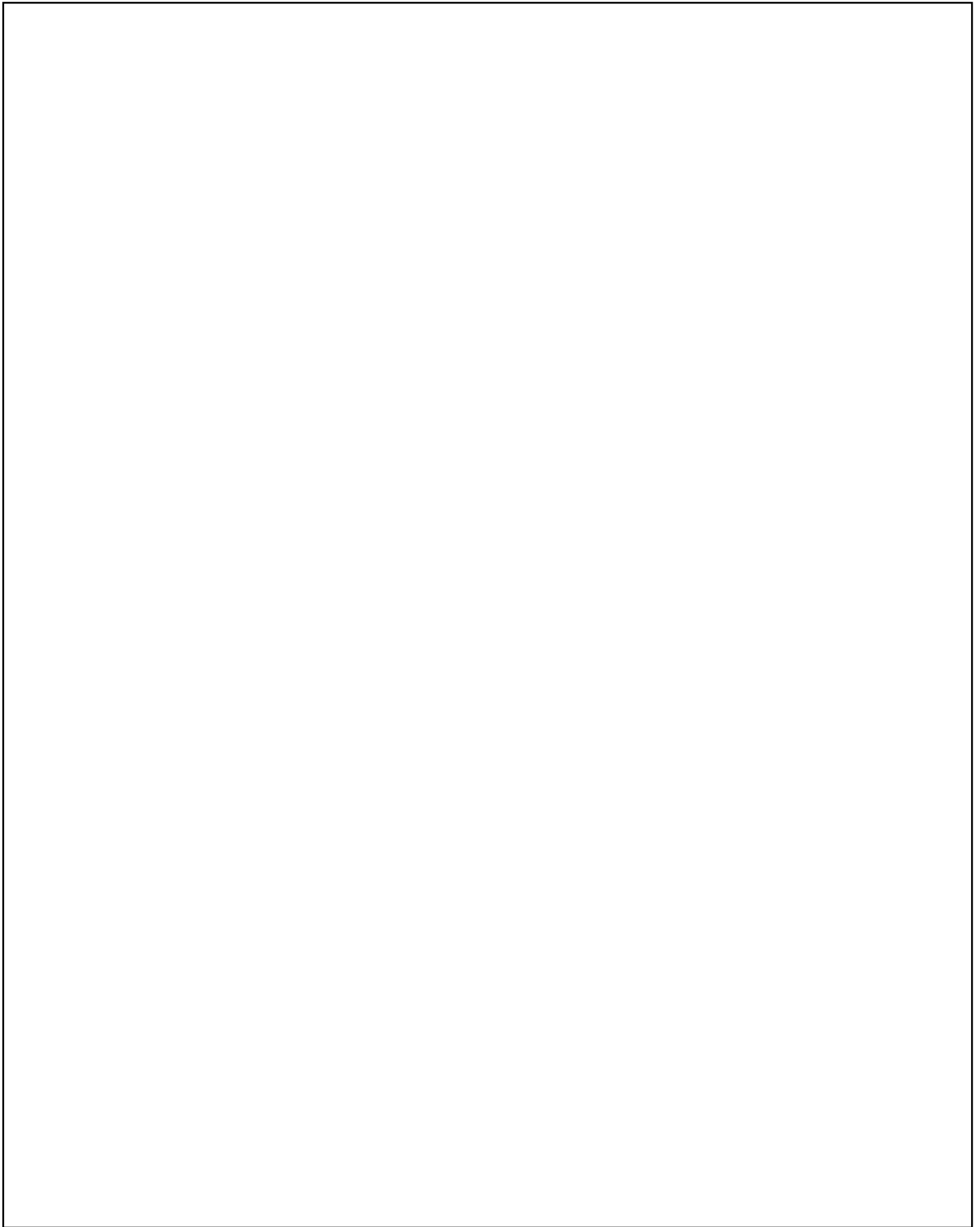
Lot __, Block __, of _____, an Addition to the __ of _____, _____ County, Texas as recorded in Volume __, Page __, _____ Records, ____ County, Texas.

Document comparison by Workshare 10.0 on Thursday, October 7, 2021
2:49:17 PM

Input:	
Document 1 ID	PowerDocs://LEGAL/96242/11
Description	LEGAL-#96242-v11-McLendon-Chisholm_Development_Agreement
Document 2 ID	PowerDocs://LEGAL/96242/12
Description	LEGAL-#96242-v12-McLendon-Chisholm_Development_Agreement
Rendering set	Standard

Legend:	
Insertion	
Deletion	
Moved from	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	6
Deletions	4
Moved from	0
Moved to	0
Style changes	0
Format changes	0
Total changes	10



**DEVELOPMENT AGREEMENT
(TRILOGY)**

This Development Agreement (this "Agreement") is executed between MC Trilogy Texas, LLC, a Texas limited liability company (the "Owner") and the City of McLendon-Chisholm (the "City"), each a "Party" and collectively the "Parties" to be effective upon the Owner's acquisition of fee simple title to the Property and the In-City Property, both of which are hereinafter defined (the "Effective Date"). If the Owner does not acquire fee simple title to the Property and the In-City Property by December 31, 2022, this Agreement shall be null and void and of no further force or effect on such date.

**ARTICLE I
RECITALS**

WHEREAS, the Owner is the owner of that certain tract of land described on **Exhibit A** (the "Property") located wholly within the extraterritorial jurisdiction ("ETJ") of the City and not within the ETJ or corporate limits of any other town or city, and that certain tract of land described on **Exhibit B** (the "In-City Property") located wholly within the City's corporate limits; and

WHEREAS, pursuant to the authority of Section 242.001(a)(3) of the Texas Local Government Code, the City will have and exercise exclusive governmental jurisdiction over the subdivision and platting of the Property and the design and construction of water, wastewater, drainage, roadway, and other public infrastructure to serve the Property and the In-City Property in accordance with this Agreement ("Public Infrastructure"), and Rockwall County will have and exercise no jurisdiction over such matters; and

WHEREAS, the Parties intend that the Property be developed: (i) as a quality, master-planned, mixed-use community including parkland, open space, and other public and private amenities that will benefit and serve the present and future citizens of the City; and (ii) pursuant to binding, contractual development regulations that are approved by Owner and the City, that are recorded in the deed records of Rockwall County (so as to bind Owner and all future owners of the Property or any portion thereof), and that will provide regulatory certainty during the term of this Agreement; and

WHEREAS, the City is unable (at the current time and for the foreseeable future) to provide, or participate in the cost of, the Public Infrastructure that will allow the Parties' intended development of the In-City Property and the Property; and

WHEREAS, the City is unable (at the current time and for the foreseeable future) to provide full municipal services for the Parties' intended development of the In-City Property or the Property; and

WHEREAS, to facilitate the Parties' intended development of the In-City Property and the Property in a cost-effective and market-competitive manner, Owner submitted written petitions to the City Council of the City (the "City Council") dated _____, 2021 requesting that the City Council consent to the creation of a municipal utility district

encompassing the In-City Property and the subsequent addition of the Property into such district (whether one or more, the "District") that will design, construct and install the Public Infrastructure necessary for the Parties' intended development of the In-City Property and the Property; and

WHEREAS, the City Council adopted Ordinance No. _____, dated _____, 2021 consenting to the creation of the District and Ordinance No. _____, dated _____, 2021 consenting to the District's addition of the Property into the boundaries of the District (collectively, the "Consent Ordinance"); and

WHEREAS, the City has also consented to the creation of the District and the addition of the Property to the District as set forth in this Agreement; and

WHEREAS, the Parties intend that the consent given by the City (both in the ordinance referenced above and in this Agreement) to the creation of the District shall be unconditional and irrevocable and are given in full satisfaction of all statutory and regulatory requirements including, but not limited to, any applicable requirement for consent contained in the Texas Water Code, the Texas Local Government Code, or any rule, regulation, or policy promulgated by the Texas Commission on Environmental Quality (the "TCEQ") and by the Attorney General of the State of Texas (the "AG"); and

WHEREAS, the Parties intend that the District, or Owner as appropriate, will design, construct and install the Public Infrastructure: (i) at no cost or expense to the City; (ii) in accordance with the "Governing Regulations" as defined in this Agreement; and (iii) in accordance with the applicable requirements of the Texas Water Code, and the rules, regulations and policies of the TCEQ; and

WHEREAS, the Parties intend that the District, or Owner as appropriate, will design, construct and install the Public Infrastructure using funds advanced to the District by Owner; and that the District will thereafter reimburse Owner for such advances using the proceeds of bonds issued by the District and secured solely by ad valorem taxes levied on property within the District and by other funds legally available to the District (with the City having no responsibility or liability whatsoever for any District bonds); and

WHEREAS, RCH Water Supply Corporation ("RCH") currently holds the water certificate of convenience and necessity ("CCN") over the Property and a portion of the In-City Property; and

WHEREAS, no entity holds the wastewater certificate of convenience and necessity over the Property or the In-City Property; and

WHEREAS, the Parties intend that the City will be the retail provider of wastewater service to the Property and the In-City Property; and

WHEREAS, the City of Rockwall entered into that certain Wastewater Service Contract with the City dated March 24, 2008 (the "Rockwall Wastewater Agreement"), pursuant to which Rockwall will serve as the wholesale wastewater provider to the City; and

WHEREAS, the City intends to negotiate with the City of Rockwall for amendments to the Rockwall Wastewater Agreement to the extent necessary to allow the City to provide adequate wastewater service for the full development of the Property and the In-City Property for the Term of this Agreement; and

WHEREAS, the Parties' intended development of the Property, including the design, construction and installation of Public Infrastructure, will benefit the City and its current and future citizens, including the creation of substantial future tax base for the City, without any capital investment by the City; and

WHEREAS, the Parties intend that the City will consider an application by the Owner to rezone the In-City Property through the Chapter 211, Texas Local Government Code zoning process to allow a one acre minimum lot size for residential dwelling units on the approximately 179-acre In-City Property, as well as certain non-residential development, and acknowledge that nothing in this Agreement is intended to regulate the zoning or land use of the In-City Property or to require that the City approve any particular zoning of the In-City Property; and

WHEREAS, the Parties intend that this Agreement be a development agreement as provided for by Section 212.172 of the Texas Local Government Code with respect to all provisions in this Agreement that pertain to the Property; and

WHEREAS, the Parties have the authority to enter into this Agreement pursuant to Section 212.172 of the Texas Local Government Code.

NOW THEREFORE, for and in consideration of the mutual covenants of the Parties set forth in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are acknowledged and agreed by the Parties, the Parties agree as follows:

ARTICLE II

DEVELOPMENT REGULATIONS

2.1 Governing Regulations. Development of the Property and the In-City Property shall be governed solely by the following regulations (collectively, the "Governing Regulations"):

(a) the Concept Plan attached as **Exhibit C** as amended from time to time in accordance with this Agreement (the "Concept Plan"), which shall apply only to the Property; and

(b) the development regulations set forth on **Exhibit D** (the "Development Regulations"), which shall apply only to the Property; and

(c) the following building codes adopted by the City and in effect on the Effective Date: the provisions of the International Building Code (2018 edition), the International Residential Code (2018 edition), the International Energy Conservation Code (2018 edition), the International Mechanical Code (2018 edition), the International Plumbing Code (2018 edition), the International Fuel Gas Code (2018 edition), the International Property Maintenance Code (2018 edition), and the National Electrical

Code (2020 edition), as well as amendments thereto adopted by Ordinance No. 2020-03 (the "Building Codes"), which shall apply to both the Property and the In-City Property; and

(d) the subdivision regulations of the City in effect on the Effective Date (the "Subdivision Regulations"), as amended by the special regulations set forth on **Exhibit E** (the "Special Regulations"), both of which shall apply to the Property and the In-City Property.

With the exception of zoning regulations that apply to the In-City Property, the Governing Regulations are exclusive, and no other City-adopted ordinances, rules, regulations, standards, policies, orders, guidelines, or other City-adopted or City-enforced requirements of any kind (including but not limited to any moratorium adopted by the City after the Effective Date) apply to the development of the Property or the In-City Property. Pursuant to the authority of Section 242.001(a)(3) of the Texas Local Government Code, the Parties agree that the Governing Regulations shall include the City's exercise of exclusive jurisdiction over the subdivision and platting of the Property and the design, construction, installation, and inspection of Public Infrastructure.

2.2 Concept Plan Revisions. Revisions to the street layout and the location and configuration of open space areas shown on **Exhibit C** are permitted without City approval provided such revisions comply with all other Governing Regulations. In addition, any amendment to the Concept plan that is approved on a plat is deemed to be a City-approved amendment to the Concept Plan. All other revisions to the Concept Plan require the approval of the City Council, which shall not be unreasonably withheld.

2.3 Conflicts. In the event of any conflict between this Agreement and any other ordinance, rule, regulation, standard, policy, order, guideline or other City-adopted or City-enforced requirement, whether existing on the Effective Date or hereinafter adopted, this Agreement shall control. In the event of a conflict between this Agreement (including any exhibit attached hereto) and the Subdivision Regulations, this Agreement (including all exhibits attached hereto) shall control.

ARTICLE III **DEVELOPMENT PROCESS**

3.1 Jurisdiction. Pursuant to the authority of Section 242.001(a)(3) of the Texas Local Government Code, the Parties intend that the City shall have and exercise exclusive jurisdiction over the review and approval of preliminary and final plats, and the design, construction, installation, and inspection of Public Infrastructure, and that Rockwall County shall have and exercise no jurisdiction over such matters during the term of this Agreement.

3.2 Plat Approval. Subdivision of the Property and the In-City Property requires approval of plats by the City in accordance with the Governing Regulations and this Agreement.

3.3 Public Infrastructure. The following requirements apply to both the In-City Property and the Property:

(a) The Public Infrastructure must be designed to comply with the Subdivision Regulations as amended by the Special Regulations, and no construction or installation of Public Infrastructure shall begin until plans and specifications have been approved by the City (which approvals must not be unreasonably withheld or delayed). Nothing herein is intended to waive or modify any applicable requirements for retail or wholesale providers to review and approve any water or wastewater construction plans.

(b) Inspections. The City acknowledges that all Public Infrastructure must be inspected as required by the rules of the TCEQ to the extent the costs and expenses paid or incurred by Owner in connection with such infrastructure will be reimbursable to Owner from bonds issued by the District or other funds legally available to the District. In order to avoid the duplication of time and expense of dual inspection and testing of Public Infrastructure, the Parties have agreed for inspection and testing of the Public Infrastructure as set forth in this section. The engineer for the District shall perform inspections of all Public Infrastructure and issue certifications to confirm compliance with City requirements and TCEQ requirements, and file copies of his or her reports with the City. Alternatively, at the City's option, the City's engineer may perform all inspections of Public Infrastructure, in which case the City shall require its engineer to issue certifications to confirm compliance with City requirements and TCEQ requirements.

3.4 Building Permits. No permanent structure (as such term may be defined, from time to time, by the District, but in any event, including every structure designed or intended for human occupancy and every accessory structure intended for human occupancy (a "Structure") shall be constructed unless a building permit has been issued by the City. Building permits shall not be unreasonably withheld, conditioned, or delayed. A building permit must be issued for any structure that complies with the applicable regulations. Except for model homes, no building permit may be issued for a Structure unless a final plat has been recorded for the lot on which the Structure is being constructed. Building permits must be issued for model homes prior to the recordation of a final plat if the Public Infrastructure to serve the model homes has been completed and inspected as required by Section 3.3 (including fire protection and excluding sewer); however, no model home may be sold to any end-buyer of a fully developed and improved lot within the Property ("End-Buyer") until a final plat has been recorded.

3.5 Certificate of Substantial Completion. Except for model homes, no Structure may be occupied until a certificate of substantial completion has been issued by the City certifying that the Structure has been constructed in compliance with the applicable regulations, which certificates shall not be unreasonably withheld, conditioned, or delayed. Model homes may be occupied for the sole purpose of sales and marketing; however, no model home may be sold to or occupied by an End-Buyer until a certificate of substantial completion has been issued.

ARTICLE IV **DEVELOPMENT CHARGES**

4.1 Plat Review Fees. Development of the Property and the In-City Property shall be subject to payment to the City of the following fees (the "Plat Review Fees"): (a) for a preliminary plat, \$280 per acre (or fraction thereof) within the plat plus the City's costs to hire a consultant to review the preliminary plat if City staff is not able to review the plat; and (b) for a final plat, \$250 plus \$5 per lot within the final plat, plus the City's costs to hire a consultant to review the final plat if City staff is not able to review the plat.

4.2 Plan Review Fees. Development of the Property and the In-City Property shall be subject to payment to the City of the reasonable and lawful costs to hire a consultant to review the District's plans and specifications for Public Infrastructure (the "Plan Review Fees").

4.3 Building Permit Fees. Development of the Property and the In-City Property shall be subject to payment to the City of the reasonable and lawful fees and charges applicable to the City's review of building construction plans, issuance of building permits, inspection of buildings, and issuance of certificates of substantial completion (the "Building Permit Fees") according to the fee schedule adopted by the City Council and in effect on the date of submittal of a building permit application. The fee schedule applicable to the Property and the In-City Property shall be uniformly applicable to all development within the corporate limits of the City.

4.4 Flood Study Fee. A fee equal to the actual cost of the City's engineer's review of a new flood study for the In-City Property and the Property shall be paid to the City in connection with the City's analysis of any new flood study that is required by the Governing Regulations (the "Flood Study Fee"), which fee is required to be a reasonable market rate fee for a licensed professional engineer to review a flood study of a comparable scope.

4.5 City Fees. The Parties agree that the City may collect a \$1,500 wastewater fee per dwelling unit from each building permit applicant at the time of building permit issuance as a condition to issuance of the building permit for the dwelling unit (the "Wastewater City Fees"), which is a fee that shall be used to fund administrative and facility operation and maintenance costs associated with providing wastewater service to the Property and the In-City Property. If the City is the retail water provider to the Property and the In-City Property, the Parties agree that the City may collect a \$1,000 water fee per dwelling unit from each building permit applicant at the time of building permit issuance as a condition to issuance of the building permit for the dwelling unit (the "Water City Fees"), which is a fee that shall be used to fund administrative and facility operation and maintenance costs associated with providing water service to the Property and the In-City Property. The City agrees that no impact fees adopted pursuant to Chapter 395 of the Texas Local Government Code will be collected in connection with the development or use of the Property or the In-City Property. This Section 4.5 applies to both the Property and the In-City Property.

4.6 Public Safety Fees. The Parties agree that the City may collect a \$250 public safety fee per dwelling unit from each building permit applicant at the time of building permit issuance as a condition to issuance of the building permit for the dwelling unit (the "Public Safety Fees"), which fees shall be used to fund the City's provision of public safety services to

the Property and the In-City Property. This Section 4.6 applies to both the Property and the In-City Property.

4.7 Exclusive Fees. Except for Plat Review Fees, Plan Review Fees, Building Permit Fees, Flood Study Fee, and Wastewater City Fees, the Water City Fees, and the Public Safety Fees (collectively, the "Fees"), no other fees or charges of any kind are due and payable to the City in connection with the development of the Property or the In-City Property.

ARTICLE V **RETAIL UTILITY SERVICE**

5.1 Water. The Parties contemplate entering into a separate agreement at a later date regarding water service and water Public Infrastructure to serve the Property and the In-City Property.

5.2 Wastewater.

(a) The City agrees to be the retail provider of wastewater service to the Property and the In-City Property. The City agrees to negotiate in good faith with the City of Rockwall for amendments to the Rockwall Wastewater Agreement, and if necessary, negotiate in good faith with a different wholesale provider of wastewater service, to allow the City to provide adequate wastewater service for the full development of the Property as contemplated by this Agreement and the full development of the In-City Property as contemplated by the Owner's proposed PD zoning of the In-City Property as further described in Section 7.3(a) below (collectively, the "Full Development"), and will reserve such capacity for the Full Development.

(b) If (i) the City is unable or unwilling to provide wastewater service for the Full Development at any time; or (ii) prior to the annexation of the Property by the City the City has not entered into a written extension of the Rockwall Wastewater Agreement that extends the term of the agreement for at least the Term of this Agreement and provides for adequate capacity to provide retail wastewater service for the Full Development, or alternatively, has not entered into a new written wholesale wastewater agreement with the City of Rockwall or a different wholesale provider for a term that is at least the Term of this Agreement and that provides for adequate capacity to provide retail wastewater service for the Full Development, (1) the Owner or the District may construct and maintain a temporary wastewater treatment plant at a location approved by Owner and the City, with such approval not to be unreasonably withheld, delayed or conditioned, to serve all or a portion of the Full Development; and (2) the City consents to, and agrees to support the issuance of a discharge permit to allow the construction and maintenance for a temporary wastewater treatment plant for such purpose.

(c) If necessary for the City to provide adequate wastewater service to the Full Development, on behalf of and at no cost to the City, the Owner or the District may construct at a location approved by Owner and the City, with such approval not to be unreasonably withheld, delayed or conditioned, a temporary wastewater treatment plant to serve all or a portion of the Full Development, and the City consents to, and agrees to

apply for and support the issuance of, a discharge permit to the City to allow the construction and maintenance of a temporary wastewater treatment plant for such purpose.

ARTICLE VI **CONSENT TO DISTRICT**

6.1 Consent to the District Creation. This Agreement constitutes the irrevocable and unconditional consent of the City to the creation of the District thereof pursuant to the authority of Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 54, Texas Water Code, as amended. The City further consents (a) to the authority of the District to include road powers pursuant to Section 54.234, Texas Water Code, as amended (by petition to and approval of the TCEQ or otherwise); (b) to expansions, from time to time, of the authority of the District (by special acts of the Texas legislature or otherwise) to include additional powers to exercise eminent domain, the right to divide, or other powers that are authorized by the Texas Constitution or by the laws of the State of Texas, as amended; and (c) the District's addition of the Property subsequent to the District's creation and following the City's annexation of the Property. The City further consents to divisions of the Districts and to boundary adjustments among the resulting districts in the form of exclusions and additions of land within the In-City Property and the Property.

6.2 Consent Ordinances; Other Documents. The City agrees to adopt such further ordinances and execute such further documents as may reasonably be requested by Owner, the TCEQ, the AG, or the District to evidence the City's consents as set forth in this Agreement and in the Consent Ordinance.

6.3 No Limitation of Powers. Nothing in this Article VI is intended to limit, impair, or conflict with the authority of or powers granted to the District by the Texas Constitution, Texas Water Code, Texas Local Government Code, or any other current or future statute applicable to the District.

6.4 Full Satisfaction. The consents contained in this Article VI and in the Consent Ordinance (the "District Consents") are given by the City: (a) in full satisfaction of any requirements for district consents contained in any statute or otherwise required by law, rule, regulation or policy including, but not limited to, consents required by the Texas Water Code, as amended, the Texas Local Government Code, as amended, any rules, regulations, or policies of the TCEQ, or any rules, regulations, or policies of the Texas AG; (b) with the understanding that the District Consents are irrevocable and cannot be withdrawn or modified in any way by the City or by any action of the City Council without the prior written approval of Owner; (c) with the understanding that Owner has relied on the District Consents to Owner's material detriment and but for the District Consents Owner would not have entered into this Agreement; and (d) with the understanding that the District Consents shall not be affected by: (1) any default under this Agreement, whether by Owner or any other person or entity that is or hereafter becomes bound by this Agreement, (2) any other act or omission by Owner or any other person or entity, whether or not related to this Agreement, the In-City Property, or the Property, or (3) any act or omission by the District, whether or not related to this Agreement, the In-City Property, or the Property.

6.5 Dissolution by City.

(a) The City hereby acknowledges and agrees that: (i) the District's purpose and function include the acquisition, construction, and financing of all Public Infrastructure necessary for the full development of the area within the District, including the Property and In-City Property (the "District Area"); (ii) the District currently has no funds legally available for such purpose and function; (iii) the District will enter into obligations to secure funds and perform such purpose and function in the form of one or more developer reimbursement agreements (a "Developer Reimbursement Agreement") with Owner and other developers of land within the District Area; and (iv) the District intends to meet its obligations and perform its function so as to reimburse such developers to the maximum extent permitted for all monies advanced or to be advanced on behalf of the District pursuant to each Developer Reimbursement Agreement and complete the acquisition and construction of all Public Infrastructure necessary for full development of the District Area.

(b) If the City dissolves the District prior to the District's completion of performance of its function and purpose of the acquisition and construction of all Public Infrastructure necessary for full development of the District Area, and reimbursement of each developer for monies advanced to or on behalf of the District for such purposes to the maximum extent permitted under a Developer Reimbursement Agreement, on the effective date of District dissolution the City shall (i) pay in cash to each developer who has advanced monies to or on behalf of the District pursuant to a Developer Reimbursement Agreement, to the maximum extent permitted under the Developer Reimbursement Agreement, an amount equal to actual costs incurred by developer in connection with the Public Infrastructure that has not been reimbursed as of the date of dissolution as required under the terms of the Developer Reimbursement Agreement; and (ii) be deemed to have assumed all of the District's ongoing contractual obligations, including, but not limited to, the District's obligations to reimburse a developer to the maximum extent permitted hereunder for future expenditures to be made subsequent to the date of dissolution for Public Infrastructure in accordance with any then existing Developer Reimbursement Agreement, with the source of funds for the City's payment being proceeds of bonds, notes or other obligations the City determines to issue for such purpose or other legally available funds of the City. All obligations assumed by the City, including obligations to issue bonds, notes or other obligations for the payment to a developer, shall be subject to all conditions, restrictions or other limitations applicable to the District under this Agreement, the Facilities Agreement between the City and the owners of the Property and the In-City Property effective on the Effective Date of this Agreement (the "Facilities Agreement"), and the Consent Resolution, including for the issuance of Bonds. This obligation is conditional upon the acquisition and construction of such Public Infrastructure by a developer, in lieu of the District, in the manner required by the Developer Reimbursement Agreement. This Section 6.5 survives the termination or expiration of this Agreement and the Facilities Agreement.

(c) Should the City determine to proceed with dissolving the District, the City shall give the District and Owner and all other owners of land within the District nine (9) months advance written notice of its intent prior to initiation of formal dissolution

proceedings. Upon receipt of such notice, the Parties will meet with the City to confirm the status of the outstanding obligations of each of the Parties under this Agreement.

(d) The Parties intend for the obligations of the District under this Agreement to constitute “obligations” of the District within the meaning of Section 43.074, Local Government Code. The Parties further intend in the event that the City adopts an ordinance dissolving the District, the City shall assume all of the obligations of the District, including those set forth in this Agreement, to the fullest extent permitted by law and the terms of the Development Agreement, Facilities Agreement, and this Agreement.

6.6 Notice. Pursuant to Section 49.452 of the Texas Water Code, purchasers of land within the District will receive notices in a format that is substantially the same as the one attached as **Exhibit R** in compliance with such statute.

ARTICLE VII **ADDITIONAL PROVISIONS**

7.1 Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; (c) are legislative findings of the City Council, and (d) reflect the final intent of the Parties with regard to the subject matter of this Agreement. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

7.2 Term. The term of this Agreement shall be 45 years after the Effective Date (“Term”).

7.3 Annexation and Zoning; Public Safety Site Dedication Following Annexation.

(a) The Property shall remain in the ETJ of the City and be immune from full purpose annexation until such time the Owner submits a notarized request for voluntary annexation of the Property to the City, which the Owner shall do within 30 days after all of the following conditions have been satisfied: (i) the In-City Property has been zoned as a planned development district with regulations consistent with those that apply to the Property pursuant to this Agreement (excluding commercial land use regulations, which shall not apply to the In-City Property) and the Governing Regulations, which planned development zoning ordinance must be approved by the City Council on the Effective Date of this Agreement in order for this condition precedent to annexation of the Property to be satisfied; (ii) the City and the owners of the Property and the In-City Property have entered into the Facilities Agreement; (iii) the City Council has adopted the Consent Ordinance, which shall occur on the Effective Date of this Agreement; (d) the District has been created by the TCEQ; (iv) the City Council has adopted an ordinance consenting to the District's annexation of the Property in a form reasonable approved by the Owner and the District, which shall occur within 45 days after the date the Owner presents a written

request for such consent to the City; and (v) District elections have been held confirming the creation of the District and its initial directors and authorizing the District to levy a maintenance tax. Nothing in this subsection shall be construed as requiring the City Council to adopt a particular zoning ordinance for the In-City Property, and part (i) of this subsection merely constitutes a condition precedent to annexation of the Property. Annexation of the Property by the City shall not impact the Term of this Agreement or the continued applicability of this Agreement.

(b) Within 30 days after the annexation of the Property, the City agrees to consider zoning the Property as a planned development district with regulations consistent with this Agreement; however, this Agreement shall control in the event of any conflict between this Agreement and the future zoning of the Property.

(c) Within 180 days after the annexation of the Property in accordance with this Section 7.3, the Owner and the City shall mutually approve the location of a minimum two-acre public safety site within the Property or the In-City Property, which approval shall not be unreasonably withheld by either Party, and the Owner shall dedicate such site to the City at no cost to the City. If the Parties cannot agree on the location of the public safety site, the 180-day period shall be extended automatically until the Parties reach an agreement and the site is dedicated to the City. The deed conveying the public safety site to the City may contain restrictions limiting the use of such land to public safety purposes and may contain reversion language that causes ownership of the land to revert to the Owner if the City does not construct a public safety building on the public safety site within ten years after the conveyance to the City.

7.4 Notices. All notices required or contemplated by this Agreement (or otherwise given in connection with this Agreement) (a "Notice") shall be in writing, shall be signed by or on behalf of the Party giving the Notice, and shall be effective as follows: (a) on or after the 10th business day after being deposited with the United States mail service, Certified Mail, Return Receipt Requested with a confirming copy sent by E-mail; (b) on the day delivered by a private delivery or private messenger service (such as FedEx or UPS) as evidenced by a receipt signed by any person at the delivery address (whether or not such person is the person to whom the Notice is addressed); or (c) otherwise on the day actually received by the person to whom the Notice is addressed, including, but not limited to, delivery in person and delivery by regular mail (with a confirming copy sent by E-mail). Notices given pursuant to this section shall be addressed as follows:

To the City:

Attn: City Administrator
City of McLendon-Chisholm
1371 West FM 550
McLendon-Chisholm, Texas 75032
E-mail: lisa@mclendon-chisholm.com

With a copy to:

Attn: Michael Halla,
City of McLendon-Chisholm Attorney
12655 North Central Expressway, Ste. 1000
Dallas, Texas 75243

E-mail: mhalla@hallalawfirm.com

To the Owner:

Attn: Phillip Huffines
8200 Douglas Avenue, Suite 300
Dallas, Texas 75225
E-mail: pwh@huffinescommunities.com

With a copy to:

Attn: Misty Ventura
Shupe Ventura, PLLC
9406 Biscayne Blvd.
Dallas, TX 75218
E-mail: misty.ventura@svlandlaw.com

To the District:

Board of Directors
Rockwall County Municipal Utility District No. 10
c/o Crawford & Jordan LLP
19 Briar Hollow Lane, Suite 245
Houston, Texas 77027
E-mail: cjordan@crawlawn.net

With a copy to:

Attn: Mr. Christopher Jordan
Crawford & Jordan LLP
19 Briar Hollow Lane, Suite 245
Houston, Texas 77027
E-mail: cjordan@crawlawn.net

7.5 Binding Obligations. Pursuant to the requirements of Section 212.172(f) of the Texas Local Government Code, this Agreement and all amendments hereto (excluding amendments to the Concept Plan, which shall be maintained in a file kept by the City Secretary) shall be recorded in the deed records of Rockwall County. In addition, all assignments to this Agreement shall be recorded in the deed records of Rockwall County. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns permitted by this Agreement and upon the Property; however, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any End-Buyer except for land use and development regulations that apply to specific lots. For purposes of this Agreement, the Parties agree: (a) that the term "End-Buyer" means any owner, developer, tenant, user, or occupant; (b) that the term "fully developed and improved lot" means any lot, regardless of proposed use, for which a final plat has been approved by the City and recorded in the deed records; and (c) that the term "land use and development regulations that apply to specific lots" means all of the Governing Regulations.

7.6 Events of Default. The Owner shall not be in default under this Agreement until the City has given notice of the alleged failure to perform (which notice shall set forth in reasonable detail the nature of the alleged failure) and until the Owner has been given a reasonable time to cure the alleged failure (such reasonable time determined based on the nature of the alleged failure, but in no event less than 30 days after written notice of the alleged failure has been given). In addition, the Owner shall not be in default under this

Agreement if, within the applicable cure period, the Owner begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured.

7.7 REMEDIES. IF A PARTY IS IN DEFAULT, THE AGGRIEVED PARTY MAY, AT ITS OPTION AND WITHOUT PREJUDICE TO ANY OTHER RIGHT OR REMEDY UNDER THIS AGREEMENT, SEEK ANY RELIEF AVAILABLE AT LAW OR IN EQUITY, INCLUDING, BUT NOT LIMITED TO, AN ACTION UNDER THE UNIFORM DECLARATORY JUDGMENT ACT, SPECIFIC PERFORMANCE, MANDAMUS, AND INJUNCTIVE RELIEF. NOTWITHSTANDING THE FOREGOING, HOWEVER, NO DEFAULT UNDER THIS AGREEMENT SHALL:

- (a) entitle the aggrieved Party to terminate this Agreement; or
- (b) entitle the City to suspend performance under this Agreement unless the portion of the Property for which performance is suspended is the subject of the default (for example, the City shall not be entitled to suspend its performance with regard to the development of "Tract X" by "Developer A" based on the grounds that Developer A is in default with respect to any other tract or based on the grounds that any other developer is in default with respect to any other tract); or
- (c) adversely affect or impair the current or future obligations of the City to provide any service to any portion of the Property; or
- (d) entitle the aggrieved Party to seek or recover exemplary damages; or
- (e) adversely affect or impair the effectiveness or validity of any District Consents; or
- (f) adversely affect or impair the current or future rights, powers or authority of the District (including, but not limited to, the issuance of bonds) or the day-to-day administration of the District; or
- (g) allow the Property to be annexed except as contemplated and authorized by this Agreement;
- (h) entitle either Party to receive attorney's fees; or
- (i) limit the Term.

7.8 Governmental Powers; Waivers of Immunity. By its execution of this Agreement, the City does not waive or surrender any of its governmental powers, immunities, or rights except as follows:

- (a) The City waives its governmental immunity from suit and immunity from liability as to any action brought by a Party (or by the District) to pursue the remedies available under this Agreement, but only to the extent necessary to pursue such remedies. Nothing in this section shall waive any claims, defenses or immunities that the City has

with respect to suits against the City by persons or entities other than the District or a Party to this Agreement.

(b) Nothing in this Agreement is intended to delegate or impair the performance by the City of its governmental functions, and the City waives any claim or defense that any provision of this Agreement is unenforceable on the grounds that it constitutes an impermissible delegation or impairment of the City's performance of its governmental functions.

7.9 Assignment by Owner to the District. Owner has the right to assign to the District those portions of this Agreement concerning the provision of water and/or wastewater service to the Property and the design, construction, installation, maintenance, and repair of parks or open space and any Public Infrastructure, including, but not limited to, water, wastewater, stormwater, roadway, and detention Public Infrastructure. Thereafter, for the limited purposes of such assignment, the District shall be considered an "Assignee," and therefore a Party, for purposes of this Agreement. Each assignment shall be in writing executed by Owner and the District and shall obligate the District to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each assignment shall be provided to all Parties within 15 days after execution. From and after such assignment, the City agrees to look solely to the District for the performance of all obligations assigned to the District and agrees that Owner shall be released from subsequently performing the assigned obligations and from any liability that results from the District's failure to perform the assigned obligations; provided, however, if a copy of the assignment is not given to the City within 15 days after execution, Owner shall not be released until the City receives the assignment. No assignment by Owner shall release Owner from any liability resulting from an act or omission by Owner that occurred prior to the effective date of the assignment unless the City approves the release in writing. Owner shall maintain written records of all assignments made by Owner to the District, including a copy of each executed assignment, and, upon written request from any Party or Assignee, shall provide a copy of such records to the requesting person or entity.

7.10 Assignment by Owner. Owner has the right (from time to time without the consent of the City, but upon written notice to the City) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of Owner under this Agreement, to any person or entity (an "Assignee") that is or will become an owner of any portion of the Property or that is an entity that is controlled by or under common control with Owner. Each assignment shall be in writing executed by Owner and the Assignee and shall obligate the Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each assignment shall be provided to all Parties within 15 days after execution. From and after such assignment, the City agrees to look solely to the Assignee for the performance of all obligations assigned to the Assignee and agrees that Owner shall be released from subsequently performing the assigned obligations and from any liability that results from the Assignee's failure to perform the assigned obligations; provided, however, if a copy of the assignment is not received by the City within 15 days after execution, Owner shall not be released until the City receives such assignment. No assignment by Owner shall release Owner from any liability that resulted from an act or omission by Owner that occurred prior to the effective date of the assignment

unless the City approves the release in writing. Owner shall maintain written records of all assignments made by Owner to Assignees, including a copy of each executed assignment and the Assignee's Notice information as required by this Agreement, and, upon written request from any Party or Assignee, shall provide a copy of such records to the requesting person or entity. An Assignee shall be a "Party" and the "Owner" for purposes of the obligations, rights, title, or interests being assigned. The City shall not assign this Agreement.

7.11 Encumbrance. Owner and Assignees have the right, from time to time, to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of their respective rights, title, or interest under this Agreement for the benefit of their respective lenders without the consent of, but with prompt written notice to, the City. The collateral assignment, pledge, grant of lien or security interest, or other encumbrance shall not, however, obligate any lender to perform any obligations or incur any liability under this Agreement unless the lender agrees in writing to perform such obligations or incur such liability. Provided the City has been given a copy of the documents creating the lender's interest, including Notice (hereinafter defined) information for the lender, then that lender shall have the right, but not the obligation, to cure any default under this Agreement and shall be given a reasonable time to do so in addition to the cure periods otherwise provided to the defaulting Party by this Agreement; and the City agrees to accept a cure offered by the lender as if offered by the defaulting Party. A lender is not a Party to this Agreement unless this Agreement is amended, with the consent of the lender, to add the lender as a Party. Notwithstanding the foregoing, however, this Agreement shall continue to bind the Property and shall survive any transfer, conveyance, or assignment occasioned by the exercise of foreclosure or other rights by a lender, whether judicial or non-judicial. Any purchaser from or successor owner through a lender of any portion of the Property shall be bound by this Agreement, but shall not be entitled to the rights and benefits of this Agreement with respect to the acquired portion of the Property until all defaults under this Agreement with respect to the acquired portion of the Property have been cured. The City shall not collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of its rights, title, or interest under this Agreement without Owner's prior written consent.

7.12 No Restriction on Property Transfer. No provision of this Agreement shall limit the ability of the Owner or any other person to transfer voluntarily or involuntarily its right, title, or interest in or to all or any portion of the Property.

7.13 Releases. From time to time upon written request of Owner or the District, the City Administrator shall execute, in recordable form, a release of this Agreement if the requirements of this Agreement have been met, subject to the continued application of the Building Codes and Development Regulations.

7.14 Estoppel Certificates. From time to time upon written request of Owner or the District, the City Administrator will execute a written estoppel certificate identifying any obligations of Owner under this Agreement that are in default or, with the giving of notice or passage of time, would be in default; and stating, to the extent true, that to the best knowledge and belief of the City, Owner is in compliance with its duties and obligations under this Agreement.

7.15 RESERVATION OF RIGHTS. THIS AGREEMENT CONSTITUTES A "PERMIT" WITHIN THE MEANING OF CHAPTER 245, TEXAS LOCAL GOVERNMENT CODE. EXCEPT AS PROVIDED IN THIS SECTION, OWNER DOES NOT, BY ENTERING INTO THIS AGREEMENT, WAIVE (AND OWNER EXPRESSLY RESERVES) ANY RIGHT THAT OWNER MAY NOW OR HEREAFTER HAVE WITH RESPECT TO ANY CLAIM: (A) OF "VESTED" OR "PROTECTED" DEVELOPMENT OR OTHER PROPERTY RIGHTS ARISING FROM CHAPTERS 43 OR 245, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED, OR OTHERWISE ARISING FROM COMMON LAW OR OTHER STATE OR FEDERAL LAWS; (B) THAT ANY GOVERNING REGULATION DEFINED IN ARTICLE II OF THIS AGREEMENT, ON ITS FACE OR AS APPLIED TO THE PROPERTY OR ANY PORTION THEREOF, VIOLATES ANY LOCAL, STATE, OR FEDERAL LAW; OR (C) THAT AN ACTION BY THE CITY CONSTITUTES A "TAKING" OR INVERSE CONDEMNATION OF ALL OR ANY PORTION OF THE PROPERTY OR THE IN-CITY PROPERTY OR AN ILLEGAL EXACTION.

7.16 Manufactured Housing. Notwithstanding any other provision of this Agreement to the contrary, HUD-certified manufactured homes may be located within the In-City Property and the Property, from time to time, for any purpose necessary for the creation or administration of the District (including, but not limited to, providing qualified voters within the District or qualifying persons to serve on the Board of Directors of the District). Owner will notify the City of the location of, make and model of, HUD number for, and 911 address of each home within 30 days after the home is occupied. Manufactured homes permitted by this Agreement: (a) are not required to be located on a platted lot; (b) do not require a building permit; (c) do not require a certificate of substantial completion; (d) do not otherwise have to comply with the Governing Regulations in the case of the Property or zoning regulations in the case of the In-City Property; (e) do not require any permit or other approval by the City; (f) are not subject to payment of any of the Fees; and (g) will be promptly removed when no longer needed for the creation or administration of the District. Manufactured homes must have adequate access for fire protection.

7.17 Water Wells. Water wells may be drilled within the In-City Property and the Property to provide irrigation water and water for domestic use, including, but not limited to, use by the residents of the manufactured housing described in Section 7.16 above; subject, however, to all applicable rules and regulations of Rockwall County and the TCEQ.

7.18 Interpretation. The Parties acknowledge that each of them has been actively involved in negotiating this Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Agreement. In the event of any dispute over the meaning or application of any provision of this Agreement, the provision will be interpreted fairly and reasonably and neither more strongly for or against any Party, regardless of which Party originally drafted the provision.

7.19 Authority and Enforceability. The City represents and warrants that this Agreement has been approved by ordinance duly adopted by the City Council in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf

of the City has been duly authorized to do so. Owner represents and warrants that this Agreement has been approved by appropriate action of Owner, and that the individual executing this Agreement on behalf of Owner has been duly authorized to do so. Each Party acknowledges and agrees that this Agreement is binding upon such Party and enforceable against such Party in accordance with its terms and conditions and that the performance by the Parties under this Agreement is authorized by Section 212.172 of the Texas Local Government Code.

7.20 Entire Agreement; Severability. This Agreement, together with the Facilities Agreement, constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties. Without limiting the generality of the foregoing, (a) if it is determined that, as of the Effective Date, Owner does not own any portion of the Property, this Agreement shall remain in full force and effect with respect to all of the Property that Owner does then own, and (b) if it is determined, as of the Effective Date, that any portion of the Property is not within the City's ETJ, this Agreement shall remain in full force and effect with respect to all of the Property that is then within the City's ETJ.

7.21 Director Qualifying Lots. Notwithstanding any other provision of this Agreement to the contrary, the conveyance, from time to time, by metes and bounds or otherwise of any portion of the In-City Property or the Property to any person for the purpose of qualifying such person to be a member of the board of directors of the District shall not be considered a subdivision of land requiring a plat or otherwise requiring the approval of the City; provided, however, no Structure, other than manufactured housing authorized by this Agreement, shall be constructed on any property conveyed for such purpose unless and until a plat of such portion has been approved by the City in accordance with this Agreement.

7.22 Applicable Law; Venue. This Agreement is entered into under and pursuant to, and is to be construed and enforceable in accordance with, the laws of the State of Texas, and all obligations of the Parties are performable in Rockwall County. Venue for any action to enforce or construe this Agreement shall be in Rockwall County.

7.23 Non Waiver. Any failure by a Party to insist upon strict performance by another Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

7.24 No Third Party Beneficiaries. Except as otherwise provided in this section, this Agreement only inures to the benefit of, and may only be enforced by, the Parties. If the District is not an Assignee, the District shall be considered a third-party beneficiary of this Agreement. An End-Buyer shall be considered a third-party beneficiary of this Agreement, but only for the limited purposes for which an End-Buyer is bound by this Agreement. No other person or entity shall have any right, title, or interest under this Agreement or otherwise be deemed to be a third-party beneficiary of this Agreement.

7.25 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within ten business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give Notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term "force majeure" shall include events or circumstances that are not within the reasonable control of the Party whose performance is suspended and that could not have been avoided by such Party with the exercise of good faith, due diligence and reasonable care, including, but not limited to, events or circumstances caused by a pandemic or flooding

7.26 Boycott of Israel. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to enable compliance with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, 'boycott Israel,' a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

7.27 Iran, Sudan and Foreign Terrorist Organizations. Section 2252.151 of the Texas Government Code defines a "governmental contract" as a contract awarded by a governmental entity for general construction, an improvement, a service, or a public works project or for a purchase of supplies, materials, or equipment, and provides that the term includes a contract to obtain a professional or consulting service subject to Chapter 2254 of the Texas Government Code. The Owner represents that, as of the date of this Agreement, to the extent this Agreement constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, neither the Owner nor any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Owner (if any) is an entity listed by the Texas

Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code or identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:
<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>;
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

7.28 Form 1295. Submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Owner, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Parties understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Owner; and, neither the City nor its consultants have verified such information.

7.29 Verification Regarding Discrimination Against Fossil Fuel Companies. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the Owner to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, "boycott energy companies," a term defined in Section 2274.001(1), Texas Government Code (as enacted by such Senate Bill) by reference to Section 809.001, Texas Government Code (also as enacted by such Senate Bill), shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

7.30 Verification Regarding No Discrimination Against Firearm Entities and Firearm Trade Associations. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. The

foregoing verification is made solely to enable the Owner to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification and the following definitions, 'discriminate against a firearm entity or firearm trade association,' a term defined in Section 2274.001(3), Texas Government Code (as enacted by such Senate Bill), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association, 'firearm entity,' a term defined in Section 2274.001(6), Texas Government Code (as enacted by such Senate Bill), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by such Senate Bill, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such Senate Bill, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting), and 'firearm trade association,' a term defined in Section 2274.001(7), Texas Government Code (as enacted by such Senate Bill), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code."

7.31 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

7.32 Further Documents. Each Party shall, upon request of the other Party, execute and deliver such further documents and perform such further acts as may reasonably be requested to effectuate the terms of this Agreement and achieve the intent of the Parties.

7.33 Exhibits. The following Exhibits are attached to this Agreement and are incorporated herein for all purposes:

Exhibit A	Metes and Bounds Description of the Property
Exhibit B	Metes and Bounds Description of the In-City Property
Exhibit C	Concept Plan
Exhibit D	Development Regulations
Exhibit E	Special Regulations
Exhibit F	Product Type Illustrations
Exhibit G	Repetition Restrictions
Exhibit H	Mailbox Design
Exhibit I	Parks, Open Space, and Trail Plan
Exhibit J	Street Sections
Exhibit K	Architectural Guidelines
Exhibit L	Trash Can Pads
Exhibit M	Address Plaques
Exhibit N	Fence Design for Single Family Detached
Exhibit O	Realtor and Builder Sign Specifications
Exhibit P	Sidewalks
Exhibit Q	Shrub Planting Locations
Exhibit R	District Notice

Executed by Owner and the City to be effective on the Effective Date.

ATTEST:

CITY OF MCLENDON-CHISHOLM

Name: _____
Title: City Secretary

By: _____
Name: _____
Title: _____

Date: _____

**APPROVED AS TO FORM AND
LEGALITY:**

Name: _____
City Attorney

STATE OF TEXAS §
 §
COUNTY OF ROCKWALL §

This instrument was acknowledged before me on _____, 2021 by _____,
_____ of the City of McLendon-Chisholm Texas on behalf of said city.

Notary Public, State of Texas

OWNER:

MC Trilogy Texas, LLC,
a Texas limited liability company

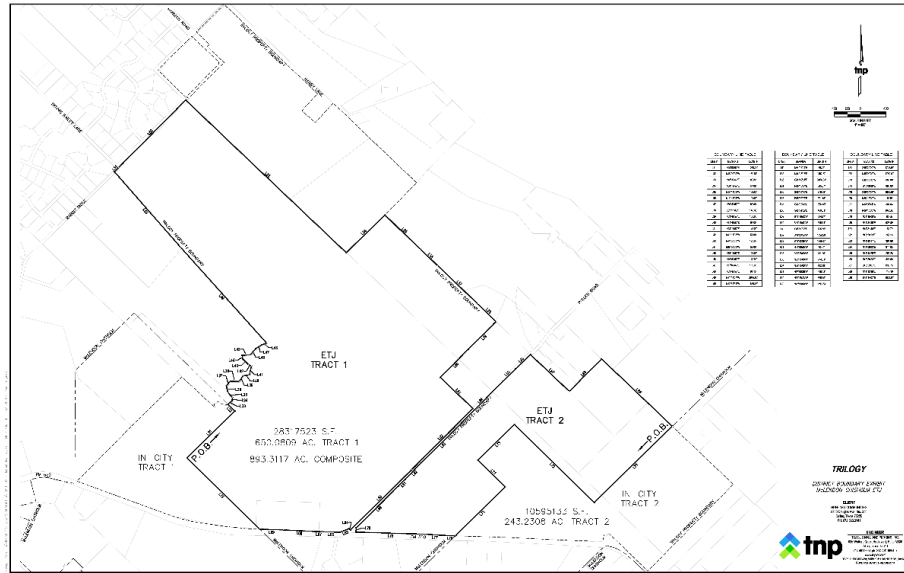
By: _____
Phillip Huffines, Managing Director

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on _____, 2021 by Phillip Huffines, Managing Director of MC Trilogy Texas, LLC, a Texas limited liability company on behalf of said company.

Notary Public, State of Texas

Exhibit A
Metes and Bounds Description of the Property



ETJ TRACT 1

BEING ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATED IN THE J. SIMMONS SURVEY, ABSTRACT NO. 202, THE W.W. FORD SURVEY, ABSTRACT NO. 80, AND THE A. RODRIGUEZ SURVEY, ABSTRACT NO. 231, IN ROCKWALL COUNTY, TEXAS, AND ALSO BEING A PORTION OF THE PROPERTY DESCRIBED IN DEED TO HODGES RANCH PARTNERS, LTD., AS RECORDED IN VOLUME 3828 AT PAGE 322 ALSO KNOWN AS DOCUMENT NUMBER 00319510 ON DECEMBER 4TH 2004 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS, AND BEING SUBJECT TO A MEMORANDUM OF INTEREST WITH REGARD TO OWNERSHIP OF REAL PROPERTY RECORDED UNDER COUNTY CLERKS FILE NUMBER 20160000014831 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT FOR CORNER IN RABBIT RIDGE ROAD, (A VARIABLE WIDTH RIGHT-OF-WAY), AT THE WEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE N 44°16'29" E a distance of 89.26'to a point for corner;

THENCE N 44°15'17" E a distance of 1492.27'to a point for corner;

THENCE S 45°49'51" E a distance of 3464.03'to a point for corner;
THENCE N 45°15'27" E a distance of 845.37'to a point for corner;
THENCE S 45°20'50" E a distance of 770.32'to a point for corner;
THENCE S 45°52'07" E a distance of 371.76'to a point for corner;
THENCE S 45°39'45" E a distance of 866.70'to a point for corner;
THENCE S 45°04'02" E a distance of 400.01'to a point for corner;
THENCE S 44°19'52" W a distance of 614.77'to a point for corner;
THENCE S 44°19'52" W a distance of 618.71'to a point for corner;
THENCE S 45°40'08" E a distance of 706.56'to a point for corner;
THENCE S 44°23'53" W a distance of 1352.29'to a point for corner;
THENCE S 44°42'29" W a distance of 1349.67'to a point for corner;
THENCE N 45°05'00" W a distance of 30.40'to a point for corner;
THENCE S 68°20'00" W a distance of 151.80'to a point for corner;
THENCE N 88°15'00" W a distance of 274.51'to a point for corner;
THENCE N 88°15'00" W a distance of 102.49'to a point for corner;
THENCE N 87°05'36" W a distance of 499.42'to a point for corner;
THENCE N 88°20'23" W a distance of 365.10'to a point for corner;
THENCE N 45°00'00" W a distance of 1596.73'to a point for corner;
THENCE N 45°00'00" E a distance of 1050.00'to a point for corner;
THENCE N 45°00'00" W a distance of 150.87'to a point for corner;
THENCE N 48°33'57" E a distance of 83.82'to a point for corner;
THENCE N 08°18'57" E a distance of 54.00'to a point for corner;
THENCE N 43°11'03" W a distance of 104.00'to a point for corner;

THENCE N 12°41'03" W a distance of 111.00'to a point for corner;

THENCE N 39°33'57" E a distance of 93.00'to a point for corner;

THENCE S 89°11'03" E a distance of 140.00'to a point for corner;

THENCE N 33°48'57" E a distance of 108.00'to a point for corner;

THENCE N 81°48'57" E a distance of 98.00'to a point for corner;

THENCE N 13°18'57" E a distance of 143.00'to a point for corner;

THENCE N 61°11'03" W a distance of 57.00'to a point for corner;

THENCE N 44°56'03" W a distance of 123.00'to a point for corner;

THENCE N 08°56'03" W a distance of 57.00'to a point for corner;

THENCE N 86°18'57" E a distance of 129.00'to a point for corner;

THENCE N 40°03'57" E a distance of 128.00'to a point for corner;

THENCE N 57°03'57" E a distance of 110.00'to a point for corner;

THENCE N 69°48'57" E a distance of 81.15'to a point for corner;

THENCE N 41°14'57" W a distance of 2018.90'to a point for corner;

THENCE N 40°35'51" W A DISTANCE OF 1575.68' TO THE POINT OF BEGINNING,
CONTAINING 19,245,590.6 SQUARE FEET, OR 441.818 ACRES OF LAND MORE OR
LESS.

ETJ TRACT 2

BEING ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATED IN THE J. SIMMONS SURVEY, ABSTRACT NO. 202, THE W.W. FORD SURVEY, ABSTRACT NO. 80, AND THE A. RODRIGUEZ SURVEY, ABSTRACT NO. 231, IN ROCKWALL COUNTY, TEXAS, AND ALSO BEING A PORTION OF THE PROPERTY DESCRIBED IN DEED TO HODGES RANCH PARTNERS, LTD., AS RECORDED IN VOLUME 3828 AT PAGE 322 ALSO KNOWN AS DOCUMENT NUMBER 00319510 ON DECEMBER 4TH 2004 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS, AND BEING SUBJECT TO A MEMORANDUM OF INTEREST WITH REGARD TO OWNERSHIP OF REAL PROPERTY RECORDED UNDER COUNTY CLERKS FILE NUMBER 20160000014831 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT FOR CORNER IN PULLEN ROAD,(A VARIABLE WIDTH RIGHT-OF-WAY), AT THE NORTH CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE S 45°52'07" E a distance of 836.75' to a point for corner;

THENCE N 44°13'38" E a distance of 717.19' to a point for corner;

THENCE S 45°44'07" E a distance of 1529.00' to a point for corner;

THENCE S 45°00'00" W a distance of 1708.95' to a point for corner;

THENCE N 45°00'00" W a distance of 1750.00' to a point for corner;

THENCE S 45°00'00" W a distance of 800.00' to a point for corner;

THENCE S 45°00'00" E a distance of 600.00' to a point for corner;

THENCE S 45°00'00" W a distance of 1092.91' to a point for corner;

THENCE N 88°13'09" W a distance of 163.88' to a point for corner;

THENCE N 86°06'41" W a distance of 301.66' to a point for corner;

THENCE N 88°15'00" W a distance of 1073.00' to a point for corner;

THENCE N 01°45'00" E a distance of 65.55' to a point for corner;

THENCE N 44°34'36" E a distance of 928.59' to a point for corner;

THENCE N 44°31'40" E a distance of 151.79' to a point for corner;

THENCE N 43°28'23" E a distance of 346.55' to a point for corner;

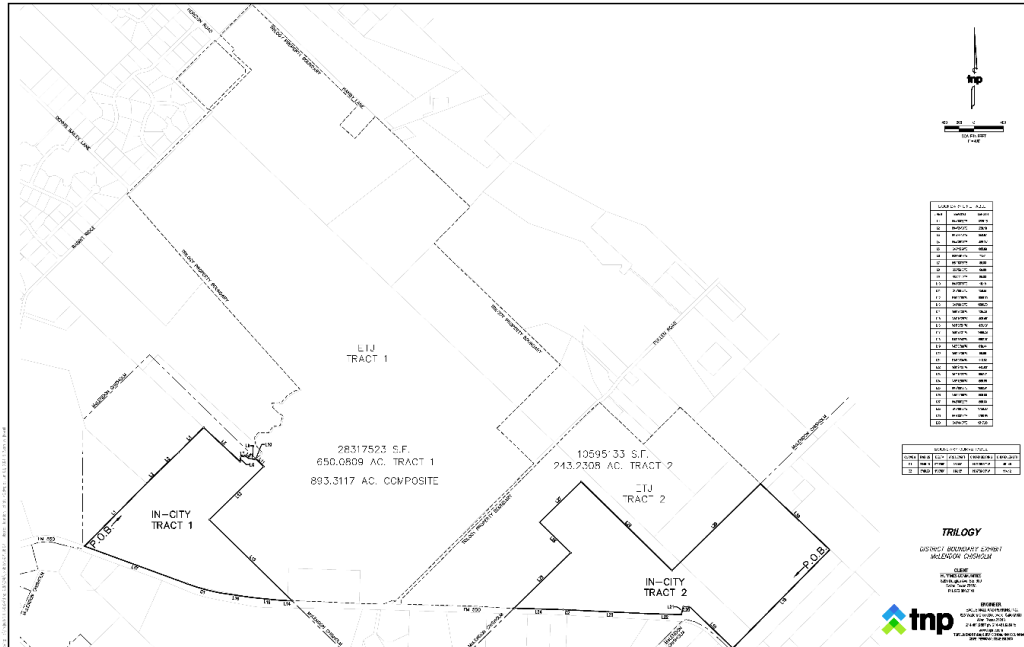
THENCE N 44°43'11" E a distance of 901.86' to a point for corner;

THENCE N 44°06'02" E a distance of 914.03' to a point for corner;

THENCE N 44°44'29" E a distance of 285.28' to a point for corner;

THENCE N 45°50'03" E A DISTANCE OF 322.68' TO THE POINT OF BEGINNING,
CONTAINING 5,807,645.3 SQUARE FEET, OR 133.325 ACRES OF LAND MORE OR
LESS.

Exhibit B
Metes and Bounds Description of the In-City Property



TRACT 1

BEING ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATED IN THE J. SIMMONS SURVEY, ABSTRACT NO. 202, THE W.W. FORD SURVEY, ABSTRACT NO. 80, AND THE A. RODRIGUEZ SURVEY, ABSTRACT NO. 231, IN ROCKWALL COUNTY, TEXAS, AND ALSO BEING A PORTION OF THE PROPERTY DESCRIBED IN DEED TO HODGES RANCH PARTNERS, LTD., AS RECORDED IN VOLUME 3828 AT PAGE 322 ALSO KNOWN AS DOCUMENT NUMBER 00319510 ON DECEMBER 4TH 2004 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS, AND BEING SUBJECT TO A MEMORANDUM OF INTEREST WITH REGARD TO OWNERSHIP OF REAL PROPERTY RECORDED UNDER COUNTY CLERKS FILE NUMBER 20160000014831 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT FOR CORNER IN THE NORTH RIGHT-OF-WAY LINE OF F.M. ROAD 550 (VARIABLE WIDTH RIGHT-OF-WAY) AS RECORDED IN VOLUME 41 AT PAGES 545 565 OF THE DEED RECORDS OF ROCKWALL COUNTY, TEXAS AT THE RECOGNIZED SOUTHWEST CORNER OF SAID TRACT;

THENCE NORTH 44° 03' 50" EAST A DISTANCE OF 1,220.15 FEET TO A POINT FOR CORNER, SAID POINT BEING THE SOUTH CORNER OF A CALLED 58.110 ACRE TRACT OF LAND DESCRIBED IN DEED TO DONALD R. HOLLOWAY RECORDED UNDER COUNTY CLERKS FILE NUMBER 2011-00444931 (VOL. 6347, PG. 221) OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS;

THENCE NORTH 44° 24' 01" EAST AND FOLLOWING ALONG THE SOUTHEAST LINE OF SAID HOLLOWAY 58.110 ACRE TRACT A DISTANCE OF 258.18 FEET TO A POINT FOR CORNER;

THENCE NORTH 45°44'54" EAST AND CONTINUING ALONG THE SOUTHEAST LINE OF SAID HOLLOWAY 58.110 ACRE TRACT A DISTANCE OF 353.97 FEET TO A POINT FOR CORNER;

THENCE NORTH 44° 38' 21" EAST AND CONTINUING ALONG THE SOUTHEAST LINE OF SAID HOLLOWAY 58.110 ACRE TRACT A DISTANCE OF 485.74 FEET TO A POINT FOR THE MOST EASTERLY CORNER OF SAID HOLLOWAY 58.110 ACRE TRACT AT ITS INTERSECTION WITH THE SOUTHWEST LINE OF A CALLED 89.287 ACRE TRACT OF LAND DESCRIBED IN DEED TO HOLLOWAY FAMILY LIMITED PARTNERSHIP AS RECORDED UNDER COUNTY CLERKS FILE NUMBER 20150000020975 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS;

THENCE SOUTH 46° 15' 24" EAST AND FOLLOWING ALONG THE SOUTHWEST LINE OF SAID HOLLOWAY FAMILY LIMITED PARTNERSHIP 89.287 ACRE TRACT A DISTANCE OF 685.89 FEET TO THE MOST SOUTHERLY CORNER OF SAID 89.287 ACRE TRACT, SAID POINT BEING IN A SOIL CONSERVATION LAKE AND CALLED IN THE OLD MEANDERS OF LONG BRANCH CREEK;

THENCE FOLLOWING ALONG THE SOUTHEASTERLY LINE OF SAID HOLLOWAY FAMILY LIMITED PARTNERSHIP 89.287 ACRE TRACT AND ALONG THE CALLED OLD MEANDERS OF LONG BRANCH CREEK AS FOLLOWS;

- (1) NORTH 09° 48' 57" EAST A DISTANCE OF 71.41 FEET TO A POINT CORNER;
- (2) NORTH 81° 03' 57" EAST A DISTANCE OF 56.00 FEET TO A POINT FOR CORNER;
- (3) SOUTH 56° 56' 03" EAST A DISTANCE OF 69.00 FEET TO A POINT FOR CORNER;
- (4) SOUTH 83° 11' 03" EAST A DISTANCE OF 85.00 FEET TO A POINT FOR CORNER;
- (5) NORTH 48° 33' 57" EAST, A DISTANCE OF 10.18 FEET TO A POINT FOR CORNER;

THENCE DEPARTING THE CALLED OLD MEANDERS OF LONG BRANCH CREEK AND THROUGH THE INTERIOR OF SAID PREMISES AS FOLLOWS;

(1) SOUTH 45° 00' 00" EAST, A DISTANCE OF 150.87 FEET TO A POINT FOR CORNER;

(2) SOUTH 45° 00' 00" WEST, A DISTANCE OF 1050.00 FEET TO A POINT FOR CORNER;

(3) SOUTH 45° 00' 00" EAST, A DISTANCE OF 1596.73 FEET TO A POINT FOR CORNER ON THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. ROAD 550;

THENCE NORTH 88° 20' 23" WEST AND ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. ROAD 550 A DISTANCE OF 135.23 FEET TO A POINT FOR CORNER;

THENCE NORTH 84° 16' 25" WEST AND CONTINUING ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. ROAD 550 A DISTANCE OF 405.48 FEET TO A POINT FOR CORNER;

THENCE NORTH 81° 36' 51" WEST AND CONTINUING ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. ROAD 550 A DISTANCE OF 451.13 FEET TO A POINT FOR CORNER, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 2,846.18 FEET, WITH A CENTRAL ANGLE OF 09° 17' 58", AND A CHORD BEARING NORTH 74°08'20" WEST AT A DISTANCE OF 461.45 FEET;

THENCE WESTERLY AND CONTINUING ALONG THE NORTH RIGHT-OF-WAY LINE OF F.M. ROAD 550 AND SAID CURVE TO THE RIGHT FOR AN ARC DISTANCE OF 461.95 FEET TO A POINT FOR CORNER;

THENCE NORTH 69° 29' 21" WEST CONTINUING ALONG THE NORTH RIGHT-OF-WAY LINE OF F.M. ROAD 550A DISTANCE OF 1,496.23 FEET TO THE POINT OF BEGINNING CONTAINING 3,011,847 SQUARE FEET, OR 69.143 ACRES OF LAND MORE OR LESS.

TRACT 2

BEING ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATED IN THE J. SIMMONS SURVEY, ABSTRACT NO. 202, THE W.W. FORD SURVEY, ABSTRACT NO. 80, AND THE A. RODRIGUEZ SURVEY, ABSTRACT NO. 231, IN ROCKWALL COUNTY, TEXAS, AND ALSO BEING A PORTION OF THE PROPERTY DESCRIBED IN DEED TO HODGES RANCH PARTNERS, LTD., AS RECORDED IN VOLUME 3828 AT PAGE 322 ALSO KNOWN AS DOCUMENT NUMBER 00319510 ON DECEMBER 4TH 2004 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS, AND BEING SUBJECT TO A MEMORANDUM OF INTEREST WITH REGARD TO OWNERSHIP OF REAL PROPERTY RECORDED UNDER COUNTY CLERKS FILE NUMBER 20160000014831 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY,

TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT FOR THE RECOGNIZED EAST CORNER OF THIS TRACT IN THE SOUTHWEST LINE OF A 25.279 ACRE TRACT OF LAND DESCRIBED IN DEED TO REGGIE L. HICKERSON RECORDED UNDER VOLUME 2388, PAGE 198 OF THE DEED RECORDS OF ROCKWALL COUNTY, TEXAS, SAID POINT BEING THE MOST NORTHERLY CORNER OF A TRACT OF LAND DESCRIBED IN DEED TO RONALD PRICE AND SHARON DUBACK RECORDED UNDER VOLUME 1591, PAGE 111 OF THE DEED RECORDS OF ROCKWALL COUNTY, TEXAS;

THENCE SOUTH 43° 56' 42" WEST AND DEPARTING THE SOUTHWEST LINE OF SAID 2.79 ACRE TRACT TO REGGIE L. HICKERSON AND FOLLOWING ALONG THE NORTHWEST LINE OF SAID RONALD PRICE AND SHARON DUBACK TRACT A DISTANCE OF 1,902.97 FEET TO A POINT FOR CORNER; SAID POINT ALSO BEING THE NORTHWEST CORNER OF SAID RONALD PRICE AND SHARON DUBACK TRACT;

THENCE NORTH 45° 35' 00" WEST A DISTANCE OF 819.44 FEET TO A POINT FOR CORNER IN THE NORTHEAST RIGHT-OF-WAY LINE OF F.M. ROAD 550 (VARIABLE WIDTH RIGHT-OF-WAY) AS RECORDED IN VOLUME 41 AT PAGES 545 565 OF THE DEED RECORDS OF ROCKWALL COUNTY, TEXAS;

THENCE NORTH 86° 58' 39" WEST AND CONTINUING ALONG THE NORTHEAST RIGHT-OF-WAY LINE OF SAID F.M. 550 A DISTANCE OF 89.89 FEET TO A POINT FOR CORNER;

THENCE SOUTH 14° 01' 34" WEST AND CONTINUING ALONG THE NORTHEAST RIGHT-OF-WAY LINE OF SAID F.M. 550 A DISTANCE OF 113.82 FEET TO A POINT FOR CORNER;

THENCE NORTH 88° 27' 27" WEST AND FOLLOWING ALONG THE WEST RIGHT-OF-WAY LINE OF SAID F.M. 550 A DISTANCE OF 445.63 FEET TO A POINT FOR CORNER;

THENCE NORTH 87° 13' 22" WEST AND FOLLOWING ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. 550 A DISTANCE OF 1,052.71 FEET TO A POINT FOR CORNER, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 5,769.60 FEET, A CENTRAL ANGLE OF 01° 08' 00", AND A CHORD BEARING NORTH 87°39'09" WEST AT A DISTANCE OF 114.12 FEET;

THENCE WESTERLY AND CONTINUING ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. 550 AND FOLLOWING ALONG SAID CURVE FOR AN ARC DISTANCE OF 114.12 FEET;

THENCE NORTH 88° 13' 09" WEST AND CONTINUING ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. 550 A DISTANCE OF 669.98 FEET TO A POINT FOR CORNER;

THENCE DEPARTING THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. 550 AND THROUGH THE INTERIOR OF SAID PREMISES AS FOLLOWS;

(1) NORTH 45° 00' 00" EAST, A DISTANCE OF 1,092.91 FEET TO A POINT FOR CORNER;

(2) NORTH 45° 00' 00" WEST, A DISTANCE OF 600.00 FEET TO A POINT FOR CORNER;

(3) NORTH 45° 00' 00" EAST, A DISTANCE OF 800.00 FEET TO A POINT FOR CORNER;

(3) SOUTH 45° 00' 00" EAST, A DISTANCE OF 1,750.00 FEET TO A POINT FOR CORNER;

(4) NORTH 45° 00' 00" EAST, A DISTANCE OF 1,708.95 FEET TO A POINT FOR CORNER ON THE RECOGNIZED NORTHEAST LINE OF THIS TRACT;

THENCE SOUTH 45° 44' 07" EAST ALONG SAID RECOGNIZED LINE, A DISTANCE OF 1317.93 FEET TO THE POINT OF BEGINNING CONTAINING 4,787,547 SQUARE FEET, OR 109.907 ACRES OF LAND MORE OR LESS.

Exhibit C Concept Plan

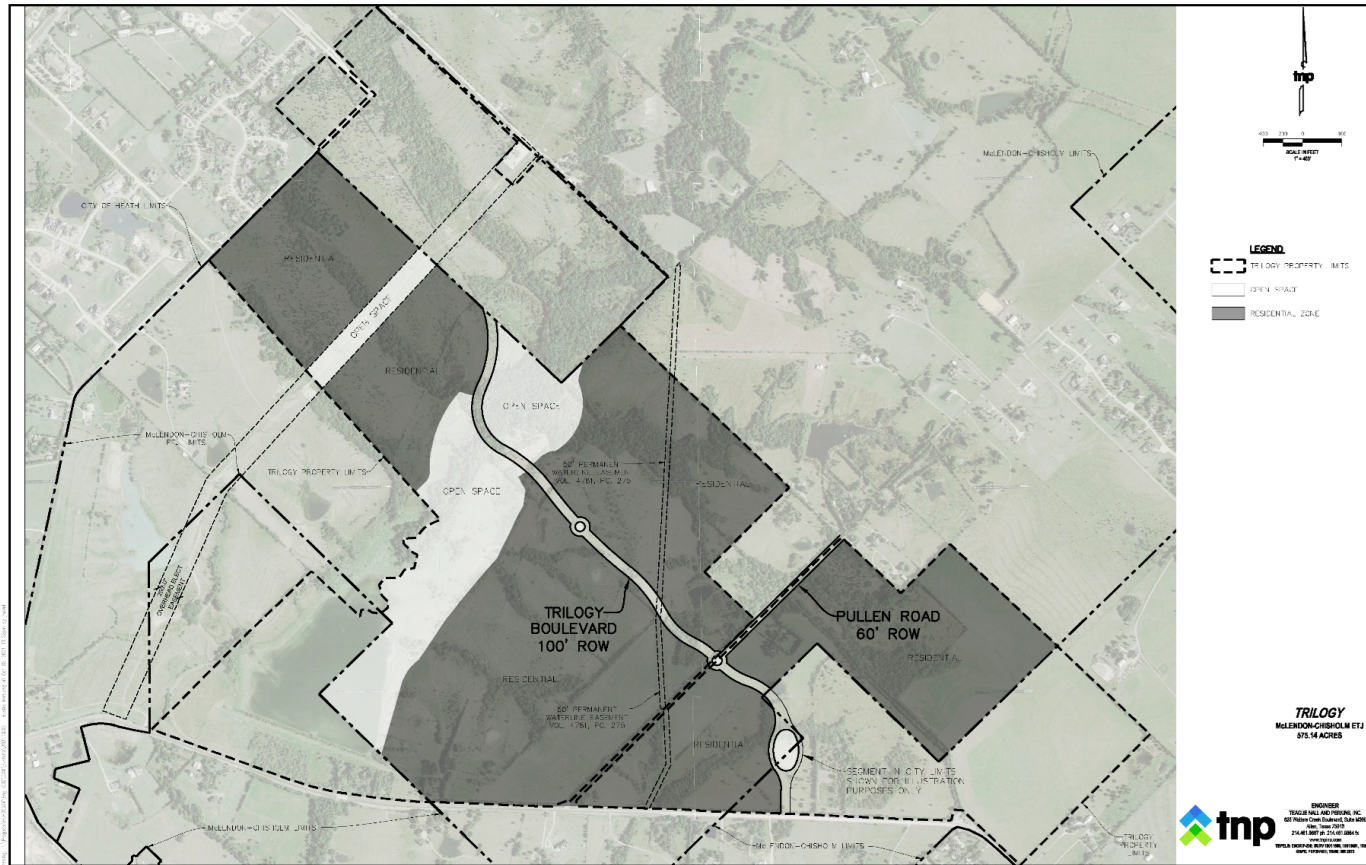


Exhibit D
Development Regulations

1. **Definitions.**
 - a. Alley means a publicly or privately owned access way that provides access to the rear of a lot and functions as a traditional alley.
 - b. City Administrator means the City Administrator or his or her designee.
 - c. Concept Plan means the concept plan attached to this Agreement as **Exhibit C**, as amended in accordance with Section 2.2 of this Agreement.
 - d. Front entry garage means a garage accessed from the street in front of a single family detached home or duplex. This term does not include side entry or j-swing garages.
 - e. Open space means generally undeveloped property that can be used for active or passive recreation, is publicly or privately owned and maintained, is accessible by the residents of the Property or by the general public, and is designated as open space on an approved final plat.
 - f. Property means the property described on **Exhibit A** of this Agreement.
 - g. Single family detached means a single dwelling unit on a platted lot that is not physically attached to any other dwelling unit (excluding an accessory dwelling unit). A single family dwelling unit includes, but is not limited to, zero lot line homes and patio homes.
2. **Concept Plan.** Development of the Property shall be in general conformance with the Concept Plan; however, the nonresidential uses permitted by this **Exhibit D** shall be permitted at any location within the Property.
3. **Permitted Uses.**
 - a. The following uses shall be permitted in the areas designated "Residential Zone" on the Concept Plan:
 - i. Single family detached (SF-D2, SF-D3, SF-D4).
 - ii. School, public or private (elementary, middle, or high school, home school, day care).
 - iii. Model homes.
 - iv. Accessory uses and structures, including, but not limited to buildings, garages, patio covers, pergolas, decks, carports, fences, signs, swimming pools, spas, antenna, satellite dishes, game courts, flagpoles).

- v. Accessory dwelling units that are accessory to single family detached uses located on lots with a width greater than 59 feet. An accessory dwelling unit shall not exceed 750 square feet in floor area, and shall be located on the same lot as the principal use. A separate meter is permitted, but not required, for the accessory secondary living units.
 - vi. Accessory home occupations, which shall conform to the City's zoning ordinance in effect on the Effective Date with respect to regulations specific to accessory home occupations.
 - vii. Sales office.
 - viii. Amenity Centers. Accessory private community center is permitted as an accessory use to an amenity center. An accessory private community center may include a restaurant or coffee shop open to members and their guests and may include a banquet facility that may be rented for special occasions, such as wedding receptions and parties. This use may include recreational uses and amenities, including, but not limited to, swimming pools and tennis courts. An amenity center may include one or more food trucks.
 - ix. Temporary Residential Sales Office, Temporary Construction Office, and Model Homes. A residential real estate sales office and/or construction office, located on a platted lot, may be permitted within a subdivision for which building permits have been issued and may be located either in a model home, in a temporary building, or in a portable trailer. Model homes are permitted within a subdivision for which building permits have been issued. A permit for a temporary residential sales office, construction office, or a model home may be issued for no more than one year, but shall be automatically extended for so long as the builder maintains active and continuous sales or construction activities within the subdivision and a minimum of five lots in the subdivision remain unsold. Such sales office shall be used for sales in the subject subdivision only and not for sales in any other subdivision.
 - x. Farmers market.
- b. The following uses shall be permitted in the area designated "Commercial Zone" at any other location on the Concept Plan:
- i. All uses permitted by right in the NC Neighborhood Commercial District pursuant to the City's comprehensive zoning ordinance in effect on the Effective Date are permitted by right without conditions
 - ii. All uses permitted by SUP in the NC Neighborhood Commercial District pursuant to the City's comprehensive zoning ordinance in effect on the Effective Date are permitted by SUP
 - iii. All uses permitted in the "Residential Zone" designated on the Concept Plan
 - iv. Restaurant, drive-in or drive-thru
 - v. Restaurant/refreshment stand (temporary or seasonal)
 - vi. Retail uses of any type and size

- vii. Service uses of any type, such as nail salons, hair salons and similar uses providing services to the public
 - viii. Pharmacy
 - ix. Office (business, professional, or medical)
 - x. Fuel sales, with or without convenience store
 - xi. Furniture repair
 - xii. Bank or other financial institution
 - xiii. Accessory banking
 - xiv. Florist
 - xv. Veterinary clinic or hospital with or without outside kennels and boarding
 - xvi. Day care
 - xvii. Farmers market
- c. In the area designated "Open Space" on the Concept Plan, parks, trails, active and passive open space, and other recreational amenities, uses, and improvements are permitted, including, but not limited to, all uses and structures referenced in Section 8 below.
 - d. Agricultural uses are permitted at any location within the Property, and may include, but are not limited to, raising crops and livestock, livestock services (including horses), and landscape/horticulture services.
 - e. Real estate development field offices and sales offices are permitted at any location without any time limit.
 - f. Temporary construction yards are permitted during ongoing construction within the Property, and the locations shall be approved by the City Manager with such approval not to be unreasonably withheld, conditioned or delayed.
 - g. Concrete or asphalt batch plant, temporary associated with development of the Property, are permitted at any location, and the locations shall be approved by the City Manager with such approval not to be unreasonably withheld, conditioned or delayed.
4. Residential Development Standards. The requirements in this Section 4 shall apply to residential development:
- a. Table 1 below contains the exclusive lot size, setback, lot coverage, density, garage orientation, building height, and dwelling unit size requirements for residential development. **Exhibit F** illustrates the residential product types described on Table 1.
 - b. Single family detached homes shall comply with the anti-repetition requirements on **Exhibit G**. At least 10 percent of an elevation must be different, or it will be considered to be a repeated elevation.

- c. Each single family detached home shall be serviced by a central cluster mailbox located at a street intersection as approved by the US Postal Service. Mailbox designs shall be similar to the design shown on Exhibit H.
 - d. All streets shall have street lights chosen from the standard street lighting guide of the electric provider.
 - e. The front most portion of a residential front entry garage shall not extend more than three feet in front of the front facade or the front porch of a single family detached home.
 - f. All residential rear entry garage doors must be a minimum of 20 feet from the edge of the right-of-way.
 - g. All residential side and front entry garage doors for all permitted uses must be a minimum of 22 feet from the edge of the right-of-way.
 - h. Each single family detached home shall have a minimum of two enclosed garage parking spaces.
 - i. Front entry garage doors on a single family detached home shall be recessed a minimum of six inches into the building facade in which they are located.
 - j. Residential garage doors shall be clad with faux wood. Solid metal garage doors are prohibited on residences.
5. Non-Residential Development Standards. The requirements in this Section 5 shall apply to non-residential development:
- a. The minimum front yard building setback shall be 25 feet, measured from all streets. All other yards shall be considered side yards, and shall have a minimum building setback of 15 feet, unless adjacent to an existing residential use, in which case the minimum building setback shall be 25 feet and a six foot solid fence or screening wall shall be constructed on the non-residential lot line where residential adjacency exists.
 - b. The maximum lot coverage shall be 35 percent, measured as the building footprint.
 - c. The minimum lot size for a non-residential use shall be 10,000 square feet.
 - d. The maximum building height shall be two stories and 40 feet.
 - e. An amenity center is considered non-residential development for purposes of this Section 5.
6. Residential Landscaping, Fencing, and Screening. The following requirements shall be the exclusive landscaping requirements applicable to residential development:

- a. Except as otherwise provided below in this paragraph, chain link, barbed wire, pipe, and razor wire fences are prohibited. This restriction does not apply to temporary construction fencing, fencing around a lift station or other utility uses, barbed wire fencing around cattle or other agricultural uses. The City Administrator may permit these materials for limited use in other specific circumstances if the Director finds the use of these materials to be appropriate. Vinyl and polywood fencing and manufactured fencing materials are permitted on residential lots. Vinyl coated chain link fencing is permitted in connection with a dog park or open space. Wrought iron fencing or similar open metal fencing is required where lots abut an open space or park designed on a final plat.
- b. A minimum of one three-inch caliper canopy tree shall be planted on each residential lot or in the adjacent parkway, except that on each residential lot that is larger than 60 feet in width, a minimum of two three-inch caliper canopy trees shall be planted.
- c. In addition to the requirements in subsection (a) above, each corner lot with a single family detached home shall have landscape enhancements along the side street as follows:
 - i. At least two minimum three-inch caliper trees shall be planted per lot within the parkway, and a minimum of one five-gallon evergreen shrub shall be planted every five feet on center along the fence facing the side street.
 - ii. Trees may be planted between a sidewalk and curb. When trees are planted within the parkway, there shall be a minimum of five feet between the curb and sidewalk.
- d. Shrubs are required to be planted in the areas shown on **Exhibit Q**.
- e. Berms, shrubs, trees, and groundcover are permitted in medians.
- f. When the back or side of a single family residence abuts a collector road, screening will be provided in the form of a minimum six-foot tall board on board fence with the finished side facing the street, which shall be constructed by the home builder and shall have consistent materials and a consistent design along all collector streets. A collector road shall be defined as a road having a divided two-lane boulevard connecting major off-site roadways.
- g. A minimum of one three-inch caliper ornamental or canopy tree, or three eight-foot tall ornamental trees, shall be planted for every 50 linear feet of street frontage or fraction thereof along perimeter arterial and collector thoroughfares in the parkway. Trees may be planted in clusters to create a natural appearance along perimeter arterial and collector streets.
- h. Entryways into and exits from the Property shall be landscaped with grass, shrubs, and trees.

- i. Landscaping at entryways into the Property shall be designed so as to avoid an impairment of visibility of operators of motor vehicles entering and exiting the subdivision when the plant materials reach full maturity.
 - j. The developer and/or a homeowners' association shall be responsible for the perpetual maintenance and upkeep of all landscaped areas that are not contained within residential lots or within District-owned property.
 - k. Landscaped areas at entryways into the Property shall be planted with at least one shade tree (minimum four inches in caliper measured at four feet above natural grade and 16 feet in height at time of planting) for each 55 linear feet or portion thereof of adjacent exposure.
 - a. Synthetic or artificial lawn or plant material shall not be used to satisfy the landscape requirements of this article, but shall be permitted in addition to required landscaping. Synthetic or artificial lawn or plant material shall be permitted within an amenity center lot.
 - b. All required landscaped area shall be permanently landscaped with living plant material, and shall have an irrigation system installed.
 - c. Landscaped areas shall be kept free of trash, litter, weeds, and other such material or plants not a part of the landscaping.
 - d. All plant materials shall be maintained in a healthy and growing condition as is appropriate for the season of the year. Maintenance shall include mowing, watering, trimming, pruning, etc.
 - e. Plant materials which die shall be replaced with plant material of similar variety and size within 90 days period, with a one time extension not exceeding 90 days being provided upon approval of the city council.
 - f. All landscaping shall be completed and installed in accordance with the landscape plan within 90 days of a certificate of occupancy being granted. A one-time extension not to exceed 90 days may be granted upon approval of the City Administrator or his/her designee.
7. Non-Residential Landscaping and Screening. The following requirements shall be the exclusive landscaping requirements applicable to non-residential development:
- a. A minimum of 20 percent of each platted lot developed with a non-residential use shall be landscaped with a combination of grass, shrubs and trees. Where the construction is to be a single phase of a multi-phase development, only the area being constructed in the current phase need be subject to the landscape regulations. However, each phase will be required to meet the landscaping requirements as they are being developed.

- b. A minimum of ten percent of the gross area within a parking lot shall be planted with living plant material. Gross parking area shall be measured from the edge of the parking and/or driveway paving and sidewalks. Such landscaping shall be counted towards satisfaction of the requirements in Section 7(a) above. Landscape material which is located within the interior of a parking lot shall be surrounded by a curb of four inches in height.
- c. All required landscaped area shall be permanently landscaped with living plant material, and shall have an irrigation system installed. Synthetic or artificial lawn or plant material shall not be used to satisfy the landscape requirements of this article, except for an amenity center lot.
- d. Landscaped areas shall be kept free of trash, litter, weeds, and other such material or plants not a part of the landscaping.
- e. All plant materials shall be maintained in a healthy and growing condition as is appropriate for the season of the year. Maintenance shall include mowing, watering, trimming, pruning, etc.
- f. Plant materials which die shall be replaced with plant material of similar variety and size within 90 days period, with a one time extension not exceeding 90 days being provided upon approval of the city council.
- g. All landscaping shall be completed and installed in accordance with the landscape plan within 90 days of a certificate of occupancy being granted. A one-time extension not to exceed 90 days may be granted upon approval of the City Administrator or his/her designee.
- h. Synthetic or artificial lawn or plant material shall not be used to satisfy the landscape requirements of this article unless part of an amenity center lot.
- i. An amenity center is considered non-residential development for purposes of this Section 7.

8. Parks and Open Space.

- a. Parks and open space areas shall be designated on approved preliminary and final plats and shall generally comply with the Parks, Open Space, and Trail Plan attached as **Exhibit I**. The exact locations of trails and other amenities shown on **Exhibit I** is conceptual and subject to modification by the developer at the time of final design and platting. The Owner shall have the right to move park and open space locations shown on **Exhibit I** without City approval provided all dwelling units within the Property are located within 1,500 feet of a park or open space area (meaning an open space area designated on a final plat). City Manager approval of park design to confirm compliance with the requirements of this Agreement shall be required for any park that will be owned and maintained by the City, which approval shall not be unreasonably withheld, conditioned, or delayed. City approval of the park design and amenities for privately owned and

maintained open space and parks shall not be required other than standard approval of plats, building permits, and inspections in accordance with the Governing Regulations.

- b. Trails will be constructed in phases with each plat. As each phase of the project is platted, any portion of a trail required within the platted phase shall be completed with the other improvements required as part of the plat approval, and if a gap in trail connections is less than 750 feet, the connection shall be constructed with the platted phase under construction (otherwise, the connection shall be constructed with the completion of the next phase adjacent to the gap).
- c. Either the property owner, the District or a homeowners association will be responsible for maintaining parks, open space, and trails within the Property, as well as the amenities listed below in this Section 8; however, the City shall maintain the City Park identified on **Exhibit I**. The Owner shall make payments to the City in accordance with this subsection to assist with funding the maintenance of the City Park identified on **Exhibit I**, which payments shall be used by the City for the sole purpose of such maintenance. The Owner shall pay to the City \$25,000 per year for a five-year period commencing 30 days after the date the City delivers written notice to the Owner of the City's acceptance of the City Park identified on **Exhibit I** following the Owner's completion of the development of the park, which notice shall meet the notice requirements of this Agreement. Any lakes will be maintained by the District. Floodplain areas will be owned and maintained by the District, and may be used for crops and other agricultural uses, an amphitheater or other event space, dog parks, and other similar uses. Areas containing 100-year floodplain shall be maintained in the condition that is included in the approved floodplain model. Amenity centers will be maintained by a homeowners association.
- d. The following amenities are required to be started prior to the issuance of the Certificate of Occupancy or final inspection for the 100th single family detached residence within the Property and completed within 36 months after the City's final acceptance of the first platted phase of development within the Property:
 - i. An amenity center with a minimum of 4,000 square feet plus a minimum 1,500 square foot fitness facility, for a total of at least 5,500 square feet of air conditioned space in the amenity center.
 - ii. A pool complex with one resort pool, one adult pool, and one tot pool;
 - iii. A minimum of one playground;
 - iv. A covered community outdoor gathering space;
 - v. A minimum of one shade structure, two picnic tables, and two park benches for each active park (i.e., a park with at least one of the following: playground equipment, sports field, or other similar facilities for activity);

- vi. A minimum of two dog waste stations;
 - vii. Trash cans;
 - viii. Park signage;
 - ix. The City-owned park, which shall include, at a minimum, the following: a playground with one play structure (such as climbers, hangers, slides or spinners); five picnic tables; five benches; 40 off-street parking spaces; a 2,500 square foot covered shade structure with a restroom; a 1,500 square foot outdoor seating area; a one-half acre open lawn or amphitheater space; and a 200 square foot fishing pier or boardwalk.
- e. The developer shall, at a minimum, construct the following amenities within an active park by the approval of the final inspection or the certificate of occupancy for the 400th dwelling unit within the Property:
- i. A minimum of one play structure (such as climbers, hangers, slides or spinners);
 - ii. A minimum of two picnic tables and two park benches for each active park (i.e., a park with playground equipment, sports field, or other similar facilities for activity);
 - iii. A minimum of one dog waste station;
 - iv. Trash cans;
 - v. Park signage; and
 - vi. A minimum of one shade structure per park.
- f. Open space amenities not specifically listed above, but of a similar type and nature to those listed above, are permitted.
- g. Except as otherwise provided in this paragraph, every dwelling unit shall be located within 1,500 feet of a park or open space designated on a final plat that includes a community trail system with a minimum width of six feet, as generally shown on **Exhibit I**. For purposes of this paragraph, open space is any open space that can be used by residents and is improved with any of the following: outdoor seating, playground equipment, a dog park, a play structure, a picnic table, a park bench, a dog clean up station, or a trail. The City Administrator has authority to allow a phase of homes to be constructed without meeting the requirements in this paragraph provided the subsequent plat will include the park or open space, including a community trail system with a minimum width of six feet necessary to serve the prior phase of homes.

- h. Required trails shall be constructed of concrete and follow standards of the Engineering Design Manual.
 - i. Subject to all applicable laws and permit requirements, lakes may be recharged from rain collection or wells and used for irrigation.
 - j. Open space areas that do not include existing trees shall be landscaped with one tree that is a minimum of three inches in caliper for every 50 feet of street frontage or fraction thereof. Trees may be planted in clusters to create a natural appearance.
 - k. The requirements of this Section 8 are the exclusive requirements for parks and open space, and no other park land dedication, park fee, or park improvement requirements shall apply to the Property.
- 9. Street Sections. Non-standard street sections are permitted as shown on **Exhibit J.** Minimum median width may be ten feet.
- 10. Street Signs.
 - a. Street signs shall be maintained by the homeowners association or the District until the subdivision is accepted by the City or if damaged by construction activities.
 - b. Alternative street signs may include a non-standard color, font, and text size that varies from standard City street signs. Alternative street signs shall be reviewed and approved by city staff and must follow the Manual on Uniform Traffic Control Devices (MUTCD).
- 11. Miscellaneous.
 - a. Front entry and rear entry (alley-served) residential types are permitted.
 - b. The master developer and homeowners association ("HOA") are hereby granted a license to use the public right of way within the Property boundaries for the exclusive purpose of constructing, operating, repairing and maintaining the following improvements and any improvements reasonably related thereto or necessary for the operation thereof: street and pedestrian lighting, public seating areas, landscaping and related amenities, including fountains, monuments, statues, or other public artwork, street furniture, including benches, drinking fountains, trash containers, tunnels; security cameras, bollards, temporary construction barricades, underground duct banks, pedestrian bridges and overpasses, arches, string lighting or other decorative lighting, wiring, and similar improvements. The removal of improvements for maintenance and replacement of utilities, pavement, drainage structures, and sidewalks shall be at the developer's or HOA's expense. Prior to installing any improvement within the right-of-way, the developer or HOA shall obtain the City Administrator's approval, which approval

shall not be unreasonably withheld or delayed if the improvement does not unreasonably interfere with the public use of the right-of-way.

- c. Development shall comply with the architectural guidelines on **Exhibit K**.
- d. Trash can pads shall be provided as shown on **Exhibit L**.
- e. Address plaques will be installed on each home in a design similar to that shown on **Exhibit M**.
- f. Residential fencing details shall comply with **Exhibit N**.
- g. Realtor and builder sign design shall conform to the specifications on **Exhibit O**.
- h. Sidewalks shall comply with **Exhibit P**.

Table 1
Development Standards Table

Residential Type	Examples of Residential Type*	Minimum Lot Area (SF)	Minimum Lot Width (ft)	Minimum Lot Depth (ft)	Maximum Number of Stories	Garage Orientation	Max Density Based on Gross Acre	Minimum Front Yard Building Setback (ft)**	Minimum Interior Side Yard Building Setback (ft)	Minimum Corner Side Yard Building Setback (ft)	Minimum Rear Yard Setback Building (Home)	Maximum Lot Coverage (%)	Minimum Dwelling Unit Size (SF)	Special Conditions
SF-D2	Single Family Detached (executive homesites side drive: attached/detached garage)	5000	50	110	2	Side/Alley	5	15	5	10	5	75	1750	Except for zero lot line types where 10' minimum side setback is required on one side and zero feet on the other
SF-D2	Single Family Detached (executive homesites front loaded)	5000	50	110	2	Front	5	20	5	10	5	75	1750	Except for zero lot line types where 10' minimum side setback is required on one side and zero feet on the other

SF-D3	Single Family Detached (manor homesites)	6000	60	115	2	All	4	20	5	10	5	75	2000	Garage setback is subject to Section 4 of this Exhibit D
SF-D4	Single Family Detached (chateau homesites)	7000	70	125	2	All	3.5	25	5	10	5	75	2500	Garage setback is subject to Section 4 of this Exhibit D

Notes to Table 1:

***Exhibit F** includes drawings illustrating each residential type for illustrative purposes only. Homes are not required to be designed as illustrated.

******The minimum front yard building setback for all rear entry homes shall be 15 feet, or 12 feet if a front porch is provided, in which case the front porch must comply with the minimum front yard building setback.

Notes:

All rear entry garage doors must be a minimum of 20 feet from the edge of the right-of-way. All side and front entry garage doors must be a minimum of 22 feet from the edge of the right-of-way.

When the rear yard of a front entry single family residential lot is contiguous to the lot line of a developed single family residential lot located outside the PD boundaries, a minimum rear yard building setback of 25 feet shall be required.

Exception to minimum setback: Minimum side yard building setback to detached garages or accessory buildings may be reduced to three feet when a greater setback would otherwise be required.

Permitted encroachments into minimum building setbacks: porches (up to eight feet into front yard setback and corner side yard setback, provided, however, no less than a 12-foot setback from the property line shall be permitted on any lot that requires a 12-foot or larger front yard setback); fireplaces and box windows up to two feet into all setbacks; balconies, awnings, overhang eaves up to two feet into all setbacks); bay windows up to four feet into front and rear yard setbacks; stoops and stairs up to five feet into front and rear yard setbacks; suspended planter or flower boxes up to 24 inches into all setbacks; and foundation encroachments of up to six inches in all setbacks for architectural details such as brick ledges.

Swimming pools shall have a minimum five-foot setback from rear and side property lines; however, such setback only applies to the swimming pool, and not to associated decking or paving around a swimming pool.

Plats for zero lot line homes shall designate the side with the zero-foot building setback and the side with the minimum ten-foot building setback. A five-foot maintenance easement shall also be provided along the lot line adjacent to a neighboring lot's zero setback side. The maintenance easement shall include a drainage easement to allow for lot-to-lot drainage.

Exhibit E
Special Regulations

1. If a plat complies with the Concept Plan for the Property or the applicable zoning regulations for the In-City Property, it shall be deemed to comply with all of the City's plans, including, but not limited to, the City's master plan (also known as the comprehensive plan) and major street plan (also known as the master thoroughfare plan). This Agreement shall control in the event of a conflict with the City's master plan or master thoroughfare plan.

2. The term preliminary plan means a preliminary plat.

3. No plat shall be required for a division of land into parts greater than five acres, where each part has access and no public improvement is being dedicated.

4. A preliminary plat may include all or any portion of the Property or the In-City Property.

5. A final plat may include all or any portion of an approved preliminary plat. A final plat may include minor changes to an approved preliminary plat.

6. An approved preliminary plat shall not expire if an application for a final plat for all or a portion of the land shown on the approved preliminary plat is submitted to the City within two years.

7. All water, wastewater, roadway, and drainage Public Infrastructure will be dedicated to, owned by, and maintained by the District unless the retail provider opts to own and maintain the water or wastewater Public Infrastructure, at its sole option. Parks and open space will be owned and maintained by the property owner, the District, or a homeowners association consistent with the Development Regulations. The owner's dedication language on each plat will be customized to reflect ownership and maintained as described in this paragraph.

8. The City will not be required to own or maintain any Public Infrastructure; therefore, maintenance bonds shall not be required to be provided to the City.

9. Final plat approval shall expire two years after the date of approval unless the final plat has been filed of record by the end of such two-year period. The City Council may grant a request for an extension of up to one additional year.

10. A final plat shall not be filed of record until the subdivision has been constructed and accepted by the City unless the subdivider provides the City with adequate security for completion of all final plat improvements in the form of an escrow, a letter of credit, or a bond in the amount of the estimated cost to complete all final plat improvements. A building permit may be issued prior to plat recordation provided the water and roadway improvements necessary to provide fire protection to the building are complete prior to building permit issuance.

11. In the event of a conflict with the Subdivision Regulations, the development processes and fee provisions set forth in Article III and Article IV of this Agreement shall control.

12. Thoroughfares and Traffic Impact Study.

a. The only thoroughfare improvements required for the development of the Property are the on-site thoroughfare improvements shown on the Concept Plan, which consist of the on-site portions of Pullen Road and Trilogy Boulevard, which shall be constructed according to the street sections on **Exhibit J** and shall be constructed in phases as portions of the Property adjacent to, or including, the roadways are final platted. Nothing herein shall prohibit the Owner from constructing either thoroughfare in a single phase earlier than required by this paragraph.

b. A traffic impact study shall be submitted with the application for the first preliminary plat for all or any portion of the Property, and the scope of such study shall be limited to studying traffic impacts from the development of the Property on adjacent portions of roads along the perimeter of the Property. No other traffic impact study, traffic impact analysis, or other traffic related studies or analyses shall be required in connection with the development of the Property or the In-City Property.

c. No off-site roadway improvements are required with the exception of any adjacent perimeter roadway improvements that are recommended by the traffic impact study.

13. Roadways shall be designed in accordance with the Concept Plan and the street sections contained in this Agreement.

14. Turnarounds shall have a minimum right-of-way radius of 50 feet and a pavement radius of 40.5 feet.

15. The maximum length of a dead-end street with a permanent turnaround or a cul-de-sac with a permanent turnaround shall be 1,200 feet.

16. Sections 10.02.006(b), (c), (d), and (e) of the Subdivision Regulations [Lots, Building Lines, Alleys, and Easements] shall not apply.

17. Section 10.02.008 of the Subdivision Regulations [Landscape Buffers] shall not apply and the exclusive landscaping requirements shall be those set forth in the Development Regulations in the case of the Property and those set forth in the applicable zoning regulations in the case of the In-City Property. A homeowners association shall be created to perpetually maintain all landscaped areas located with parkways, medians, open space, and other common areas.

18. Section 10.02.0010 of the Subdivision Regulations [Drainage Requirements] shall be modified to delete subsection (c)(5) and revise subsection (c)(6) to read in its entirety as follows: In areas where downstream pipes or channels are inadequate to handle proposed increased flows, the city as one alternative may accept cash payment in lieu of actual drainage improvements. The developer must show that the proposed pipe system to handle the flow from his development would not function properly without substantial downstream improvements. Prior to permitting any development that will significantly increase flood heights downstream or

upstream, a hearing before the planning and zoning commission is required with special notice to the adjacent property owners.

19. Detention is permitted.

20. Floodplain reclamation is permitted.

21. Section 10.02.010 of the Subdivision Regulations is amended in its entirety to read as follows in italics:

Sec. 10.02.010 Drainage requirements

(a) General policy.

(1) The commission shall not recommend for approval any plat, development plan, or subdivision which does not make adequate provision for stormwater or floodwater runoff channels or basins and the city council may not approve such plats, development plans, or subdivisions without such provisions. Drainage provisions shall ensure the health and safety of the public and property in times of flood and such drainage facilities shall not cause excessive increases in flood heights or velocities, particularly to adjacent and downstream properties. When calculations indicate that curb capacities are exceeded at a point, ~~no further allowance shall be made for flow beyond that point, storm drains shall be designed to intercept a portion of the stormwater,~~ and basins shall be used to intercept flow at that point.

(2) ~~The owner/subdivider or applicant may be required by the planning and zoning commission or city council as a condition of preliminary plan and/or final plat approval to carry away by pipe or open ditch any spring or surface water that exists either previous to, or as a result of, the subdivision. Such drainage facilities shall be located in the road right-of-way where feasible, or in perpetual unobstructed easements of appropriate width, and shall be constructed in accordance with the construction standards and specifications of the town.~~

(b) General design standards. For all subdivisions consisting of more than ten lots, the following requirements must be demonstrated as a condition for the approval of any preliminary plan or final plat, and must be shown on the face of the plan or plat or by separate document filed contemporaneously with the application for approval of the plan or plat:

(1) ~~Coordination with any comprehensive master drainage plan adopted by the city council is required and shall be demonstrated in the preliminary plan and/or final plat.~~

(2) The complete drainage system is composed of:

(A) The initial system, consisting of inlets, storm drains, and the associated appurtenances to convey the initial storm runoff (ten-year); and

(B) *The major system of the major runoff (100-50-year), which consists of swales, creeks, channels, floodways and emergency overflows to prevent water encroachment into residential and commercial facilities.*

~~(3) Channels are to be concrete-lined at least to the ten-year frequency channel flow level with additional height to carry the 25-year flow. 100-year flow is to be contained within the building lines of the channel. Unlined channels will be considered and may be approved for quantities of floodwater larger than the equivalent flow of a 72-inch pipe.~~

(4) *Utilization of retention ponds and dispersion areas and preservation of major floodplains, etc., shall be strongly encouraged and may be required if a proposed drainage improvement is found to create actual or potential upstream, adjacent or downstream property damage due to the creation of excessive flood velocities or heights.*

~~(5) The city's major drainage floodplains that are still functioning in a natural or semi-natural state will require special drainage and other preservation considerations. To implement this policy of the natural 100-year floodplain for flooding areas draining one square mile or more, it may be recommended that these areas be zoned for planned development when zoning requests are made so that channel improvements and preservation efforts will be coordinated and defined on the site plan before detailed plans are submitted.~~

(6) Criteria for pipes.

(A) *Minimum velocity with the pipe flowing full shall be ~~three~~ two feet per second.*

(B) *The minimum storm drainpipe diameter shall be ~~15~~ 18 inches.*

(C) *Pipe diameters shall not normally decrease downstream.*

(D) *Pipe crowns at change in sizes should be set at the same elevation.*

~~(7) Vertical curves in the conduit will not be permitted, and horizontal curves will be permitted only with the approval of the town engineer.~~

(8) *Inverted crown sections will be permitted only in alleys.*

(9) *At streets with culverts or bridges, an emergency overflow shall be provided to contain the ~~100~~50-year channel flow ~~within~~ outside the building lines.*

(10) *Detention ponds may be used to control the increase in runoff between the development and undeveloped areas ~~if approved by the city council.~~*

(c) Off-site drainage.

(1) The owner or developer of property to be developed shall be responsible for all storm drainage flowing on his property. This responsibility includes the drainage directed to that property by ultimate development as well as drainage naturally flowing through the property by reason of topography.

(2) Adequate consideration shall be given by the owner in the development of property to determine how the discharge leaving the proposed development will affect adjacent and downstream property.

(3) On lots or tracts of three acres or more where stormwater runoff has been collected or concentrated, ~~it shall not be permitted to drain onto adjacent property except in existing creeks, channels or storm sewers unless proper drainage easements or notarized letters of permission from the affected property owners are provided. If necessary easements or letters of permission cannot be obtained, the city engineer will review the downstream damage potential and make recommendations to the commission and city council~~ it shall not be permitted to be discharged except in a manner consistent with sound engineering practices.

(4) ~~The owner/subdivider shall pay for the cost of all drainage improvements required for the development of the subdivision, including any necessary off-site channels or storm sewers and acquisition of the required easements. The developer or subdivider shall pay for the cost of all drainage improvements required for the development of the subdivision, including necessary off-site channels or storm sewers and acquisition of the required easements, unless the off-site drainage improvements are part of a regional drainage improvement area in which case the developer or subdivider shall pay its proportionate share (based on capacity) of such regional improvements.~~

(5) ~~Where it is anticipated that additional runoff incidental to the development of the subdivision will overload an existing downstream drainage facility, whether natural or manmade, the commission or city council may withhold approval of the subdivision, and the city may refuse to issue building, construction or development permits, until improvements including storm sewer systems, channel grading, driveway adjustments, culvert improvements, etc., are made.~~

(6) In areas where downstream pipes or channels are ~~adequate~~ inadequate to handle proposed increased flows, the city as one alternative may consider accepting cash payment in lieu of actual drainage improvements. The developer must show that the proposed pipe system to handle the flow from his development would not function properly without substantial downstream improvements. Prior to permitting any development that will significantly increase flood heights downstream or upstream, a hearing before the planning and zoning commission is required with special notice to the adjacent property owners.

(d) Drainage easements.

(1) *Where topography or other conditions are such as to make impractical the inclusion of drainage facilities within road rights-of-way, perpetual unobstructed easements for such drainage facilities shall be provided across property outside the road lines and with satisfactory access to the road. Easements shall be indicated on the plat. Drainage easements shall be carried from the road to a natural watercourse or to other drainage facilities.*

(2) *When a proposed drainage system will carry water across private land outside the subdivision, appropriate drainage rights must be secured and indicated on the plat or other instrument as approved by the city. In the case of clear public interest, the city may participate in easement acquisition by power of condemnation.*

(3) *The owner/subdivider shall dedicate an appropriate drainage easement either in fee or by drainage easement or by conservation easement of land on both sides of existing watercourses to a distance to be determined by the planning and zoning commission or city council.*

22. Section 10.02.009 of the Subdivision Regulations is amended in its entirety to read as follows in italics: *No permanent structures shall be built within any floodplain at an elevation below the 100-year flood line. The finished floor pad shall be a minimum two feet above the 100-year flood level. No septic tanks or on-site septic systems shall be built, located or situated in areas designated as a floodplain. All floodplain areas designated as a Zone A on FEMA's most current flood insurance rate maps may be removed from the Property or redefined through the process of a conditional letter of map revision ("CLOMR") or a letter of map revision ("LOMR"). Non-residential permanent structures, amenities, trails, sports fields and park improvements may be placed within floodplain areas without requiring either a CLOMR or a LOMR. The finished floor pad shall be a minimum two feet above the 100-year flood level. No septic tanks or on-site septic systems shall be built, located or situated in areas designated as a floodplain.*

23. Park restrooms shall be connected to a sanitary sewer system.

24. Section 10.02.012 of the Subdivision Regulations [Reservations] shall not apply.

25. Building setback lines are not required to be shown on a plat.

26. Oversizing of Public Infrastructure to serve land outside of the boundaries of the Property shall not be required. Section 3 of Appendix 1 of the Subdivision Regulations [Street Improvements and Oversizing] shall not apply unless oversizing is funded by the City or a third party.

27. Section 4 of Appendix 1 of the Subdivision Regulations [Off-Site Access Roadways] shall not apply.

28. Section 5 of Appendix 1 of the Subdivision Regulations [Street Lighting] shall not apply.

29. For a residential street, the minimum radii requirements at the centerline of streets is 50 feet, and the maximum design speed is 25 miles per hour.

30. Section 9 of Appendix 1 of the Subdivision Regulations [Drainage and Storm Sewers] controls over any conflicting provisions in the Subdivision Regulations.

31. Section 10, item 4 of Appendix 1 of the Subdivision Regulations is amended to allow fittings to be ductile iron.

32. In the event of a conflict between the requirements of any retail provider of water or wastewater service and the Subdivision Regulations, the retail provider's requirements for Public Infrastructure shall control. Section 13.01.001 of the Subdivision Regulations [Water Treatment Plant Must Be Approved by Water District] shall not apply.

33. Section 10.03.007 of the Subdivision Regulations [Street Arrangement] is amended in its entirety to read as follows: "(a) All streets shall be laid out so that they intersect at right angles with a maximum tolerance of plus or minus ~~five~~ 15 percent. (b) Cul-de-sacs shall not be longer than ~~2,000~~ 1,200 feet from the nearest intersecting street, ~~and shall provide a turnaround having an outside roadway diameter of at least 80 feet in areas zoned SF2 and SF3.~~ Cul-de-sacs shall not be longer than ~~3,000~~ feet in areas zoned SF1."

34. A six-inch thickness of concrete pavement on a compacted subbase shall be required for street paving. The concrete must have a 28-day compressive strength of 3,600 pounds per square inch (ppsi). All steel reinforcing shall be deformed No. 3 bars on 18-inch centers both ways.

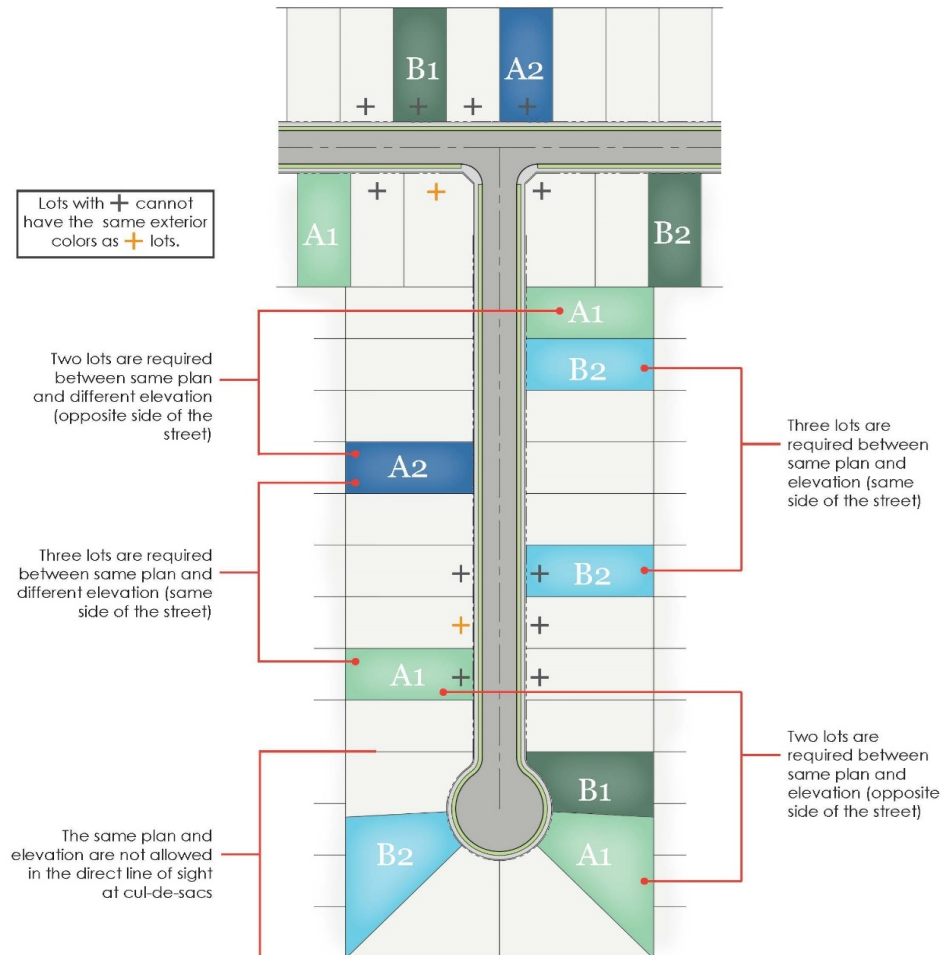
35. In the event of a conflict between the Subdivision Regulations and Chapter 212, Texas Local Government Code, as amended, the latter shall control.

36. The park, open space, amenity center, and trail requirements in **Exhibit D** of this Agreement fully satisfy all open space, parkland dedication, and park improvement requirements for the In-City Property and the Property, and no separate open space, parkland dedication, or park improvement ordinances or other regulations outside of this Agreement shall apply to the Property or the In-City Property.

Exhibit F
Product Type Illustrations

[separately attach]

Exhibit G **Repetition Restrictions**



Repetition Guidelines are as follows:

Same side of street -

- Same plan, same elevation must have 3 lots in between,
- Same plan, different elevation must have 3 lot in between

Opposite side of the street -

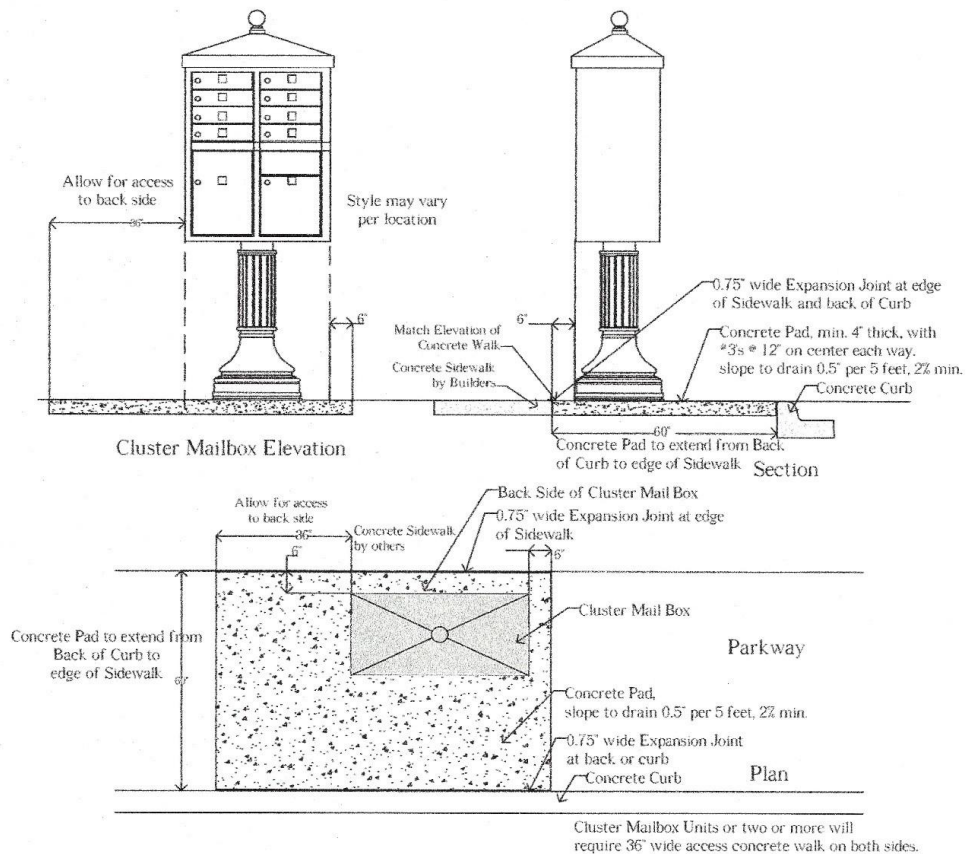
- Same plan, same elevation must have 2 complete lots in between.
- Same plan, different elevation must have 2 complete lot in between.

Exterior colors

- Exterior colors may not be the same side by side, or in direct line of sight, regardless of plan or elevation. Direct line of sight refers to the 3 lots directly across the street.

Exhibit H
Mailbox Design

Mailbox Design



Manufacturer:
Brandon Industries
1601 Wilmet Road
McKinney, Texas 75069
214-542-3000

Color: Black
Style: Cluster Box Units (CBU)
Type: Depending on location and number of Tenants and Parcels
Top Style: Sloped with ball cap
Base: Decorative
Include: Required Anchor Bolts

Exhibit I **Parks, Open Space, and Trail Plan**

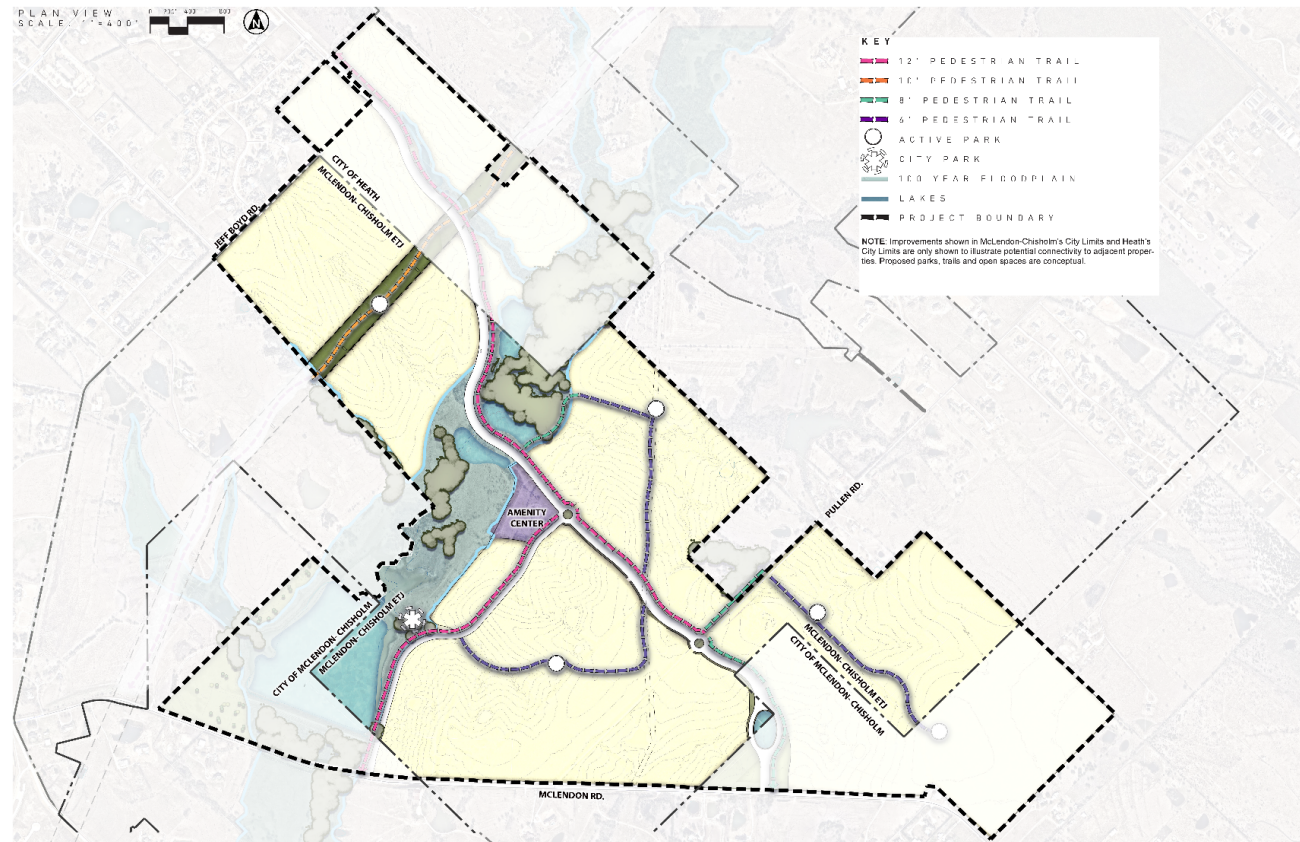


Exhibit J Street Sections

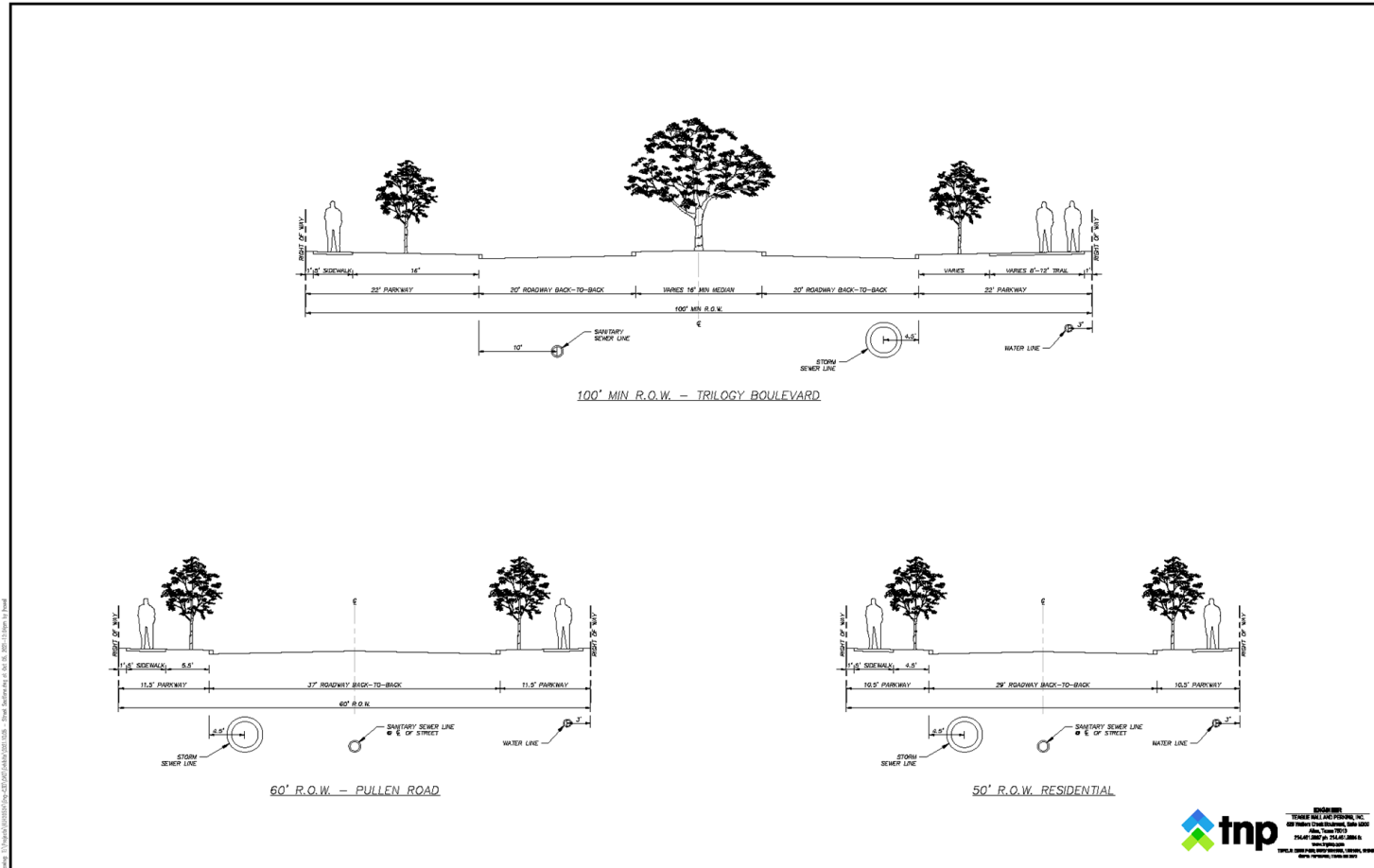


Exhibit K
Architectural Guidelines

1. Design Standards.

- a. Applicability of Other Design Standards. The design standards in this section are the exclusive design standards applicable to the Property, and apply only to principal buildings. An accessory building shall be designed consistent with the building materials used for the principal building on the same lot, but shall not otherwise be regulated by the design standards in this section.
- b. Approved Building Materials. In the context of approved building materials, a facade does not include doors, fascia, windows, chimneys, dormers, window box-outs, bay windows, soffits, eaves, and outdoor fireplaces. Multiple buildings on the same lot will each be deemed to have separate facades.
 - i. A minimum of 90 percent of each exterior building facade shall consist of one or more of the following building materials (subject to further restrictions in facade area set forth below for cementitious fiber board and EIFS):
 - 1. Stone, brick or tile laid up unit by unit and set in mortar;
 - 2. Stucco (exterior Portland cement plaster with three coats over metal lath or wire fabric lath or other methods approved by the City Administrator as equal or better quality in durability);
 - 3. Natural stone, cultured stone, or cast stone;
 - 4. Architecturally finished block (i.e. burnished block or split faced concrete laid up unit by unit and set in mortar), which shall be limited to the amenity center and other non-residential buildings;
 - 5. Cementitious fiber board. Cementitious fiber board is permitted subject to the following conditions: the style and color of a building using this product must be approved as part of a site plan, no more than 20 percent of the residential buildings in the Property may have a facade that is predominantly composed of this product unless the style of the home dictates more such as a Cape Cod, Craftsman or Victorian style home.
 - 6. Exterior Insulation and Finish System (EIFS), which shall be limited to the amenity center and other non-residential buildings. EIFS may be used only on that portion of a facade that is four feet or higher above grade. A maximum of 50 percent of all sides of a building visible from the street and not ultimately screened by another building or other device may consist of EIFS;

7. LEED-certified materials;
 8. Glass; or
 9. An alternative material approved by the City Administrator based on a finding that it is of a quality equal to or better than the materials listed above in durability.
- ii. A maximum of ten percent of a facade may include accent materials not listed above, except that aluminum siding, vinyl siding, unfinished concrete block, reflective glass, and galvanized steel are prohibited. The use of reflective glass and galvanized steel may be approved by the City Administrator for use on an amenity center or on other non-residential structures in unique circumstances in order to comply with green building techniques.
 - iii. The following requirement shall apply to a minimum of 50 percent of all single family residences at the time of full build out of the Property: A minimum of 25 percent of each exterior building façade shall consist of natural, cultured, or cast stone.
 - iv. The building material requirements in this section shall not apply to buildings in open space areas, including, but not limited to, an amenity center.
- c. Roofing Design and Materials.
- i. Roofing materials for sloped roofs shall be selected from the following list:
 1. Asphalt shingles;
 2. Industry approved synthetic shingles;
 3. Standing seam metal roofs;
 4. Tile roofs;
 5. Slate roofs;
 6. LEED-certified roofing materials; or
 7. An alternative material approved by the City Administrator based on a finding that it is of a quality equal to or better than the materials listed above in durability.
 - ii. Amenity centers and other non-residential buildings may have flat roofs or pitched roofs. All pitched roofs of non-residential buildings shall have a

minimum pitch of 4:12. Roofs covering porches and other architectural elements are excluded from this requirement. The City Administrator may approve a roof that does not meet these requirements based on a finding that a different roof pitch is appropriate for the proposed architectural style.

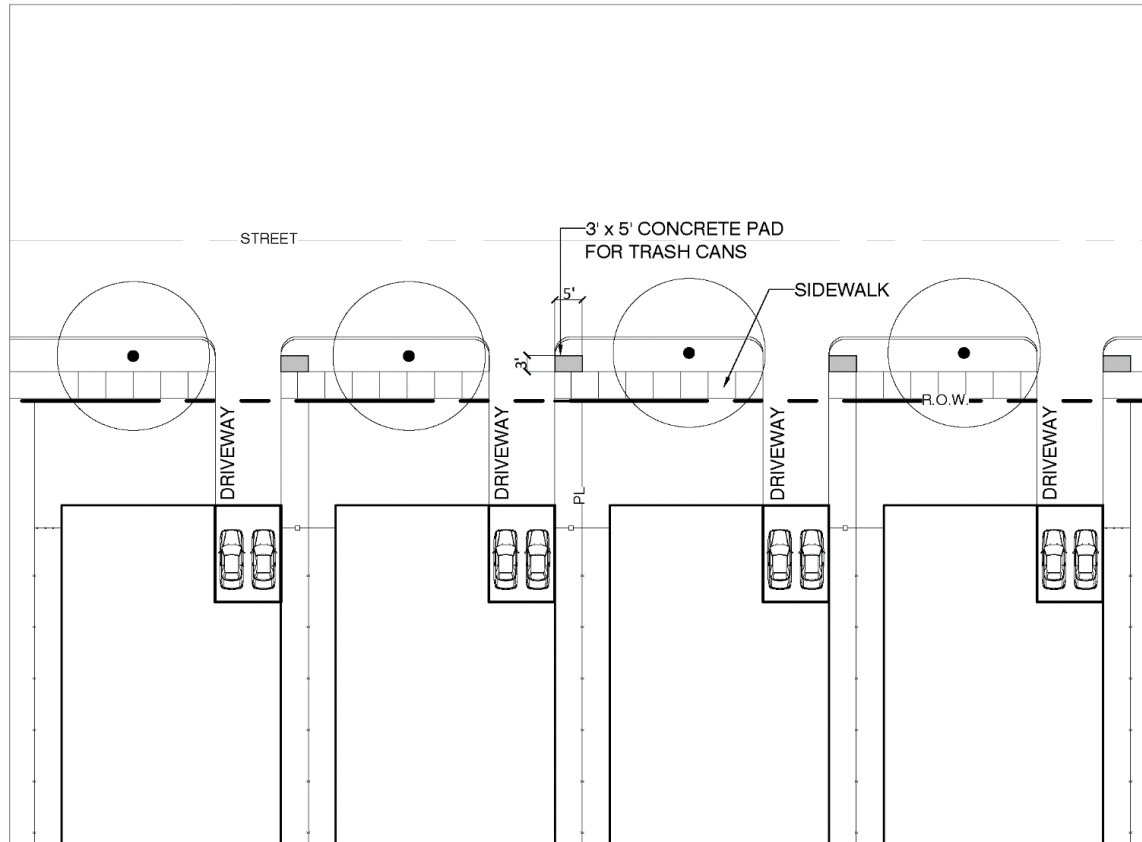
- iii. All pitched roofs of residential buildings shall have a minimum pitch of 6:12. Roofs covering porches, bay windows, box windows and other architectural elements are excluded from this requirement. The City Administrator may approve a roof that does not meet these requirements based on a finding that a different roof pitch is appropriate for the proposed architectural style.
 - iv. Flat roofs require parapet screening that adheres to vertical articulation requirements for the facade.
 - v. Parapets shall require cornice detailing.
 - vi. Each single-family detached home will have a 30-year dimensional shingle, tile, composite or metal seam roof.
- d. Design Features for Certain Residential Buildings. A minimum of four of the following design features are required on the exterior of each single family detached residential structure:
- i. Dormers;
 - ii. Cupolas;
 - iii. Gables;
 - iv. Recessed entries (minimum three feet);
 - v. Balconies;
 - vi. Covered front porches (minimum 70 square feet in area and seven feet in depth);
 - vii. Courtyards;
 - viii. Box windows or bay windows;
 - ix. Architectural pillars or posts;
 - x. Exterior chimneys;
 - xi. Varied roof heights;
 - xii. Archways;

- xiii. Porte cocheres;
 - xiv. Porticos;
 - xv. Shutters (functional or decorative);
 - xvi. Fireplaces with chimneys;
 - xvii. Minimum eight-foot tall front doors; or
 - xviii. Articulated cornice lines.
- e. Design Features for Non-Residential Buildings. Non-residential buildings shall comply with the following requirements:
- i. Cladding materials used on a facade shall extend a minimum of 20 feet around building corners onto adjacent facades, other than facades abutting an alley.
 - ii. All buildings must include at least four of the following design features, and buildings that are greater than 20,000 square feet in floor area must include at least six of the following design features:
 - A. Canopies, archways, covered walkways, or porticos;
 - B. Awnings;
 - C. Arcades;
 - D. Courtyards;
 - E. Cupolas;
 - F. Balconies;
 - G. Tower elements;
 - H. Recesses, projections; columns; pilasters projecting from the planes; offsets; reveals; or projecting ribs used to express architectural or structural bays;
 - I. Varied roof heights for pitched, peaked, sloped, or flat roof styles;
 - J. Articulated cornice line;
 - K. Arches;
 - L. Display windows, faux windows, or decorative glass windows;

- M. Architectural details, such as tile work and molding, or accent materials integrated into the building facade;
 - N. Integrated planters or wing walls that incorporate landscaping and sitting areas or outdoor patios;
 - O. Integrated water features; or
 - P. Other similar architectural features approved by the City Administrator.
- f. Entries.
- i. All non-residential buildings shall comply with the following requirements:
 - 1. All ground floor entrances shall be covered or inset.
 - 2. Building entrances shall be articulated with architectural elements such as columns, porticos, porches, and overhangs.
 - ii. All non-residential buildings over 20,000 square feet in floor area shall incorporate elements such as arcades, roofs, alcoves, porticos, and awnings that protect pedestrians from sun and weather for a minimum of 50 percent of the length of the building frontage along a street.
- g. Building Articulation. All non-residential building facades adjacent to and facing a street or open space shall include changes in relief such as columns, cornices, bases, fenestration, and fluted masonry at least every 50 feet along a building facade. This provision shall not apply to buildings in open space areas, including, but not limited to, an amenity center.
- h. Transparency.
- i. Residential Uses. At least 25 percent of each front residential facade facing the street shall contain windows or doorways. If a lot is located on a corner, only one street-facing facade is required to meet this requirement, which shall be the street that the front facade of the home faces.
 - ii. Non-Residential Uses. At least 50 percent of each front non-residential facade facing the street shall contain windows or doorways. If a lot is located on a corner, both street-facing facades are required to meet this requirement. This provision shall not apply to buildings in open space areas, including, but not limited to, an amenity center.

Note: For purposes of this exhibit, an amenity center is considered a non-residential building.

Exhibit L
Trash Can Pads



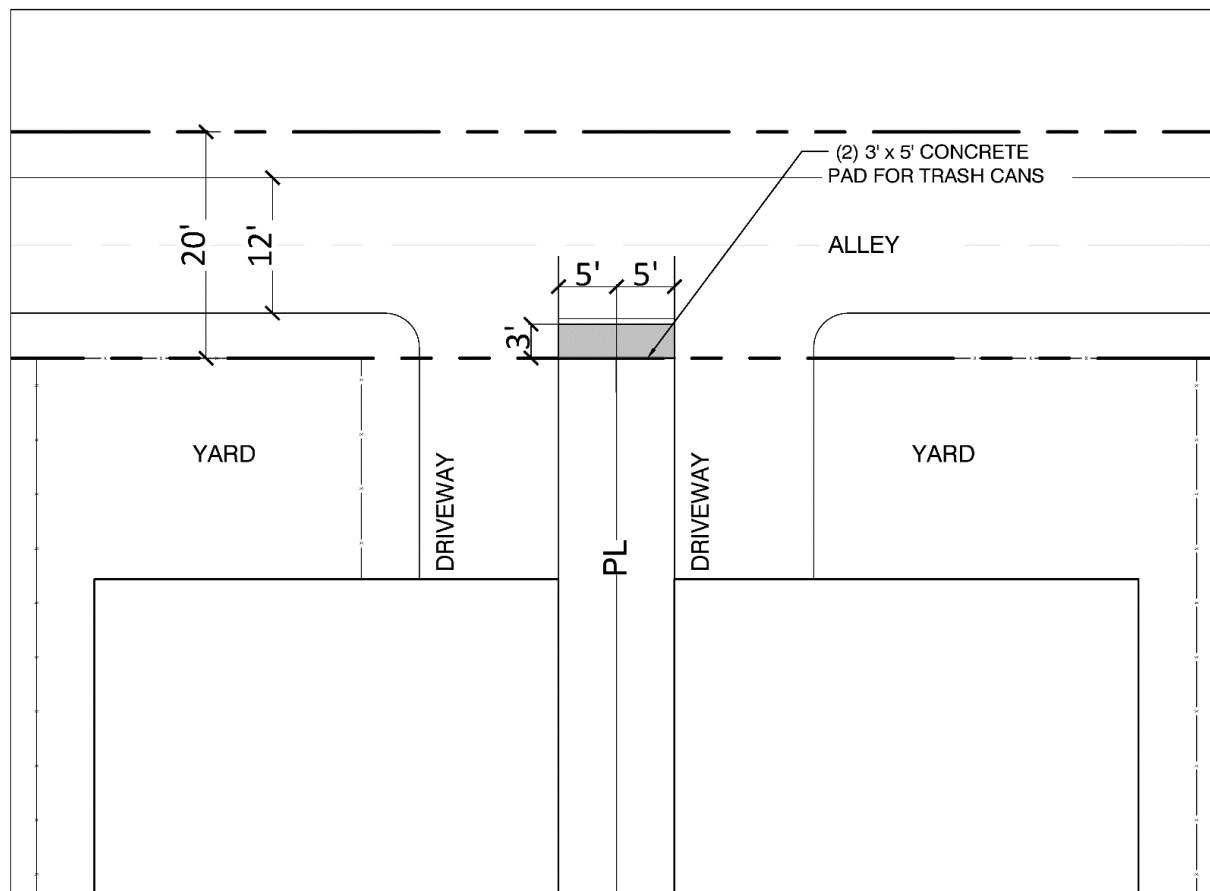


Exhibit M
Address Plaques

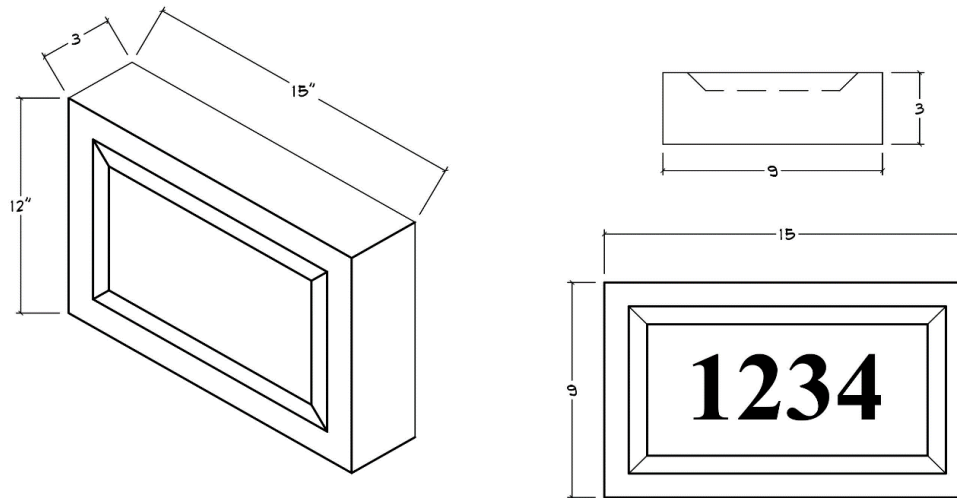
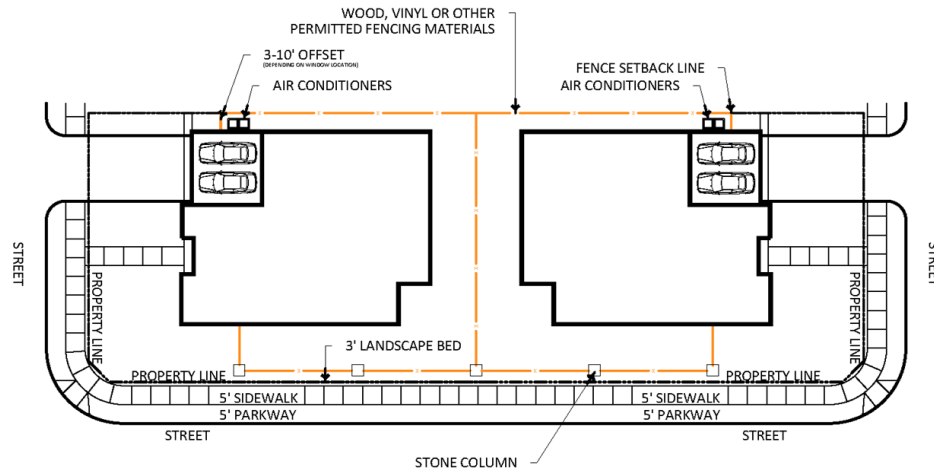


Exhibit N
Fence Design for Single Family Detached



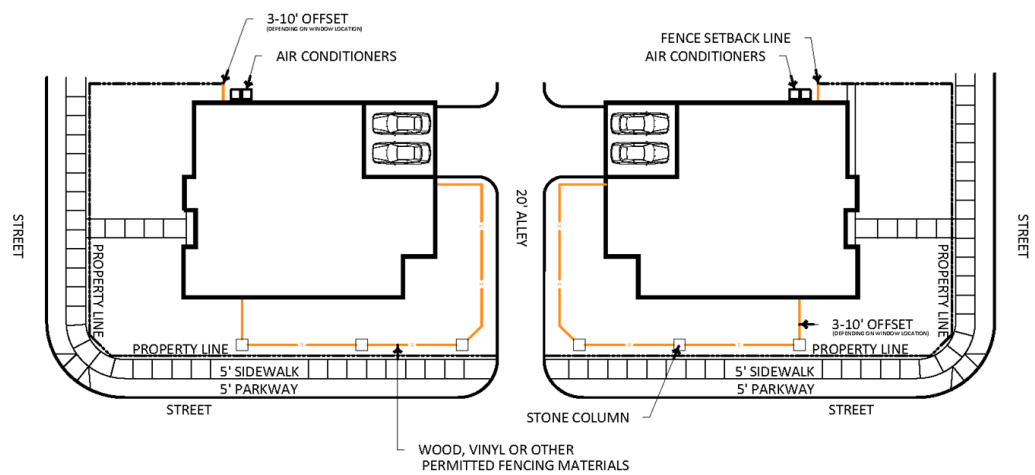


Exhibit N – Page 2

1580.039/96242.12

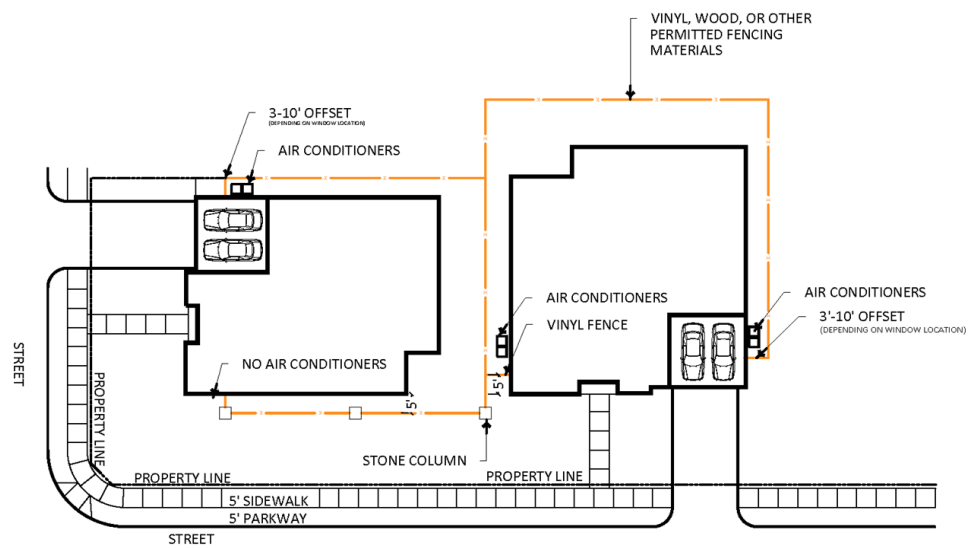


Exhibit O
Realtor and Builder Sign Specifications

T R I O L O G Y



Trilogy Color Specifications:



Tropical Blue
CMYK: 73.7.24.0
RGB: 27.177.193



Ocean Blue
CMYK: 50.0.100.10
RGB: 127.181.57

Exhibit P
Sidewalks

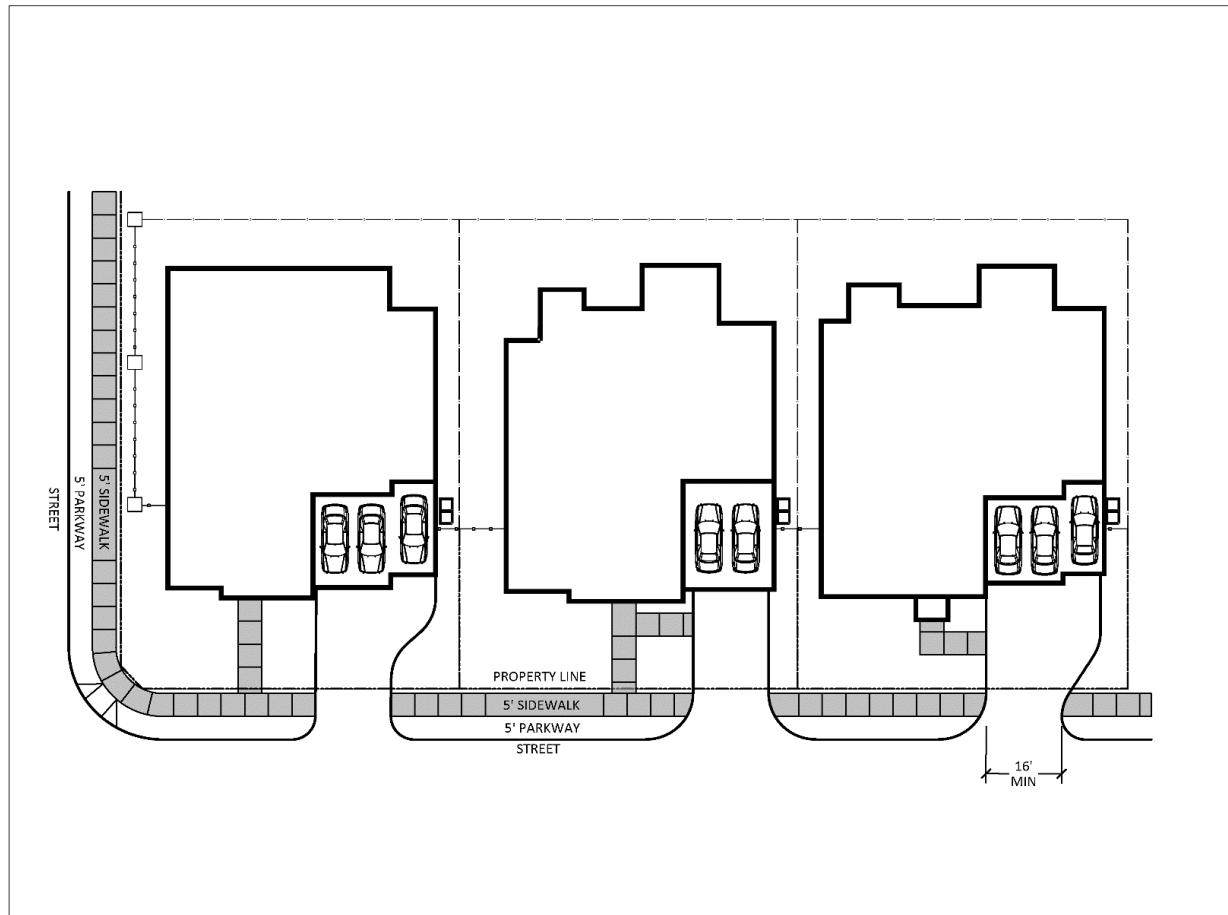


Exhibit Q
Shrub Planting Locations

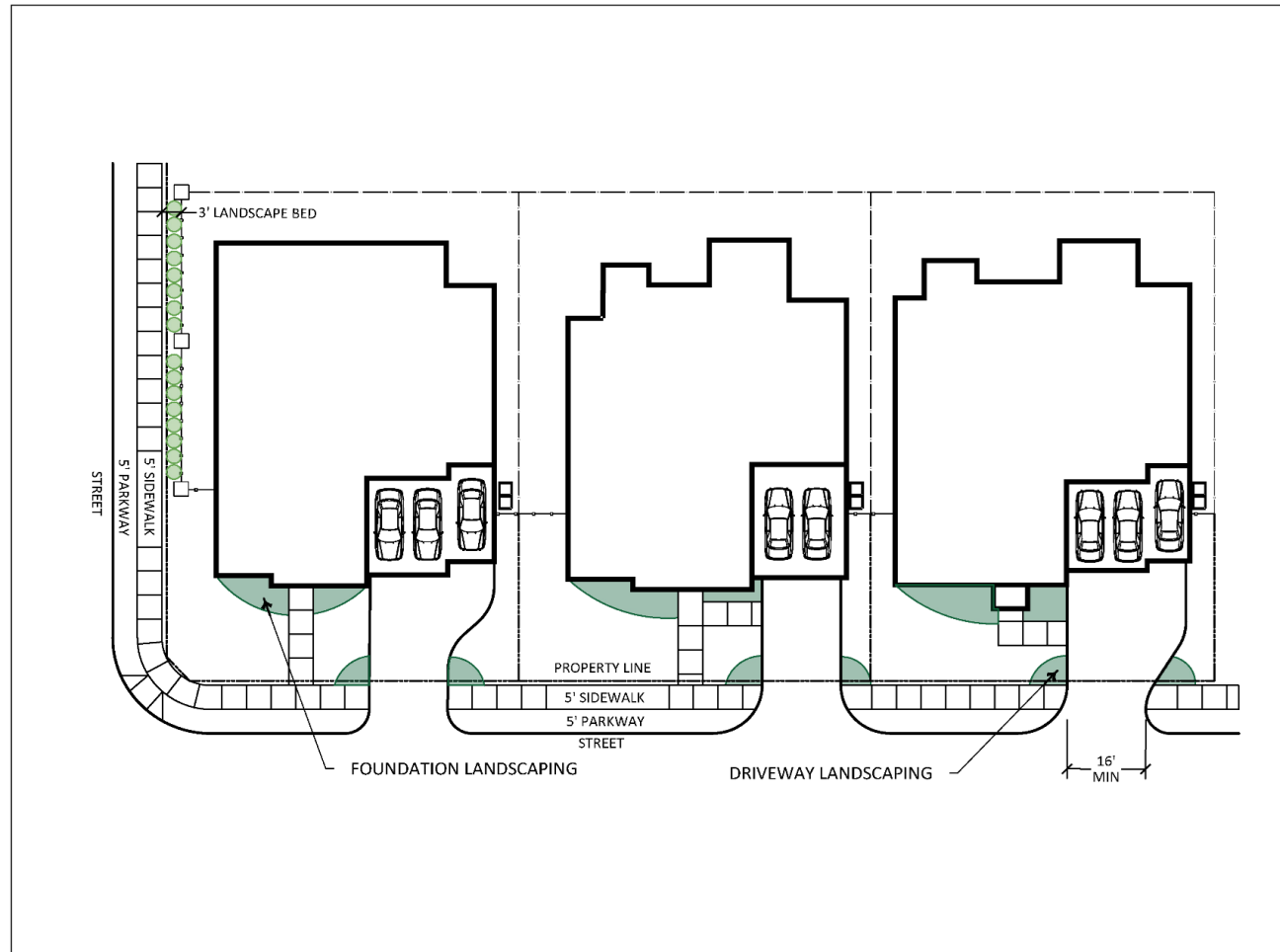


Exhibit R
District Notice

AFTER RECORDING, RETURN TO:

NOTICE TO PURCHASER
(Pursuant to Texas Water Code §49.452)

The real property, described below, that you are about to purchase is located in _____ District. The district has taxing authority separate from any other taxing authority and may, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of tax in payment of such bonds. [As of this date, the District has not yet levied taxes on real property located within the District. However, the most recent projected rate of tax, as of this date, is \$0.____ on each \$100 of assessed valuation.] [As of this date, the rate of taxes levied by the district on real property located in the district is \$0.____ on each \$100 of assessed valuation.] The total amount of bonds, excluding refunding bonds in any bonds or any portion of bonds issued thereof payable solely from revenues received or expected to be received under a contract with a governmental entity, approved by the voters and which have been or may, at this date, be issued is \$_____, and the aggregate initial principal amounts of all bonds issued for one or more of the specified facilities of the district and payable in whole or in part from property taxes is \$_____.

The District is located within the corporate boundaries of the City of McClendon-Chisholm (the "City"). The taxpayers of the District are subject to the taxes imposed by the City and by the District until the District is dissolved. By law, a district located within the corporate boundaries of a municipality may be dissolved by municipal ordinance without the consent of the district or the voters of the district.

The purpose of this district is to provide water, sewer, drainage, or flood control facilities and services [and road facilities] within the district through the issuance of bonds payable in whole or in part from property taxes. The cost of these facilities is not included in the purchase price of your property, and these facilities are owned or to be owned by the district. The legal description of the property you are acquiring is as follows:

THE REAL PROPERTY DESCRIBED IN EXHIBIT "A" ATTACHED HERETO.

Date:_____

Name:_____

Name: _____
Signature of Seller

PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT ROUTINELY ESTABLISHES TAX RATES DURING THE MONTHS OF SEPTEMBER THROUGH DECEMBER OF EACH YEAR, EFFECTIVE FOR THE YEAR IN WHICH THE TAX RATES ARE APPROVED BY THE DISTRICT. PURCHASER IS ADVISED TO CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or prior to execution of a binding contract for the purchase of the real property described in such notice or at closing of purchase of the real property.

Date: _____
Name: _____

Name: _____
Signature of Purchaser

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20__, by _____.

Notary Public, State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20__, by _____.

Notary Public, State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20__, by _____.

Notary Public, State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 20__, by _____.

Notary Public, State of Texas

EXHIBIT "A"

Lot __, Block __, of _____, an Addition to the __ of _____, _____ County, Texas as
recorded in Volume __, Page __, _____ Records, ____ County, Texas.

September 29, 2021

MUD 101 Background Provided by City Attorney, Michael Halla

A MUD is a political subdivision of the State of Texas authorized by the Texas Commission of Environmental Quality ("TCEQ") to provide water, sewage, drainage and other utility-related services within the MUD boundaries. MUDs vary in size, but they generally serve master-planned communities of a few hundred households. This is what Huffines is seeking to do.

The way to create a MUD is as follows: A majority of property owners in the proposed district (this would be just Huffines) petitions the TCEQ to create a MUD. The TCEQ evaluates the petition, holds a public hearing, and grants or denies the petition. After approval, the TCEQ appoints five temporary members to the MUD's Board of Directors, until an election is called to elect permanent Board members, to confirm the MUD's creation, and to authorize bonds and taxing authority for bond repayment.

It is pretty much the same process for developers. However, there are a couple of safeguards for MUD residents. The Same as above, developers must petition the TCEQ to create a MUD. Developers are prohibited from serving or placing employees, business associates, or family members on the MUD Board of Directors. Developers must pay for or put up a letter of credit equal to 30% of the cost of subdivision utilities.

The "30% rule" also offers protection to MUD residents in the event that a subdivision is not built according to schedule. Unless they are voting residents within a MUD, developers have no authority or control over the MUD's Board of Directors. If they are voting members of a district, they have the same power to vote and attend Board meetings as any other resident.

The TCEQ is the governing body that oversees MUDs from a regulatory standpoint. The TCEQ oversees what can be reimbursed to the developer through their review and approval of Bond Application Reports that are submitted by a licensed engineer in the State of Texas. The TCEQ regulates the water and sanitary sewer systems and oversees water and sanitary facility design criteria. All water and sanitary sewer plants owned and operated by MUDs are inspected annually by the TCEQ and inspected for water quality compliance and sewer effluent discharge permitting.

At the direction of the Board, and with the assistance of the MUD's engineer, attorney, and financial advisor, the MUD submits a bond application to the Texas Commission on Environmental Quality (TCEQ). The TCEQ approves the projects for reimbursement to the developer and the amount that the MUD can reimburse to the developer for those projects. The Texas Attorney General then reviews the bonds to ensure compliance with Texas law. A MUD relies on property and ad valorem taxes as well as water, sewer and other utility revenues to pay off bonds, which can take between 20 and 30 years. Typically, a developer will fund the initial cost to construct the roads, water, sanitary sewer, and drainage infrastructure necessary to

complete a development. Then, the developer must complete the improvements to create the property tax value necessary to cover the bond debt. A MUD generally cannot issue bonds for the infrastructure improvements until after the development has created the taxable value great enough to cover the debt created by the bonds. This process of developer reimbursement will generally occur in pieces as the development continues to create taxable value sufficient to cover the outstanding debt. Debt service on MUD bonds comes from property taxes. The homeowners within the MUD pay off the bonds and pay for utility services through a MUD tax. A MUD tax will be in lieu of a city tax. In theory, a MUD tax will go down over time because the initial infrastructure costs are eventually repaid, so only money collected after the original bonds are paid off would be to maintain services.

The only way a MUD tax is eliminated is if the MUD area is annexed by the city. If this happens, the city pays off the MUD debt and the utility payments are paid to the city.

The Texas Water Code, section 54.016 covers how we are involved in the MUD creation process. No MUD can be formed in our city limits unless we consent in writing. Period. In the ETJ, it can be created and, in fact, SHALL be created even if we do not consent (see subsection (d) highlighted below). We really have no responsibility to consent or not consent in the ETJ. If we do nothing, then subsection (b) below treats our no action as a denial and then the applicant can petition the TCEQ for creation.

WATER CODE

Sec. 54.016. CONSENT OF CITY. (a) No land within the corporate limits of a city or within the extraterritorial jurisdiction of a city, shall be included in a district unless the city grants its written consent, by resolution or ordinance, to the inclusion of the land within the district in accordance with Section [42.042](#), Local Government Code, and this section. The request to a city for its written consent to the creation of a district, shall be signed by a majority in value of the holders of title of the land within the proposed district as indicated by the county tax rolls. A petition for the written consent of a city to the inclusion of land within a district shall describe the boundaries of the land to be included in the district by metes and bounds or by lot and block number, if there is a recorded map or plat and survey of the area, and state the general nature of the work proposed to be done, the necessity for the work, and the cost of the project as then estimated by those filing the petition. If, at the time a petition is filed with a city for creation of a district, the district proposes to connect to a city's water or sewer system or proposes to contract with a regional water and wastewater provider which has been designated as such by the commission as of the date such petition is filed, to which the city has made a capital contribution for the water and wastewater facilities serving the area, the proposed district shall be designated as a "city service district." If such proposed district does not meet the criteria for a city service district at the time the petition seeking creation is filed, such district shall be designated as a "noncity service district." The city's consent shall not place any restrictions or conditions on the creation of a noncity service district as defined by this chapter other than those expressly provided in Subsection (e) of this section and shall specifically not limit the amounts of the district's bonds. A city may not require annexation as a consent to creation of any district. A city shall not refuse to approve a district bond issue for any reason except that the district is not

in compliance with valid consent requirements applicable to the district. If a city grants its written consent without the concurrence of the applicant to the creation of a noncity service district containing conditions or restrictions that the petitioning land owner or owners reasonably believe exceed the city's powers, such land owner or owners may petition the commission to create the district and to modify the conditions and restrictions of the city's consent. The commission may declare any provision of the consent to be null and void. The commission may approve the creation of a district that includes any portion of the land covered by the city's consent to creation of the district. The legislature may create and may validate the creation of a district that includes any portion of the land covered by the city's consent to the creation of the district.

(b) If the governing body of a city fails or refuses to grant permission for the inclusion of land within its extraterritorial jurisdiction in a district, including a district created by a special act of the legislature, within 90 days after receipt of a written request, a majority of the electors in the area proposed to be included in the district or the owner or owners of 50 percent or more of the land to be included may petition the governing body of the city and request the city to make available to the land the water or sanitary sewer service contemplated to be provided by the district.

(c) If the governing body of the city and a majority of the electors or the owner or owners of 50 percent or more of the land to be included in the district fail to execute a mutually agreeable contract providing for the water or sanitary sewer service requested within 120 days after receipt of the petition, the failure shall constitute authorization for the inclusion of the land in the district under the provisions of this section. Authorization for the inclusion of such land within the district under the provisions of this section shall mean only authorization to initiate proceedings to include the land within the district as otherwise provided by this Act.

(d) The provisions of this section relating to the method of including land in a district without securing the written consent of a city applies only to land within the extraterritorial jurisdiction of a city and does not apply to land within the corporate limits of a city. If the city fails or refuses to grant permission for the inclusion of land in a district or to execute a mutually agreeable contract providing for the water or sanitary sewer service requested within the time limits contained within Subsection (b) or (c) of this section, the applicant may petition the commission for creation of the district or inclusion of the land in a district. The commission shall allow creation or inclusion of the land in a proposed district upon a finding that the city either does not have the reasonable ability to serve or has failed to make a legally binding commitment with sufficient funds available to provide water and wastewater service adequate to serve the proposed development at a reasonable cost to the landowner.

MUD Petition background:

The landowner has submitted to the City four petitions, two requesting consent to creation of an in-city MUD: one petition includes the 179 acres currently within the City limits; and the second petition includes 575.14 acres currently within the City's ETJ. The third petition eliminates the need for a second MUD in favor of adding the 575.14 acres to the MUD created for the 179 acres. The fourth petition allows the 575.14 acres currently within the City's ETJ to stay in the ETJ and be developed with an ETJ MUD. This fourth petition starts the Texas Local Government Code Section 42.042 district creation process.

The landowner intends to use an in-city MUD to help finance infrastructure (water, sewer, roads and drainage) for development of the property. The MUD will also help fund operation and maintenance of the public improvements it owns, including roads.

Using an in-city MUD to finance public improvements provides an opportunity for the City to dedicate its ad valorem tax collections to projects not financed by the MUD. The in-city MUD also provides an opportunity for new development to fund public improvements for new development without spreading those costs to other development or existing City residents.

If the City consents to the creation of one or more in-city MUDs, the landowner and developer will work with their professional team to create the MUD through a TCEQ process. This process and the legal authority that supports it are described on the following pages. The MUD creation process typically takes 9 to 12 months after the MUD creation application is filed with the TCEQ.

If the City Council approves the MUD Consent Resolution for the in-City property, that consent resolution will be included in the MUD creation application filed with the TCEQ.

If the City Council approves the MUD Consent Resolution for the ETJ property, a second in-city MUD could be created.

If the City Council approves the MUD Consent Resolution for the addition of the ETJ property to the in-city MUD created for the 179 acres, that MUD would then annex the 575.14 acres into that in-city MUD after the land was annexed into the City.

If the City Council approves the MUD Consent Resolution for the creation of an ETJ MUD, the 575.14 acres would remain in the City's ETJ and the ETJ MUD would be created by the TCEQ.

If the City Council does not approve any MUD Consent Resolution, no MUD can be created within the City's corporate limits. The owner could still take advantage of the TLGC 42.042 process to create the ETJ MUD even without city consent, but such a process will add approximately one year to the MUD creation timeline.

PETITION FOR WRITTEN CONSENT OF CITY
TO CREATION OF A MUNICIPAL UTILITY DISTRICT

A municipal utility district (“MUD”) is a governmental agency, body politic, and political subdivision of the State of Texas authorized to acquire, construct, finance, own, operate, and maintain water, sanitary sewer, drainage, and flood control facilities; and roads and roadway improvements. MUDs may also provide recreational facilities and fire prevention and suppression improvements. MUDs are subject to the continuing supervision of the Texas Commission on Environmental Quality (“TCEQ”). The general law process for the creation of a MUD is set out in Chapter 54, Texas Water Code, and Subchapter B, Section 293 of the rules of the TCEQ, and involves three essential steps: (i) municipal consent, when applicable; (ii) TCEQ approval; and (iii) confirmation by the voters of the MUD at an election.

No land within the corporate limits or the extraterritorial jurisdiction (“ETJ”) of a city shall be included in a MUD unless the city grants its written consent, by resolution or ordinance. The City of McClendon-Chisolm (the “City”) has received a Petition from Hodges Ranch Partners, Ltd. (“Landowners”) requesting City consent to the creation of a MUD within its corporate limits to consist of 179.05 acres. This tract of land is currently located within the City. The City has also received a Petition from Landowners requesting City consent to the creation of a MUD within its corporate limits to consist of approximately 575.14 acres. While this tract of land is currently located within the City’s ETJ, the Petition contemplates that at the date of creation of that MUD or the date the MUD annexes the 575.14 acres, all of such land will be located within the City. These Petitions initiate the process for creation of the MUD.

The process for seeking City consent to creation of an in-city MUD is set out in Section 54.016, Texas Water Code. Creation of an ETJ MUD is governed by Section 42.042, Local Government Code, as well as Section 54.016, Texas Water Code. The request for City consent is most commonly made by petition, signed by a majority in value of the holders of title of the land within the proposed district; describing the boundaries of the district; and stating the general nature of the work proposed to be done, the necessity for the work, and the estimated costs of the project.

The City’s consent shall not place any restrictions or conditions on the creation of a district other than those expressly provided in Subsection (e) of Section 54.016. These are generally summarized as follows: a district must construct facilities in accordance with plans approved by the City; the City shall have the right to inspect all facilities being constructed by a district; the City may place restrictions on terms of district bonds and on the sale of district bonds as long as restrictions and conditions don’t render bonds unmarketable; and the City may restrict purposes for which a district sells bonds to purposes legally authorized for the district. In addition to all the rights and remedies provided by law, in the event a district violates the terms of the City’s written consent, the City shall be entitled to injunctive relief compelling the district to comply with the City’s consent.

Section 54.016, Texas Water Code, does not provide a specific remedy to Landowners in the event the City fails or refuses to grant its consent to creation of a MUD within its corporate

limits. This section specifically provides that under no circumstances shall land within the corporate limits of the City be included in a district without the written consent, by ordinance or resolution, of the City.

However, if the City fails or refuses to grant its consent to the creation of an ETJ MUD within 90 days from receipt of the Petition, Landowners may petition the City to make available to the land the water or sanitary sewer service contemplated to be provided by the ETJ MUD. If the City and Landowners fail to execute a mutually agreeable contract providing for the water or sanitary sewer service requested within 120 days after receipt of the petition for service, such failure shall constitute authorization for including the land in the ETJ MUD and proceeding with an application to TCEQ for approval of the creation of the ETJ MUD. The TCEQ shall allow creation of the ETJ MUD upon a finding that the City either does not have the reasonable ability to serve or has failed to make a legally binding commitment with sufficient funds available to provide water and wastewater service adequate to serve the proposed development at a reasonable cost to Landowners. Any such commitment by the City shall provide that construction of the facilities necessary to serve the land shall commence within two years and shall be substantially complete within four and one-half years from the date the petition for service was filed with the City.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MCLENDON-CHISHOLM, TEXAS, CONSENTING TO THE CREATION
OF A MUNICIPAL UTILITY DISTRICT ENCOMPASSING
APPROXIMATELY 179.05 ACRES OF LAND LOCATED WITHIN THE
CORPORATE LIMITS OF THE CITY; AND PROVIDING AN
EFFECTIVE DATE THEREOF.**

WHEREAS, the City of McLendon-Chisholm, Texas (the “City”), is a Type A general law municipal corporation of the State of Texas; and

WHEREAS, Hodges Partnership, LP (the “Owner”), is the owner of approximately 179.05 acres of land located within the corporate limits of the City and described by metes and bounds on Exhibit “A” attached hereto and incorporated herein (the “Property”); and

WHEREAS, Section 54.016, Texas Water Code, requires the City’s consent to the inclusion of land in a municipal utility district within (and accordingly creation of such a district within) the City’s corporate limits; and

WHEREAS, on September 24, 2021, the Owner filed a “Petition for Consent to Include Land in a Municipal Utility District” (the “Petition”) with the City Secretary, requesting the City’s consent to the creation of a municipal utility district to cover the Property, a copy of which petition is attached as Exhibit “B”, which provides in part that the District shall be organized under the terms and provisions of Article XVI, Section 59, of the Texas Constitution and Chapters 49 and 54, Texas Water Code, as amended; and

WHEREAS, the Property lies wholly within the corporate limits of the City, and no portion of the Property lies within the corporate limits or extraterritorial jurisdiction of any other municipality.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS:

SECTION 1. That all of the above premises are true and correct findings of the City of McLendon-Chisholm City Council, and they are hereby approved and incorporated into this Resolution for all purposes.

SECTION 2. That the City hereby consents to the creation of a municipal utility district (the “District”) covering the Property and the inclusion of the Property within the District, as requested by and more fully described in the Petition. The Mayor or City Manager of the City is hereby authorized and directed to execute from time to time such additional documents, if any, that may be required to evidence the City’s consent and to fulfill the purposes for which the consent is given.

SECTION 3. That the District shall be permitted to exercise all rights, powers and authority granted to municipal utility districts under the general laws of this state, including particularly the Texas Water Code, and the rules of the Texas Commission on Environmental Quality (“TCEQ”) or any other governmental agency having jurisdiction over the District. The City consents to the District’s exercise of road powers under the terms and provisions of Article III, Section 52, of the Texas Constitution and Section 54.234, Texas Water Code.

SECTION 4. That this Resolution and the consent granted hereby shall be effective immediately upon adoption.

DULY RESOLVED AND ADOPTED by the City Council of the City of McLendon-Chisholm, Texas, on the 13th day of October, 2021.

Mayor

ATTEST: City Secretary

City Attorney – Approved as to Form

[CITY SEAL]

EXHIBIT A

LEGAL DESCRIPTION
179.05 ACRE TRACT

1580.039\100514.5

EXHIBIT “B”

PETITION FOR CONSENT TO INCLUDE LAND
IN A MUNICIPAL UTILITY DISTRICT

1580.039\100514.5

PETITION FOR CONSENT TO INCLUDE
LAND IN A MUNICIPAL UTILITY DISTRICT

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM:

The undersigned, hereinafter called "Petitioner", being the holder of title to a majority in value of the lands hereinafter described, as such values are indicated by the tax rolls of Rockwall County, Texas, acting pursuant to the provisions of Section 54.016, Texas Water Code, as amended, respectfully petitions for the inclusion of land in a municipal utility district, hereinafter called the "District." In support of this petition for consent to include said lands within the District, Petitioner shows as follows:

I.

The name of the District will be ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 10.

II.

The area of the land to be included in the District contains 179.05 acres, more or less, and lies wholly within Rockwall County, Texas. All of said area is within the corporate limits of the City of McLendon-Chisholm and is not within the corporate limits or extraterritorial jurisdiction of any other municipality.

III.

The land sought to be included within the area of the District is described by metes and bounds in Exhibit "A" attached hereto and incorporated herein by reference for all purposes.

IV.

There is no holder of any lien on the land sought to be included within the area of the District.

V.

The District will be created and organized under the terms and provisions of Article XVI, Section 59, of the Constitution of Texas and Chapters 49 and 54 of the Texas Water Code, as amended. The purposes of and the general nature of the work proposed to be done by the District shall be:

(A) the purchase, construction, acquisition, repair, improvement and extension inside or outside the District's boundaries of land, easements, works, improvements, facilities, plants, equipment and appliances (including the financing of same) necessary to:

(1) provide a water supply for municipal uses, domestic uses and commercial purposes;

(2) collect, transport, process, dispose of and control all domestic, industrial or communal wastes whether in fluid, solid or composite state; and

(3) gather, conduct, divert and control local storm water or other local harmful excesses of water in the District;

(B) the payment of District organization expenses, operational expenses during construction and interest during construction;

(C) under the authority of Article III, Section 52, Texas Constitution, the design, acquisition, construction, financing, operation and maintenance of a road or any improvement in aid thereof; and

(D) the provision of such other facilities, systems, plants and enterprises as shall be consonant with the purposes for which the District is created and permitted under state law, including but not limited to facilities designed or utilized to perform fire-fighting services, purchase interests in land and purchase, construct, acquire, improve, extend, maintain and operate improvements, facilities and equipment for the purpose of providing parks and recreational facilities.

VI.

There is a necessity for the improvements above described for the following reasons: The area of the District is urban or suburban in nature, is within the growing City of McLendon-Chisholm, and is in close proximity to populous and developed sections of Rockwall County. The District's area will, within the immediate future, experience a substantial and sustained residential and commercial growth. Said area is not supplied with adequate water and sanitary sewer facilities and services or with adequate drainage facilities and does not have adequate fire suppression facilities, parks and recreational land and facilities or roads. The health and welfare of the future inhabitants of the area and of territories adjacent thereto require the installation and acquisition of an adequate water supply and sewage disposal system, an adequate drainage system for and within the area of the District, adequate fire suppression facilities, adequate parks and recreational land and facilities, and roads.

A public necessity exists for the organization of such District to provide for the purchase, construction, extension, improvement, maintenance and operation of such waterworks and sanitary sewer system, such drainage facilities, such fire suppression facilities, parks and recreational land and facilities, and roads, in order to promote and protect the purity and sanitary condition of the State's waters and the public health and welfare of the community.

VII.

Petitioner requests consent for the inclusion of the aforesaid lands in a municipal utility district.

VIII.

It is now estimated by those filing this petition, from such information as they have at this time, that the ultimate cost of the development contemplated will be approximately \$27,493,000.

[Execution Page Follows]

WHEREFORE, Petitioner respectfully prays that this petition be granted in all respects and that the City of McLendon-Chisholm give its written consent to the inclusion of the aforesaid land in said District.

Dated this 24 day of Sept., 2021.

"PETITIONER"

HODGES RANCH PARTNERS, LTD., a Texas limited partnership

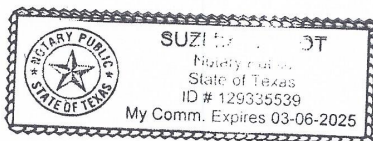
By: HODGES RANCH MANAGEMENT, LLC, a Texas limited liability company, its general partner

By: Warren J. Hodges
Name: Warren Hodges
Title: Managing Partner

THE STATE OF TEXAS §
COUNTY OF Rockwall §

This instrument was acknowledged before me on this the 24 day of Sept., 2021, by Warren Hodges, Managing Partner of Hodges Ranch Management, LLC, as general partner of Hodges Ranch Partners, Ltd.

(SEAL)



Doug Baneford
Notary Public in and for
the State of Texas

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MCLENDON-CHISHOLM, TEXAS, CONSENTING TO THE ADDITION
OF 575.14 ACRES OF LAND TO A MUNICIPAL UTILITY DISTRICT
LOCATED WITHIN THE CORPORATE LIMITS OF THE CITY; AND
PROVIDING AN EFFECTIVE DATE THEREOF.**

WHEREAS, the City of McLendon-Chisholm, Texas (the “City”), is a Type A general law municipal corporation of the State of Texas; and

WHEREAS, on even date hereof, the City adopted Resolution No. _____ consenting to the creation of a municipal utility district encompassing 179.05 acres of land located within the corporate limits of the City (“District”). The District shall be organized under the terms and provisions of Article XVI, Section 59 of the Texas Constitution, and Chapters 49 and 54, Texas Water Code, as amended; and

WHEREAS, Hodges Ranch Partners, Ltd. (the “Owner”), is the owner of approximately 575.14 acres of land located within the extraterritorial jurisdiction of the City and described by metes and bounds on Exhibit “A” attached hereto and incorporated herein (the “Property”); and

WHEREAS, on or about September 24, 2021, the Owner filed with the City Secretary a “Petition for Consent to Include Additional Land in a Municipal Utility District” (the “Petition”) relative to the “Property”; and

WHEREAS, the Petition was signed by the owner of the Property; and the Petition requests the City’s consent to the addition of the Property to the District subsequent to the creation of the District and further provided that the Property is located within the corporate limits of the City at the time of its addition to and inclusion in the District, and a copy of the Petition is attached hereto as Exhibit “B”; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF MCLENDON-CHISHOLM, TEXAS:**

SECTION 1. That all of the above premises are true and correct findings of the City of McLendon-Chisholm City Council, and they are hereby approved and incorporated into this Resolution for all purposes.

SECTION 2. That the City hereby consents to the addition of the Property to the District subsequent to the creation of the District and provided that the Property is located within the corporate limits of the City at the time of its addition to and inclusion in the District, and that the Mayor or City Manager of the City is hereby authorized and directed to execute from time to time such additional documents, if any, that may be required to evidence the City’s consent and to fulfill the purposes for which the consent is given.

SECTION 3. That this Resolution and the consent granted hereby shall be effective immediately upon adoption.

DULY RESOLVED AND ADOPTED by the City Council of the City of McLendon-Chisholm, Texas, on the 29th day of September, 2021.

Mayor

ATTEST: City Secretary

City Attorney

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

1580.039\100559.2

EXHIBIT “B”

PETITION FOR CONSENT TO INCLUDE ADDITIONAL LAND IN DISTRICT

1580.039\100559.2

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MCLENDON-CHISHOLM, TEXAS, CONSENTING TO THE ADDITION
OF 575.14 ACRES OF LAND TO A MUNICIPAL UTILITY DISTRICT
LOCATED WITHIN THE CORPORATE LIMITS OF THE CITY; AND
PROVIDING AN EFFECTIVE DATE THEREOF.**

WHEREAS, the City of McLendon-Chisholm, Texas (the “City”), is a Type A general law municipal corporation of the State of Texas; and

WHEREAS, on even date hereof, the City adopted Resolution No. _____ consenting to the creation of a municipal utility district encompassing 179.05 acres of land located within the corporate limits of the City (“District”). The District shall be organized under the terms and provisions of Article XVI, Section 59 of the Texas Constitution, and Chapters 49 and 54, Texas Water Code, as amended; and

WHEREAS, Hodges Ranch Partners, Ltd. (the “Owner”), is the owner of approximately 575.14 acres of land located within the extraterritorial jurisdiction of the City and described by metes and bounds on Exhibit “A” attached hereto and incorporated herein (the “Property”); and

WHEREAS, on or about September 24, 2021, the Owner filed with the City Secretary a “Petition for Consent to Include Additional Land in a Municipal Utility District” (the “Petition”) relative to the “Property”; and

WHEREAS, the Petition was signed by the owner of the Property; and the Petition requests the City’s consent to the addition of the Property to the District subsequent to the creation of the District and further provided that the Property is located within the corporate limits of the City at the time of its addition to and inclusion in the District, and a copy of the Petition is attached hereto as Exhibit “B”; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF MCLENDON-CHISHOLM, TEXAS:**

SECTION 1. That all of the above premises are true and correct findings of the City of McLendon-Chisholm City Council, and they are hereby approved and incorporated into this Resolution for all purposes.

SECTION 2. That the City hereby consents to the addition of the Property to the District subsequent to the creation of the District and provided that the Property is located within the corporate limits of the City at the time of its addition to and inclusion in the District, and that the Mayor or City Manager of the City is hereby authorized and directed to execute from time to time such additional documents, if any, that may be required to evidence the City’s consent and to fulfill the purposes for which the consent is given.

SECTION 3. That this Resolution and the consent granted hereby shall be effective immediately upon adoption.

DULY RESOLVED AND ADOPTED by the City Council of the City of McLendon-Chisholm, Texas, on the 13th day of October, 2021.

Mayor

ATTEST: City Secretary

City Attorney

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

1580.039\100559.3

EXHIBIT “B”

PETITION FOR CONSENT TO INCLUDE ADDITIONAL LAND IN DISTRICT

1580.039\100559.3

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MCLENDON-CHISHOLM, TEXAS, CONSENTING TO THE CREATION
OF A MUNICIPAL UTILITY DISTRICT ENCOMPASSING
APPROXIMATELY 575.14 ACRES OF LAND TO BE LOCATED WITHIN
THE CORPORATE LIMITS OF THE CITY; AND PROVIDING AN
EFFECTIVE DATE THEREOF.**

WHEREAS, the City of McLendon-Chisholm, Texas (the “City”), is a Type A general law municipal corporation of the State of Texas; and

WHEREAS, Hodges Ranch Partners, Ltd. (the “Owner”), is the owner of approximately 575.14 acres of land currently located within the extraterritorial jurisdiction of the City and described by metes and bounds on Exhibit “A” attached hereto and incorporated herein (the “Property”); and

WHEREAS, Section 54.016, Texas Water Code, requires the City’s consent to the inclusion of land in a municipal utility district within (and accordingly creation of such a district within) the City’s extraterritorial jurisdiction or corporate limits; and

WHEREAS, on September 24, 2021, the Owner filed a “Petition for Consent to Include Land in a Municipal Utility District” (the “Petition”) with the City Secretary, requesting the City’s consent to the creation of a municipal utility district (the “District”) within the corporate limits of the City to cover the Property, a copy of which petition is attached as Exhibit “B”, which provides in part that the District shall be organized under the terms and provisions of Article XVI, Section 59, of the Texas Constitution and Chapters 49 and 54, Texas Water Code, as amended; and

WHEREAS, the Property currently lies wholly within the extraterritorial jurisdiction of the City, and no portion of the Property lies within the corporate limits or extraterritorial jurisdiction of any other municipality; however, as indicated in the Petition, at the time of creation of the District, the Property is expected to be located wholly within the corporate limits of the City.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF MCLENDON-CHISHOLM, TEXAS:**

SECTION 1. That all of the above premises are true and correct findings of the City of McLendon-Chisholm City Council, and they are hereby approved and incorporated into this Resolution for all purposes.

SECTION 2. That the City hereby consents to the creation of a municipal utility district (the “District”) covering the Property and the inclusion of the Property within the District, as requested by and more fully described in the Petition. The Mayor or City Manager of the City is

hereby authorized and directed to execute from time to time such additional documents, if any, that may be required to evidence the City's consent and to fulfill the purposes for which the consent is given. Such consent shall be effective as to the Property provided that the Property is located wholly within the corporate limits of the City at the time of creation of the District.

SECTION 3. That the District shall be permitted to exercise all rights, powers and authority granted to municipal utility districts under the general laws of this state, including particularly the Texas Water Code, and the rules of the Texas Commission on Environmental Quality ("TCEQ") or any other governmental agency having jurisdiction over the District. The City consents to the District's exercise of road powers under the terms and provisions of Article III, Section 52, of the Texas Constitution and Section 54.234, Texas Water Code.

SECTION 4. That this Resolution and the consent granted hereby shall be effective immediately upon adoption.

DULY RESOLVED AND ADOPTED by the City Council of the City of McLendon-Chisholm, Texas, on the 13th day of October, 2021.

Mayor

ATTEST: City Secretary

City Attorney – Approved as to Form

[CITY SEAL]

EXHIBIT A

LEGAL DESCRIPTION
575.14 ACRE TRACT

1580.039\100516.5

EXHIBIT “B”

PETITION FOR CONSENT TO INCLUDE LAND
IN A MUNICIPAL UTILITY DISTRICT

1580.039\100516.5

PETITION FOR CONSENT TO INCLUDE
LAND IN A MUNICIPAL UTILITY DISTRICT

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM:

The undersigned, hereinafter called "Petitioner", being the holder of title to a majority in value of the lands hereinafter described, as such values are indicated by the tax rolls of Rockwall County, Texas, acting pursuant to the provisions of Section 54.016, Texas Water Code, as amended, respectfully petitions for the inclusion of land in a municipal utility district, hereinafter called the "District." In support of this petition for consent to include said lands within the District, Petitioner shows as follows:

I.

The name of the District will be ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 11.

II.

The area of the land to be included in the District contains 575.14 acres, more or less, and lies wholly within Rockwall County, Texas. At the date of this Petition, all of said area is within the extraterritorial jurisdiction of the City of McLendon-Chisholm and is not within the corporate limits or extraterritorial jurisdiction of any other municipality. At the date of creation of the District, all of said land is expected to be located within the corporate limits of the City of McLendon-Chisholm.

III.

The land sought to be included within the area of the District is described by metes and bounds in Exhibit "A" attached hereto and incorporated herein by reference for all purposes.

IV.

There is no holder of any lien on the land sought to be included within the area of the District.

V.

The District will be created and organized under the terms and provisions of Article XVI, Section 59, of the Constitution of Texas and Chapters 49 and 54 of the Texas Water Code, as amended. The purposes of and the general nature of the work proposed to be done by the District shall be:

(A) the purchase, construction, acquisition, repair, improvement and extension inside or outside the District's boundaries of land, easements, works, improvements, facilities, plants, equipment and appliances (including the financing of same) necessary to:

(1) provide a water supply for municipal uses, domestic uses and commercial purposes;

(2) collect, transport, process, dispose of and control all domestic, industrial or communal wastes whether in fluid, solid or composite state; and

(3) gather, conduct, divert and control local storm water or other local harmful excesses of water in the District;

(B) the payment of District organization expenses, operational expenses during construction and interest during construction;

(C) under the authority of Article III, Section 52, Texas Constitution, the design, acquisition, construction, financing, operation and maintenance of a road or any improvement in aid thereof; and

(D) the provision of such other facilities, systems, plants and enterprises as shall be consonant with the purposes for which the District is created and permitted under state law, including but not limited to facilities designed or utilized to perform fire-fighting services; purchase interests in land and purchase, construct, acquire, improve, extend, maintain and operate improvements, facilities and equipment for the purpose of providing parks and recreational facilities.

VI.

There is a necessity for the improvements above described for the following reasons: The area of the District is urban or suburban in nature, is within the growing environs of City of McLendon-Chisholm, and is in close proximity to populous and developed sections of Rockwall County. The District's area will, within the immediate future, experience a substantial and sustained residential and commercial growth. Said area is not supplied with adequate water and sanitary sewer facilities and services or with adequate drainage facilities and does not have adequate fire suppression facilities, parks and recreational land and facilities or roads. The health and welfare of the future inhabitants of the area and of territories adjacent thereto require the installation and acquisition of an adequate water supply and sewage disposal system, an adequate drainage system for and within the area of the District, adequate fire suppression facilities, adequate parks and recreational land and facilities, and roads.

A public necessity exists for the organization of such District to provide for the purchase, construction, extension, improvement, maintenance and operation of such waterworks and sanitary sewer system, such drainage facilities, such fire suppression facilities, parks and

recreational land and facilities, and roads, in order to promote and protect the purity and sanitary condition of the State's waters and the public health and welfare of the community.

VII.

Petitioner requests consent for the inclusion of the aforesaid lands in a municipal utility district within the corporate limits of the City of McLendon-Chisholm.

VIII.

It is now estimated by those filing this petition, from such information as they have at this time, that the ultimate cost of the development contemplated will be approximately \$135,000,000.

[Execution Page Follows]

WHEREFORE, Petitioner respectfully prays that this petition be granted in all respects and that the City of McLendon-Chisholm give its written consent to the inclusion of the aforesaid land in said District.

Dated this 24 day of Sept, 2021.

"PETITIONER"

HODGES RANCH PARTNERS, LTD., a Texas limited partnership

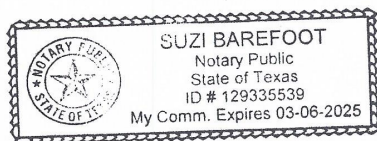
By: HODGES RANCH MANAGEMENT, LLC, a Texas limited liability company, its general partner

By: Warren Hodges
Name: Warren Hodges
Title: Managing Partner

THE STATE OF TEXAS §
COUNTY OF Rockwall §

This instrument was acknowledged before me on this the 24 day of Sept, 2021, by Warren Hodges, Managing Partner of Hodges Ranch Management, LLC, as general partner of Hodges Ranch Partners, Ltd.

(SEAL)



Suzi Barefoot
Notary Public in and for
the State of Texas

PETITION FOR CONSENT TO INCLUDE ADDITIONAL LAND
IN A MUNICIPAL UTILITY DISTRICT

THE STATE OF TEXAS §
 §
COUNTY OF ROCKWALL §

TO THE HONORABLE MAYOR AND
CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM:

Hodges Ranch Partners, Ltd., being the holder of title to a majority in value of the land hereinafter described, as such values are indicated by the tax rolls of the Central Appraisal District of Rockwall County, Texas ("Petitioner"), acting pursuant to the provisions of Section 54.016, Texas Water Code, respectfully petitions the City of McLendon-Chisholm (the "City") for consent to include additional land in a municipal utility district to be located within its corporate limits. In support of this petition, Petitioner shows as follows:

I.

Contemporaneously with the filing of this Petition, Petitioner has filed with the City a petition for the creation of a municipal utility district encompassing approximately 179.05 acres of land located within the corporate limits of the City (the "District"). The District is to be organized under the terms and provisions of Article XVI, Section 59, of the Texas Constitution, and Chapters 49 and 54, Texas Water Code, as amended. The Petitioner is the sole owner and holder of fee simple title to the land sought to be added to the District, as indicated by the tax rolls of the Central Appraisal District of Rockwall County, Texas. Petitioner represents and warrants that there are no holders of liens against said land.

II.

The land sought to be added to the District contains approximately 575.14 acres and lies wholly within Rockwall County, Texas. No part of said approximately 575.14 acres is within the corporate limits of any incorporated city or town. Under the provisions of Section 42.001 *et seq.*, Texas Local Government Code, as amended, said area is within the extraterritorial jurisdiction of the City and is not within such jurisdiction of any other city or town.

III.

The land sought to be added to the area of the District is described by metes and bounds in Exhibit "A" attached hereto and incorporated herein for all purposes.

IV.

The general nature of the work proposed to be done in the area sought to be added to the District shall be:

(A) the purchase, construction, acquisition, repair, improvement and extension inside or outside the District's boundaries of land, easements, works, improvements, facilities, plants, equipment and appliances (including the financing of same) necessary to:

- (1) provide a water supply for municipal uses, domestic uses and commercial purposes;
- (2) collect, transport, process, dispose of and control all domestic, industrial or communal wastes whether in fluid, solid or composite state; and
- (3) gather, conduct, divert and control local storm water or other local harmful excesses of water in the District; and

(B) under the authority of Article III, Section 52, Texas Constitution, the design, acquisition, construction, financing, operation and maintenance of a road or any improvement in aid thereof.

V.

There is a necessity for the improvements above described for the following reasons. The area of the District is urban in nature, is within the growing environs of the City, and is in close proximity to populous and developed sections of Rockwall County. The land sought to be added to the District is not supplied with adequate water, sanitary sewer and drainage facilities and services, and does not have adequate fire suppression facilities, parks and recreational land and facilities or roads. Nor is it presently economically feasible for such facilities to be provided to said land. The health and welfare of the present and future inhabitants of the District, the land sought to be added to the District, and of territories adjacent thereto require the installation and acquisition of an adequate water supply and sewage disposal system, an adequate drainage system for and within the land sought to be added to the District, adequate fire suppression facilities, adequate parks and recreational land and facilities, and roads. A public necessity exists for the addition of the aforesaid lands to the District in order to provide for the purchase, construction, extension, improvement, maintenance and operation of such waterworks and sanitary sewer system and such drainage facilities, adequate fire suppression facilities, adequate parks and recreational land and facilities, and roads so as to promote and protect the purity and sanitary condition of the State's waters and the public health and welfare of the community.

VI.

Petitioner requests consent for the inclusion of the aforesaid lands into the District

subsequent to the creation of the District and further provided that such land is located within the City's corporate limits at the time of its addition to and inclusion in the District.

VII.

It is estimated by the Petitioner, from such information as is available at this time, that the development contemplated within the proposed area to be added to and included in the District will be approximately \$135,000,000.

WHEREFORE, Petitioner respectfully prays that this petition be granted in all respects and that the City of McLendon-Chisholm give its consent to the inclusion of the aforesaid land in said District.

[Execution Page Follows]

Dated this the 29th day of September, 2021.

HODGES RANCH PARTNERS, LTD., a Texas
limited partnership

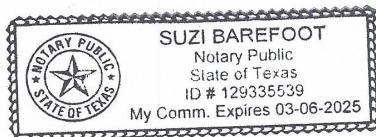
By: HODGES RANCH MANAGEMENT,
LLC, a Texas limited liability company,
its general partner

By: Warren J. Hodges
Name: _____
Title: _____

THE STATE OF TEXAS §
COUNTY OF Rockwall §

This instrument was acknowledged before me on this the 24 day of Sept.,
2021, by Warren Hodges, Managing Partner of Hodges Ranch Management,
LLC, as general partner of Hodges Ranch Partners, Ltd.

(SEAL)



Suzi Barefoot
Notary Public in and for
the State of Texas

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MCLENDON-CHISHOLM, TEXAS, CONSENTING TO THE CREATION
OF A MUNICIPAL UTILITY DISTRICT ENCOMPASSING
APPROXIMATELY 575.14 ACRES OF LAND LOCATED WITHIN THE
EXTRATERRITORIAL JURISDICTION OF THE CITY; AND
PROVIDING AN EFFECTIVE DATE THEREOF.**

WHEREAS, the City of McLendon-Chisholm, Texas (the “City”), is a Type A general law municipal corporation of the State of Texas; and

WHEREAS, Hodges Ranch Partners, Ltd. (the “Owner”), is the owner of approximately 575.14 acres of land currently located within the extraterritorial jurisdiction of the City and described by metes and bounds on Exhibit “A” attached hereto and incorporated herein (the “Property”); and

WHEREAS, Section 42.042 , Texas Local Government Code and Section 54.016, Texas Water Code, require the City’s consent to the inclusion of land in a municipal utility district within (and accordingly creation of such a district within) the City’s extraterritorial jurisdiction; and

WHEREAS, on October 8, 2021, the Owner filed a “Petition for Consent to Include Land in a Municipal Utility District” (the “Petition”) with the City Secretary, requesting the City’s consent to the creation of a municipal utility district (the “District”) within the extraterritorial jurisdiction of the City to cover the Property, a copy of which petition is attached as Exhibit “B”, which provides in part that the District shall be organized under the terms and provisions of Article XVI, Section 59, of the Texas Constitution and Chapters 49 and 54, Texas Water Code, as amended; and

WHEREAS, the Property currently lies wholly within the extraterritorial jurisdiction of the City, and no portion of the Property lies within the corporate limits or extraterritorial jurisdiction of any other municipality.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF MCLENDON-CHISHOLM, TEXAS:**

SECTION 1. That all of the above premises are true and correct findings of the City of McLendon-Chisholm City Council, and they are hereby approved and incorporated into this Resolution for all purposes.

SECTION 2. That the City hereby consents to the creation of a municipal utility district (the “District”) covering the Property and the inclusion of the Property within the District, as requested by and more fully described in the Petition. The Mayor or City Manager of the City is hereby authorized and directed to execute from time to time such additional documents, if any,

1580.039\100902.1

that may be required to evidence the City's consent and to fulfill the purposes for which the consent is given.

SECTION 3. That the District shall be permitted to exercise all rights, powers and authority granted to municipal utility districts under the general laws of this state, including particularly the Texas Water Code, and the rules of the Texas Commission on Environmental Quality ("TCEQ") or any other governmental agency having jurisdiction over the District. The City consents to the District's exercise of road powers under the terms and provisions of Article III, Section 52, of the Texas Constitution and Section 54.234, Texas Water Code.

SECTION 4. That this Resolution and the consent granted hereby shall be effective immediately upon adoption.

DULY RESOLVED AND ADOPTED by the City Council of the City of McLendon-Chisholm, Texas, on the 13th day of October, 2021.

Mayor

ATTEST: City Secretary

City Attorney – Approved as to Form

[CITY SEAL]

EXHIBIT A

LEGAL DESCRIPTION
575.14 ACRE TRACT

1580.039\100902.1

EXHIBIT “B”

PETITION FOR CONSENT TO INCLUDE LAND
IN A MUNICIPAL UTILITY DISTRICT

1580.039\100902.1

PETITION FOR CONSENT TO INCLUDE
LAND IN A MUNICIPAL UTILITY DISTRICT

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM:

The undersigned, hereinafter called "Petitioner", being the holder of title to a majority in value of the lands hereinafter described, as such values are indicated by the tax rolls of Rockwall County, Texas, acting pursuant to the provisions of Section 54.016, Texas Water Code, as amended, respectfully petitions for the inclusion of land in a municipal utility district, hereinafter called the "District." In support of this petition for consent to include said lands within the District, Petitioner shows as follows:

I.

The name of the District will be ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 10; provided, that if the City of McClendon-Chisholm consents (either prior to or contemporaneously with its consent to the creation of the District) to the creation of a municipal utility district encompassing approximately 179.05 acres of land within the corporate limits of said municipality and having the name Rockwall County Municipal Utility District No. 10, then the name of the District will be ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 11.

II.

The area of the land to be included in the District contains 575.14 acres, more or less, and lies wholly within Rockwall County, Texas. All of said area is within the extraterritorial jurisdiction of the City of McLendon-Chisholm and is not within the corporate limits or extraterritorial jurisdiction of any other municipality.

III.

The land sought to be included within the area of the District is described by metes and bounds in Exhibit "A" attached hereto and incorporated herein by reference for all purposes.

IV.

There is no holder of any lien on the land sought to be included within the area of the District.

V.

The District will be created and organized under the terms and provisions of Article XVI, Section 59, of the Constitution of Texas and Chapters 49 and 54 of the Texas Water Code, as

amended. The purposes of and the general nature of the work proposed to be done by the District shall be:

(A) the purchase, construction, acquisition, repair, improvement and extension inside or outside the District's boundaries of land, easements, works, improvements, facilities, plants, equipment and appliances (including the financing of same) necessary to:

(1) provide a water supply for municipal uses, domestic uses and commercial purposes;

(2) collect, transport, process, dispose of and control all domestic, industrial or communal wastes whether in fluid, solid or composite state; and

(3) gather, conduct, divert and control local storm water or other local harmful excesses of water in the District;

(B) the payment of District organization expenses, operational expenses during construction and interest during construction;

(C) under the authority of Article III, Section 52, Texas Constitution, the design, acquisition, construction, financing, operation and maintenance of a road or any improvement in aid thereof; and

(D) the provision of such other facilities, systems, plants and enterprises as shall be consonant with the purposes for which the District is created and permitted under state law, including but not limited to facilities designed or utilized to perform fire-fighting services; purchase interests in land and purchase, construct, acquire, improve, extend, maintain and operate improvements, facilities and equipment for the purpose of providing parks and recreational facilities.

VI.

There is a necessity for the improvements above described for the following reasons: The area of the District is urban or suburban in nature, is within the growing environs of City of McLendon-Chisholm, and is in close proximity to populous and developed sections of Rockwall County. The District's area will, within the immediate future, experience a substantial and sustained residential and commercial growth. Said area is not supplied with adequate water and sanitary sewer facilities and services or with adequate drainage facilities and does not have adequate fire suppression facilities, parks and recreational land and facilities or roads. The health and welfare of the future inhabitants of the area and of territories adjacent thereto require the installation and acquisition of an adequate water supply and sewage disposal system, an adequate drainage system for and within the area of the District, adequate fire suppression facilities, adequate parks and recreational land and facilities, and roads.

A public necessity exists for the organization of such District to provide for the purchase, construction, extension, improvement, maintenance and operation of such waterworks and

WHEREFORE, Petitioner respectfully prays that this petition be granted in all respects and that the City of McLendon-Chisholm give its written consent to the inclusion of the aforesaid land in said District.

Dated this 8 day of October, 2021.

"PETITIONER"

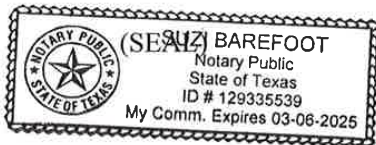
HODGES RANCH PARTNERS, LTD., a Texas limited partnership

By: HODGES RANCH MANAGEMENT, LLC, a Texas limited liability company, its general partner

By: Warren T. Hodges
Name: WARREN T. HODGES
Title: Managing Partner

THE STATE OF TEXAS §
COUNTY OF Rockwall §

This instrument was acknowledged before me on this the 8 day of October, 2021, by Warren T. Hodges, Managing Partner of Hodges Ranch Management, LLC, as general partner of Hodges Ranch Partners, Ltd.



Suzi Barefoot
Notary Public in and for
the State of Texas

EXHIBIT A

ETJ TRACT 1

BEING ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATED IN THE J. SIMMONS SURVEY, ABSTRACT NO. 202, THE W.W. FORD SURVEY, ABSTRACT NO. 80, AND THE A. RODRIGUEZ SURVEY, ABSTRACT NO. 231, IN ROCKWALL COUNTY, TEXAS, AND ALSO BEING A PORTION OF THE PROPERTY DESCRIBED IN DEED TO HODGES RANCH PARTNERS, LTD., AS RECORDED IN VOLUME 3828 AT PAGE 322 ALSO KNOWN AS DOCUMENT NUMBER 00319510 ON DECEMBER 4TH 2004 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS, AND BEING SUBJECT TO A MEMORANDUM OF INTEREST WITH REGARD TO OWNERSHIP OF REAL PROPERTY RECORDED UNDER COUNTY CLERKS FILE NUMBER 20160000014831 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT FOR CORNER IN RABBIT RIDGE ROAD, (A VARIABLE WIDTH RIGHT-OF-WAY), AT THE WEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE N 44°16'29" E a distance of 89.26'to a point for corner;

THENCE N 44°15'17" E a distance of 1492.27'to a point for corner;

THENCE S 45°49'51" E a distance of 3464.03'to a point for corner;

THENCE N 45°15'27" E a distance of 845.37'to a point for corner;

THENCE S 45°20'50" E a distance of 770.32'to a point for corner;

THENCE S 45°52'07" E a distance of 371.76'to a point for corner;

THENCE S 45°39'45" E a distance of 866.70'to a point for corner;

THENCE S 45°04'02" E a distance of 400.01'to a point for corner;

THENCE S 44°19'52" W a distance of 614.77'to a point for corner;

THENCE S 44°19'52" W a distance of 618.71'to a point for corner;

THENCE S 45°40'08" E a distance of 706.56'to a point for corner;

THENCE S 44°23'53" W a distance of 1352.29'to a point for corner;

THENCE S 44°42'29" W a distance of 1349.67'to a point for corner;

THENCE N 45°05'00" W a distance of 30.40'to a point for corner;

THENCE S 68°20'00" W a distance of 151.80'to a point for corner;

THENCE N 88°15'00" W a distance of 274.51'to a point for corner;

THENCE N 88°15'00" W a distance of 102.49'to a point for corner;

THENCE N 87°05'36" W a distance of 499.42'to a point for corner;

THENCE N 88°20'23" W a distance of 365.10'to a point for corner;
 THENCE N 45°00'00" W a distance of 1596.73'to a point for corner;
 THENCE N 45°00'00" E a distance of 1050.00'to a point for corner;
 THENCE N 45°00'00" W a distance of 150.87'to a point for corner;
 THENCE N 48°33'57" E a distance of 83.82'to a point for corner;
 THENCE N 08°18'57" E a distance of 54.00'to a point for corner;
 THENCE N 43°11'03" W a distance of 104.00'to a point for corner;
 THENCE N 12°41'03" W a distance of 111.00'to a point for corner;
 THENCE N 39°33'57" E a distance of 93.00'to a point for corner;
 THENCE S 89°11'03" E a distance of 140.00'to a point for corner;
 THENCE N 33°48'57" E a distance of 108.00'to a point for corner;
 THENCE N 81°48'57" E a distance of 98.00'to a point for corner;
 THENCE N 13°18'57" E a distance of 143.00'to a point for corner;
 THENCE N 61°11'03" W a distance of 57.00'to a point for corner;
 THENCE N 44°56'03" W a distance of 123.00'to a point for corner;
 THENCE N 08°56'03" W a distance of 57.00'to a point for corner;
 THENCE N 86°18'57" E a distance of 129.00'to a point for corner;
 THENCE N 40°03'57" E a distance of 128.00'to a point for corner;
 THENCE N 57°03'57" E a distance of 110.00'to a point for corner;
 THENCE N 69°48'57" E a distance of 81.15'to a point for corner;
 THENCE N 41°14'57" W a distance of 2018.90'to a point for corner;
 THENCE N 40°35'51" W A DISTANCE OF 1575.68' TO THE POINT OF BEGINNING, CONTAINING
 19,245,590.6 SQUARE FEET, OR 441.818 ACRES OF LAND MORE OR LESS.

ETJ TRACT 2

BEING ALL THAT CERTAIN LOT, TRACT OR PARCEL OF LAND SITUATED IN THE J. SIMMONS
 SURVEY, ABSTRACT NO. 202, THE W.W. FORD SURVEY, ABSTRACT NO. 80, AND THE A.
 RODRIGUEZ SURVEY, ABSTRACT NO. 231, IN ROCKWALL COUNTY, TEXAS, AND ALSO BEING A
 PORTION OF THE PROPERTY DESCRIBED IN DEED TO HODGES RANCH PARTNERS, LTD., AS
 RECORDED IN VOLUME 3828 AT PAGE 322 ALSO KNOWN AS DOCUMENT NUMBER 00319510 ON
 DECEMBER 4TH 2004 OF THE OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS, AND
 BEING SUBJECT TO A MEMORANDUM OF INTEREST WITH REGARD TO OWNERSHIP OF REAL

PROPERTY RECORDED UNDER COUNTY CLERKS FILE NUMBER 20160000014831 OF THE
OFFICIAL PUBLIC RECORDS OF ROCKWALL COUNTY, TEXAS AND BEING MORE PARTICULARLY
DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT FOR CORNER IN PULLEN ROAD,(A VARIABLE WIDTH RIGHT-OF-WAY),
AT THE NORTH CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE S 45°52'07" E a distance of 836.75' to a point for corner;

THENCE N 44°13'38" E a distance of 717.19' to a point for corner;

THENCE S 45°44'07" E a distance of 1529.00' to a point for corner;

THENCE S 45°00'00" W a distance of 1708.95' to a point for corner;

THENCE N 45°00'00" W a distance of 1750.00' to a point for corner;

THENCE S 45°00'00" W a distance of 800.00' to a point for corner;

THENCE S 45°00'00" E a distance of 600.00' to a point for corner;

THENCE S 45°00'00" W a distance of 1092.91' to a point for corner;

THENCE N 88°13'09" W a distance of 163.88' to a point for corner;

THENCE N 86°06'41" W a distance of 301.66' to a point for corner;

THENCE N 88°15'00" W a distance of 1073.00' to a point for corner;

THENCE N 01°45'00" E a distance of 65.55' to a point for corner;

THENCE N 44°34'36" E a distance of 928.59' to a point for corner;

THENCE N 44°31'40" E a distance of 151.79' to a point for corner;

THENCE N 43°28'23" E a distance of 346.55' to a point for corner;

THENCE N 44°43'11" E a distance of 901.86' to a point for corner;

THENCE N 44°06'02" E a distance of 914.03' to a point for corner;

THENCE N 44°44'29" E a distance of 285.28' to a point for corner;

THENCE N 45°50'03" E A DISTANCE OF 322.68' TO THE POINT OF BEGINNING, CONTAINING
5,807,645.3 SQUARE FEET, OR 133.325 ACRES OF LAND MORE OR LESS.



DAVIDSON
TROILO
REAM
GARZA PC
ATTORNEYS AT LAW

JOHN W. DAVIDSON ARTHUR TROILO (1931-2020) CHEREE TULL KINZIE R. GAINES GRIFFIN RICHARD E. HETTINGER
PATRICK W. LINDNER LEA A. REAM FRANK J. GARZA JAMES C. WOO DAVID R. RANGEL R. JO RESER
PAUL M. GONZÁLEZ STEVEN M. PEÑA SCOTT J. SMYTH JESSIE LOPEZ RICHARD E. LINDNER
ARTHUR C. TROILO III NICONDRA CHARGOIS-ALLEN BETSY J. JOHNSON MOLLY G. SOLIS
HEATHER R. STARLING AUSTIN R. BECK JUSTIN J. NAIL E. SPENCER NEALY CHELSEA N. AMEN
OF COUNSEL TERRY TOPHAM

pgonzalez@dtrglaw.com

August 27, 2021

Via email (mayor@mclendonchisholm.com) only:

City of McLendon-Chisholm
Attn: Hon. Keith Short, Mayor
City Hall
1371 West FM 550
McLendon-Chisholm, TX 75032

Re: Engagement Letter and Fee Agreement

Dear Mayor Short:

The law firm of Davidson, Troilo, Ream & Garza, PC would be pleased to serve as special counsel for the City of McLendon-Chisholm, Texas ("City"). In this capacity, we will advise the City regarding the expansion of its water system to include facilities and service area presently owned by and certificated to RCH Water Supply Corporation ("RCH"), including the preparation of one or more agreements and applications before the Public Utility Commission of Texas ("PUC"), with an ultimate goal of serving a planned 2500 unit residential mixed-use development project that extends from within the corporate limits of the City and its extraterritorial jurisdiction, to adjacent unincorporated area of Rockwall County, Texas (the "Development").

You can expect us to give your legal needs prompt attention and to keep you informed of all significant developments. We will send you copies of correspondence, memoranda, pleadings, and other documents related to the services we perform for you, and we suggest that you keep them in your permanent files. We accept employment as your attorneys in these matters on the following terms:

Associated Representation and Potential Conflicts of Interest

It is our understanding that the City may provide a copy of this fee letter to Huffines Communities, Inc. ("Huffines") and that both parties have agreed (or will agree) that Huffines will pay legal fees and expenses incurred in the representation of the City as provided herein, subject to an agreement between the City and Huffines addressing potential reimbursement to Huffines by the City. While the firm was asked to provide a sample of such agreement to both (attached), the firm cannot and will not represent either in the negotiation and execution of the finalized agreement: each party will engage its own legal counsel, as deemed appropriate.

MAINTAINING A TRADITION OF TEXAS VALUES SINCE 1962

601 NW LOOP 410, SUITE 100 SAN ANTONIO, TX 78216-5511 T 210.349.6484 F 210.349.0041 DTRGLAW.COM

280652

Hon. Keith Short, Mayor
City of McLendon-Chisholm
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In addition, because the City and Huffines are aligned in seeking release from the RCH service territory and the establishment of service by the City for the Development, the City and Huffines each consent to representation by the firm of the other party as to any separate proceedings that may be required in order to effectuate the shared objective of establishing City service to the Development. The purpose of this paragraph, which will be included in the engagement letter of each party, is to confirm that both the City and Huffines are aware that the firm will represent both clients jointly as described herein.

Huffines and the City acknowledge that they may disagree about how to proceed with the matter, including that they may disagree about whether to settle any particular proceeding. Although, Huffines and the City recognize the potential conflict, upon discovery of such a conflict, the firm will promptly inform the parties of such conflict. If Huffines and the City are unable to reach a mutually acceptable resolution to the conflict, or if the conflict is not waived by both parties, the firm will advise the parties of potential and recommended next course of action or withdraw as counsel.

As you know, this firm represents other entities within Rockwall County, including the cities of Rockwall and Terrell, in addressing retail and wholesale water matters. As noted previously in our conversations, at present we see no conflict of interest between the City, Huffines and these other firm clients. Upon discovery of a potential conflict, the firm will promptly inform Huffines and the City of such conflict. Given this firm's longstanding relationship with pre-existing clients, should a non-waivable conflict of interest arise or should Huffines and the City refuse to waive otherwise waivable conflict of interest, the firm would withdraw from its representation of Huffines and the City in this matter and continue its representation of its pre-existing clients.

By executing the agreements to engage this firm's services, each signatory, Huffines or the City, confirms that it has been informed of the potential for a conflict of interest to arise, and agrees to waive any potential conflict of interest that may arise by the firm representing both Huffines and the City. This waiver includes any foreseeable conflict that may arise throughout the course of the representation and is intended to comply with Texas Rules of Disciplinary Professional Conduct 1.06, 1.07, and any other applicable rules.

Legal Fees

Our fees for professional services are charged at hourly rates depending upon experience and special expertise. My services are \$325 per hour, and I will be your primary contact. Services that Patrick Lindner performs will be at a rate of \$375.00 per hour based upon his forty years plus experience dealing with these types of matters. Other attorneys and legal assistants may assist us and their work will be performed at their standard hourly rate at the time the service is rendered. These rates are subject to annual increase or adjustment, upon written notice to you.

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City of McLendon-Chisholm
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Hourly rates are calculated from time spent participating in office and telephone conferences, drafting and reviewing legal documents and correspondence, conducting legal research, attending hearings and meetings, filing documents, and other similar services, depending on the nature of the particular matter we are handling for you.

Third Party Fees

Invoices received for services of court reporters, experts, title companies, surveyors, appraisers, and other third parties will be forwarded to you for payment.

Payment

Unless we have an agreement otherwise, the firm will bill you monthly for services rendered and expenses incurred in your behalf, and such invoices are payable upon receipt. We recognize that the City currently does not have funds to pay us directly and will not have those funds until proceeds of property taxes and net revenue from utility services become available. We understand that the City intends to submit our bills to Huffines, the developer, for payment by the developer, with the further understanding that the City will reimburse the developer for these and other advances pursuant to a separate agreement between the City and Huffines.

Interest on Past-Due Statements

Statements for legal fees and expenses that are unpaid after thirty (30) days will bear interest from the thirty-first (31st) day from the date of statement until paid at the rate of eighteen percent (18%) per annum, or the highest rate allowed by law, whichever is less. Our acceptance of payments after thirty (30) days is not an agreement on our part to continue to provide legal services if fees and expenses become substantially in arrears.

Withdrawal as Counsel

We are not required to perform any further work if we do not receive timely payment of fees and expenses (including bills for expenses received from third parties). If such nonpayment occurs, we may move to withdraw as counsel in any case where we have made an appearance on your behalf, and you will promptly execute any required motions to withdraw. In any event, Davidson, Troilo, Ream & Garza, a Professional Corporation, is entitled to the fees and expenses that have been incurred up to the date of withdrawal, plus all fees and expenses incurred in assisting the transition to substitute counsel.

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Retained Files

It is our policy to retain client files for five (5) years following the conclusion of our representation. After five years, we may discard the contents of your file without further notice. Upon conclusion of our representation, we will return any original documents you provided to us.

Listing Clients

The firm has listings of major clients in several legal publications and is sometimes asked to reveal our major clients to the press. Unless you instruct us otherwise, we appreciate your approval to list your company as a client.

Confidentiality

We maintain strict confidentiality of all client records.

State Bar of Texas Notice

We are attorneys licensed by the State Bar of Texas. The State Bar requires that we advise you as follows:

The State Bar investigates and prosecutes professional misconduct committed by Texas attorneys. Although not every complaint against or dispute with a lawyer involves professional misconduct, the State Bar Office of General Counsel; will provide you with information about how to file a complaint. For more information, you may call 1-800-932-1900. This is a toll-free call.

[Remainder of page intentionally blank]

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City of McLendon-Chisholm
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If the City Council finds this letter of engagement acceptable, please ask the appropriate official to sign the enclosed copy in the space provided and return a signed original to my attention.

Sincerely yours,



Paul M. González
For the Firm

PMG/lg

ACCEPTED AND APPROVED:

CITY OF MCLENDON-CHISHOLM, TEXAS

By: _____

Name: _____

Title: _____

Enclosure: draft sample reimbursement agreement

Copy to: Lisa Palomba, City Administrator
Via email (CityAdministrator@mclendon-chisholm.com)