CITY OF BLUE RIDGE, TEXAS
RESOLUTION NO. 2022-0705-002

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLUE RIDGE, TEXAS; APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE A DEVELOPMENT AGREEMENT RELATING TO THE BLUE RIDGE NORTH PUBLIC IMPROVEMENT DISTRICT; AND RESOLVING OTHER MATTERS RELATED THERETO.

WHEREAS, on July 5, 2022, the City Council (the "City Council") of the City of Blue Ridge, Texas (the "City") adopted a resolution creating the Blue Ridge North Public Improvement District (the "District") in accordance with Chapter 372, Texas Local Government Code, as amended (the "Act"); and

WHEREAS, the City desires to approve the "Development Agreement (Blue Ridge North in Blue Ridge, Texas)" relating to the District (the "Development Agreement"); and

WHEREAS, the Development Agreement satisfies the requirements of Section 212.172 of the Texas Local Government Code and provides for the orderly development of property within the District in accordance with the terms agreed to by the Owner (as defined in the Development Agreement) and the City and promotes the interests of the City.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BLUE RIDGE, TEXAS, THAT:

SECTION 1. The findings and premises contained in the WHEREAS clauses above are hereby deemed to be true and correct and incorporated as a part of this Resolution for all purposes.

SECTION 2. The Development Agreement attached hereto as **Exhibit A**, is approved and the Mayor is authorized to execute such Development Agreement on behalf of the City.

SECTION 3. The City Council hereby authorizes and directs the City Secretary of the City to record the Development Agreement in the deed records of Collin County, Texas, pursuant to the requirements of Section 212.172(f) of the Texas Local Government Code and Section 5.9 of the Development Agreement.

SECTION 4. This Resolution shall become effective from and after its date of passage in accordance with law.

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PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF BLUE RIDGE THIS THE 5th DAY OF JULY 2022.

CITY OF BLUE RIDGE,

_____

RHONDA WILLIAMS, MAYOR

ATTEST:

_____

EDIE SIMS, CITY SECRETARY

Exhibit A to Resolution
Development Agreement
(Blue Ridge North in Blue Ridge, Texas)

DEVELOPMENT AGREEMENT
(BLUE RIDGE NORTH IN BLUE RIDGE, TEXAS)

This Development Agreement (this "Agreement") is executed between Fieldside Development, LLC, a Texas limited liability company (formerly known as GLA Ventures LLC) ("Developer"), Prograce Blue Ridge, LLC, a Texas limited liability company ("Prograce") and the Blue Ridge Independent School District ("BRISD", and together with Prograce referred to collectively as the "Owners") and the City of Blue Ridge (the "City"), each a "Party" and collectively the "Parties" to be effective on July 5, 2022 (the "Effective Date"). If Developer or an affiliate of Developer does not acquire fee simple title to 100% of the Property defined in the first recital by December 31, 2022, this Agreement shall automatically be null and void and of no further force or effect on that date.

ARTICLE I
RECITALS

WHEREAS, on the Effective Date, Owners collectively own the 59.015 acre tract of land described by metes and bounds on **Exhibit A** (the "Property") and Developer has entered into a purchase and sale contract with the Owners pursuant to which Developer or its affiliate will acquire fee simple title to the Property; and

WHEREAS, Owners intend to assign all rights, title, interest, and obligations under this Agreement to the Developer or its affiliate upon Developer's or its affiliate's acquisition of fee simple title to the Property on or before December 31, 2022, and, pursuant to such assignment, Developer and, if applicable its affiliate, will become the sole owner of the Property under this Agreement and shall be the sole "Owner" and the "Developer" under this Agreement for all purposes; and

WHEREAS, the Developer intends to develop the Property in accordance with this Agreement in the immediate future; and

WHEREAS, the Parties contemplate the development of the entire Property pursuant to the terms of this Agreement (the "Development"); and

WHEREAS, the Parties intend for this Agreement to establish certain restrictions and to impose certain commitments in connection with the development of the Property; and

WHEREAS, the Developer intends to construct and/or make financial contributions to certain onsite and/or offsite public improvements to serve the Development and for the benefit of the City; and

WHEREAS, the Developer will pay for and construct certain onsite infrastructure, including streets and roads; drainage; water, sanitary sewer, and other utility systems; parks, open space, landscaping, and trail systems; and dedicate in fee or by easement land to the City for all of the onsite public improvements necessitated by and attributable to the development of the Property (collectively, "Onsite Public Improvements"); and

WHEREAS, Developer has agreed to pay for and construct the Off-Site Sewer Improvements defined in Section 3.1(b) and shown on **Exhibit D**, which are not part of the Onsite Public Improvements; and

WHEREAS, Developer has agreed to pay for and construct certain perimeter and off-site roadway improvements (the "Street Improvements") as described in Section 3.1(c) of this Agreement; and

WHEREAS, the Parties desire to create a public improvement district (a "PID") pursuant to Chapter 372, Texas Local Government Code (the "PID Act") that will include the Property; and

WHEREAS, the Onsite Public Improvements necessary to serve the Property and all other improvements authorized by Section 372.003 of the PID Act that Developer will construct as part of the Development, as well as the Street Improvements to the extent they are eligible to be funded pursuant to the PID Act, are referred to herein as the "PID Authorized Improvements"; and

WHEREAS, the Parties intend for PID Authorized Improvements to be funded, in part, by public improvement district assessments ("PID Assessments") levied on portions of the Property receiving a special benefit from the PID Authorized Improvements; and

WHEREAS, the Parties intend for the costs related to the Off-Site Sewer Improvements (the "Off-Site Sewer Costs") to be funded as described herein; and

WHEREAS, the PID Authorized Improvements, the Off-Site Sewer Improvements and the Street Improvements are referred to collectively as the "Public Infrastructure"; and

WHEREAS, due to the location and other natural features of the Property, the cost of the Public Infrastructure does not allow for the intended Development in a cost-effective and market-competitive manner without participation by the City; and

WHEREAS, the City has determined that annexation and full development of the Property as provided herein will promote local economic development within the City and will stimulate business and commercial activity within the City, which will drive infrastructure investment and job creation, and have a multiplier effect that increases both the City's tax base and utility revenues; and

WHEREAS, the Parties have determined that the Development will increase the diversity of housing within the City; and

WHEREAS, the City and the Developer agree that the Development can best proceed pursuant to a development agreement such as this Agreement; and

WHEREAS, a small portion of the Property is located within the City's corporate limits (the "In-City Property") and the remainder of the Property is located wholly within the extraterritorial jurisdiction ("ETJ") of the City and not within the ETJ or corporate limits of any other town or city (the "ETJ Property"); and

WHEREAS, the Concept Plan attached as **Exhibit B** (as amended from time to time in accordance with Section 2.2 of this Agreement, the "Concept Plan") and the development regulations set forth on **Exhibit C** (the "Development Regulations") do not currently apply to the In-City Property, the Parties contemplate that the In-City Property will be re-zoned to a planned development district consistent with the Concept Plan and Development Regulations, and after annexation, it is the intent of the Parties that the Concept Plan and Development Regulations apply to the In-City Property and the ETJ Property; and

WHEREAS, the Property is located in Collin County, Texas ("Collin County"); and

WHEREAS, the Parties intend for the ETJ Property to be annexed into the City's corporate limits pursuant to the terms of this Agreement and to be developed consistent with the terms of this Agreement; and

WHEREAS, the City will be the retail provider of water and wastewater service to the Property and holds the certificates of convenience and necessity to serve as the retail provider of water and wastewater service to the 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; and

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

WHEREAS, the Parties intend for the Property to be developed within the City's corporate limits and, that, pursuant to the authority of Section 242.001(a)(3) of the Texas Local Government Code, the City to have and exercise exclusive jurisdiction over the subdivision and platting of the Property and the design, construction, installation, and inspection of the Public Infrastructure to serve the Property, and that Collin County to have and exercise no jurisdiction over such matters; and

WHEREAS, the Parties intend for this Agreement to terminate if the Developer or its affiliate does not close on the purchase of all of the Property by December 31, 2022, as described above, with no further action by the City, and in which event the Parties also intend to dissolve any PID; and

WHEREAS, the Developer will make a $300,000 contribution to the Blue Ridge Independent School District, which includes $250,000 for improvements to Tiger Lane or other agreed-upon street improvements, which contribution will benefit the school district and the community.

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 to by the Parties, the Parties agree as follows:

ARTICLE II
GOVERNING REGULATIONS; ANNEXATION; ZONING

2.1 Governing Regulations. Development of the Property is currently governed, until annexation, solely by the following regulations (collectively, the "Governing Regulations"):

(a) the Concept Plan which shall apply only to the ETJ Property;

(b) the subdivision regulations of the City in effect on the Effective Date (the "Subdivision Regulations");

(c) the comprehensive zoning ordinance of the City in effect on the Effective Date (the "Zoning Ordinance");

(d) all building codes adopted by the City, including local amendments, as amended;

(e) the Development Regulations which shall apply only to the ETJ Property; and

(f) all other City ordinances in effect on the Effective Date (the "City Ordinances").

After annexation, the Governing Regulations will continue to apply to the Property, and the Parties contemplate that a planned development zoning ordinance will be adopted by the City Council after annexation that will apply the Governing Regulations (including the Concept Plan and Development Regulations) to both the ETJ Property and 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 (with the exception of zoning regulations applicable to the In-City Property). To the extent any provision in the Subdivision Regulations, building codes, or City Ordinances is inconsistent with State or federal law, State and federal law shall apply, and nothing herein shall be deemed to be a waiver by either Party of any State or federal law. 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. The lot layout and composition shall generally conform to or be similar with the Concept Plan, provided that Owner may alter such layout and composition with further City approval, including the right to relocate any or all of the lots to cluster such lots in one or more locations and to change the boundaries of the phases shown on the Concept Plan, so long as such changes comply with the Governing Regulations and this Agreement.

2.3 Plat. The Developer may submit a plat for all or any portion of the Property. Any plat shall be in general conformance with the Concept Plan, including any amendments. The

processing and content of all plats must adhere to the City Regulations, as they may be expressly altered by this Agreement.

2.4 Vested Rights. This Agreement shall constitute a "permit" under Chapter 245 of the Texas Local Government Code that is deemed filed with the City on the date upon which the last of all of the Parties has approved and duly executed this Agreement. The Developer does not, by entering into this Agreement, waive any rights or obligations arising under Chapter 245 of the Texas Local Government Code.

2.5 Building Codes, Fire Codes and Building Materials. As consideration for impact fees being reimbursed for the Property, Developer has consented to and requested that, and the Parties agree the City-adopted building codes and local amendments as subsequently amended, the City-adopted fire codes and local amendments as subsequently amended, all as subsequently amended, as well as the building material regulations in the Development Regulations, shall apply to the Property, and Developer voluntarily agrees to burden the Property with their applicability, despite Texas Government Code Chapter 3000, effective September 1, 2019, as it presently exists or may be subsequently amended. The Parties further acknowledge and agree that the terms, provisions, covenants, and agreements contained in, or referenced in, this paragraph are covenants that touch and concern the Property and that it is the intent of the Parties that such terms, provisions, covenants, and agreements shall run with the Property and shall be binding upon the Parties hereto, their successors and assigns, and all subsequent owners of the Property.

2.6 Annexation. As of December 31, 2022, this Agreement acts as Developer's irrevocable voluntary annexation petition for the ETJ Property; however, a condition precedent to the City's annexation of the ETJ Property shall be the City's levy of PID Assessments as contemplated by this Agreement, which the Parties contemplate will occur at the same City Council meeting. The foregoing sentence shall not preclude Owner or Developer from electing to commence the annexation process earlier than December 31, 2022. Within 15 days after receipt of a written request from the City, Developer agrees to execute and supply any and all instruments and/or other documentation necessary for the City to annex the ETJ Property into the City's corporate limits. This Agreement constitutes the service plan agreement for providing City services to the ETJ Property. If the City is unable to complete the annexation of the ETJ Property for any reason, including but not limited to procedural error or legal challenge, Developer shall execute another voluntary annexation petition for the ETJ Property, within ten (10) days of being requested to do so by the City. Developer acknowledges and agrees that:

(a) This section 2.6 was a material inducement for the City to enter into this Agreement with Developer and to create PID;

(b) Developer is not required to enter into this Agreement;

(c) the annexation procedures described in this Agreement require Developer's consent, and by entering into this Agreement, Developer hereby voluntarily provides such consent; and

(d) with this Agreement and the provisions contained herein, City has provided to Developer the written disclosure required by Section 212.172(b-1) of the Texas Local Government Code.

2.7 Zoning Upon Annexation. While the Parties expressly acknowledge that the ETJ Property will be voluntarily annexed in accordance with Section 2.6 of this Agreement, the Parties agree that the Concept Plan, Development Regulations and the applicable provisions of this Agreement memorialize the plan for development of the ETJ Property as provided for in Section 212.172 of the Texas Local Government Code and other applicable law. The City shall consider zoning the Property in a planned development district consistent with the Concept Plan, Development Regulations and applicable provisions of this Agreement contemporaneously with the annexation of the ETJ Property, although nothing herein shall be construed to require that the City zone the Property in any particular manner. Through this Agreement, the Developer expressly consents and agrees to the zoning of the Property consistent with and as contemplated by this section. In the event of a conflict between this Agreement and the zoning of the ETJ Property, the Parties agree that this Agreement shall control. The Developer agrees that nothing in this Agreement shall prevent Section 2.5 of this Agreement and the Governing Regulations, including but not limited to zoning, from being enforced against an End-Buyer.

2.8 Conflicts.

(a) 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 controls.

(b) In the event of any conflict between this Agreement, including the Concept Plan or Development Regulations, and any of the other Governing Regulations, this Agreement, including the Concept Plan and Development Regulations, shall control.

ARTICLE III
PUBLIC INFRASTRUCTURE; PARKS

3.1 Public Infrastructure.

(a) Standards. All Public Infrastructure shall be designed, constructed and installed by the Developer in compliance with the Governing Regulations. Construction and/or installation of Public Infrastructure shall not begin until complete and accurate plans and specifications have been approved by the City. Each contract for construction of Public Infrastructure shall require a two-year maintenance bond following completion of such Public Infrastructure, which bond shall run in favor of the City. To the extent the Development creates the need for easements or rights-of-way within the Property, easements for water, sewer, and drainage shall be granted and right-of-way for roads shall be dedicated in fee by the Developer to the City by final plat or separate instrument at no cost to the City, although PID Bond proceeds or other PID Assessment revenue may be used to acquire easements and right-of-way, to the extent authorized by the PID Act. The Public Infrastructure will be installed within easements granted

to the City or in the public right-of-way, however utilities must be in an easement separate from the right-of-way.

(b) Sewer. The Developer shall replace the eight-inch off-site sewer line described on **Exhibit D** with a 12-inch sewer line within the existing easement containing the existing eight-inch sewer line (the "Off-Site Sewer Improvements"), generally located at the intersection of FM 545 and Pruett street and traveling along Pruett Street to the intersection with Oak Street. With the exception of the Off-Site Sewer Improvements, the City's existing and planned sewer infrastructure is adequate to serve the development of the Property as contemplated by this Agreement, and the Developer shall not be required to construct or fund any other off-site sewer improvements. All costs associated with the design and construction of the Off-Site Sewer Improvements shall be reimbursed to the Developer as a grant of sewer impact fees collected by the City from the Property pursuant to the authority of Section 212.172 of the Texas Local Government Code and Chapter 380 of the Texas Local Government Code. Total sewer impact fee reimbursement for the Off-Site Sewer Improvements will be the actual cost of the Off-Site Sewer Improvements incurred by the Developer for the design and construction of such improvements, not to exceed 100 percent of the cost estimate set forth on **Exhibit D**. Impact Fees shall be paid when building permit application is filed. As sewer impact fees for the Property are collected by the City, the City agrees to rebate such fees to the Developer on the first business day of January, April, July, and October of each year during the Term of this Agreement until the Developer is fully reimbursed for the Off-Site Sewer Costs. The Off-Site Sewer Costs will not be funded through PID Assessments or PID Bonds (defined below).

(c) Street Improvements. The Developer agrees to make the following improvements and dedications of right-of-way (collectively, the "Street Improvements"), subject to the City issuing a series of PID Bonds prior to each final plat approval as contemplated by this Agreement:

(i) Baker Street. With the installation of the Public Infrastructure for the first phase of development of the Property, the Developer agrees to construct Baker Street as described on **Exhibit E** (the "Baker Street Improvements"). With the first final plat of the Property, the Developer agrees to dedicate right-of-way that is 50 feet in width for the construction of Baker Street in the location shown on **Exhibit E**. If additional right-of-way is needed for such improvements, the City agrees to acquire it pursuant to Section 3.1(f) below.

(ii) White Street. With the installation of the Public Infrastructure for the first phase of development of the Property, the Developer agrees to construct White Street as described on **Exhibit F** (the "White Street Improvements"). With the first final plat of the Property, the Developer agrees to dedicate right-of-way that is 50 feet in width for the construction of White Street in the location shown on **Exhibit F**. If additional right-of-way is needed for such improvements, the City agrees to acquire it pursuant to Section 3.1(f) below. The White Street Improvements shall include an underground stormwater system.

(iii) Church Street. With the installation of the Public Infrastructure for the second phase of development of the Property, the Developer agrees to construct Church

Street as described on **Exhibit G** within existing right-of-way (the "Church Street Improvements").

(d) No Other Roadway Obligations; Damage to Existing Roads. With the exception of internal streets constituting PID Authorized Improvements constructed within the Property as part of the Development and the Street Improvements, the Developer shall not be required to dedicate land for, construct, or fund any off-site roadway improvements of any kind. However, if construction vehicles damage any existing roads and there is evidence clearly indicating that the damage directly resulted from a construction vehicle traveling to or from the Property, then the Developer will repair all streets as requested by the City. The obligation for the Developer to repair streets shall be limited to streets owned by the City, and shall expire automatically upon the City's acceptance of the Public Infrastructure.

(e) Eminent Domain. The Developer agrees to use commercially reasonable efforts to obtain all third-party rights-of-way or easements necessary for the Baker Street Improvements and the White Street Improvements. If, however, the Developer is unable to obtain such third-party rights-of-way or easements within ninety (90) days of the Effective Date, the City agrees to take reasonable steps to secure same (subject to City Council authorization after a finding of public necessity) through the use of the City's power of eminent domain. The Developer shall be responsible for funding all reasonable and necessary legal proceeding/litigation costs, attorney's fees and related expenses, and appraiser and expert witness fees (collectively, "Eminent Domain Fees") paid or incurred by the City in the exercise of its eminent domain powers in connection with the Baker Street Improvements and the White Street Improvements and shall, if requested in writing by the City, escrow with a mutually agreed upon escrow agent the City's reasonably estimated Eminent Domain Fees both in advance of the initiations of each eminent domain proceeding and as funds are needed by the City. Provided that the escrow fund remains appropriately funded in accordance with this Agreement, the City will use all reasonable efforts to expedite such condemnation procedures so that the Baker Street Improvements and the White Street Improvements can be constructed as soon as reasonably practicable. If the City's Eminent Domain Fees exceed the amount of funds escrowed in accordance with this paragraph, the Developer shall deposit additional funds as requested by the City into the escrow account within ten (10) days after written notice from the City. City is not required to continue pursuing the eminent domain unless and until the Developer deposits addition Eminent Domain Fees with the City. Any unused escrow funds will be refunded to the Developer with thirty (30) days after any condemnation award or settlement becomes final and non-appealable. Nothing in this subsection is intended to constitute a delegation of the police powers or governmental authority of the City, and the City reserves the right, at all times, to control its proceedings in eminent domain.

(f) Water. The City's existing water infrastructure is adequate to serve the development of the Property as contemplated by this Agreement, and the Developer shall not be required to construct or fund any off-site water improvements.

(g) Oversizing. The Developer shall not be required to oversize any Public Infrastructure unless expressly agreed to in the terms of this Agreement.

(h) Inspections, Acceptance of Public Infrastructure.

(i) Roadway and Storm Infrastructure. The City shall have the right to inspect, at any time, the construction of all roadway and storm water Public Infrastructure, and any related Public Infrastructure necessary to support the proposed development within the Property, which shall be inspected, designed and constructed in compliance with all statutory and regulatory requirements, including design and construction criteria, and the City Regulations.

(ii) Water and Wastewater Infrastructure. The City shall have the right to inspect the construction of all water and wastewater Public Infrastructure at any time, which water and wastewater shall be inspected, designed and constructed in compliance with all statutory and regulatory requirements, including design and construction criteria, and the City Regulations. The timing of construction of the various components of the water and wastewater Public Infrastructure shall be as required by the City Regulations.

(iii) No Release. The City's inspections shall not release the Developer from its responsibility to construct, or ensure the construction of, adequate Public Infrastructure in accordance with approved engineering plans, construction plans, and other approved plans related to the Development.

(iv) City Owned. From and after the inspection and acceptance by the City of the Public Infrastructure and any other dedications required under this Agreement, such improvements and dedications shall be owned by the City.

(v) Approval of Plats/Plans. Approval of plats, permits, plans, designs or specifications by the City shall be in accordance with the City Regulations. Approval by the City, the City's engineer or other City employee or representative of any plats, permits, plans, designs or specifications submitted pursuant to this Agreement or pursuant to the City Regulations shall not constitute or be deemed to be a release of the responsibility and liability of the Developer, his engineer, employees, officers or agents for the accuracy and competency of their design and specifications. Further, any such approvals shall not be deemed to be an assumption of such responsibility and liability by the City for any defect in the design and specifications prepared by the Developer or the Developer's engineer, or engineer's officers, agents, servants, or employees, it being the intent of the Parties that approval by the City's engineer signifies the City's approval on only the general design concept of the improvements to be constructed. All plats and plans of the Developer related to the Property shall meet the requirements of the applicable City Regulations.

(i) Operation and Maintenance

(i) Upon inspection, approval, and acceptance of the water and wastewater Public Infrastructure or any portion thereof, the City shall maintain and operate the accepted water and wastewater infrastructure or any accepted portion thereof and provide water and wastewater service to the Property.

(ii) Upon inspection, approval, and acceptance of the roadway and storm water Public Infrastructure or any portion thereof, the City shall maintain and operate the roadways and storm water infrastructure or any accepted portion thereof.

(j) Mandatory Homeowners Association. Prior to the closing of the first lot for a single-family residential home by a homebuilder within the first phase of the Development, the Developer will create a mandatory homeowners association ("HOA") that shall be required to levy and collect from homeowners annual fees in an amount calculated to maintain the common areas, including open spaces, sidewalks, trails, retention and detention ponds, right-of-way landscaping, right-of-way irrigation systems, and any other common improvements or appurtenances in the Property. All common areas and common improvements shall be maintained solely by the HOA. Maintenance of common areas and common improvements by the HOA shall comply with City Regulations and shall be subject to oversight by the City. A copy of any HOA agreement(s) and covenants and restrictions establishing and creating the homeowners' association must be approved by the City Council prior to the approval of any final plat of the Property and must be filed with such final plat in the records of Collin County. Any final plat shall clearly identify all facilities, structures, improvements, systems, areas or grounds that are to be operated and/or maintained by such HOA.

3.2 Trails. The Developer agrees to construct a six-foot wide trail in phases, as generally shown on the Concept Plan. Trail construction will be required for the platted phase under construction. Where a trail is shown in a location that would typically require a four-foot wide sidewalk, the four-foot wide sidewalk may be substituted by the Developer for a five-foot or six-foot wide trail. The trails required by this Section 3.2 are part of the PID Authorized Improvements. Trails will either be owned and maintained by the homeowners' association subject to a public access easement, or dedicated to the City and maintained by the City as public trails.

3.3 Retail Water and Sewer Service. The City agrees to be the retail provider of water and wastewater service to the Property.

ARTICLE IV
PUBLIC IMPROVEMENT DISTRICT

4.1 PID Financing. The City will consider the creation of the PID, to fund, in part, the PID Authorized Improvements that will confer a special benefit upon the Property. As soon as reasonably practicable following a request by the Developer, and provided the City's financial advisor confirms the bonds meet the below requirements and are marketable to third party institutional investors, the City agrees to consider the issuance of PID Bonds, subject to City Council approval.

(a) A PID creation petition for the Property has been submitted by the Developer to the City and the PID has been created by act of the City Council.

(b) Funding of the PID Authorized Improvements as authorized by the PID Act, including but not limited to local streets, water, sewer and storm drainage improvements and

appurtenances providing special benefit to the Property, will include, to the maximum extent authorized by State law, and only as requested by the Developer, one or more of the following: (i) annual payments by the City to the Developer of PID Assessments not pledged to the repayment of special revenue bonds issued by the City secured solely by PID Assessments in accordance with the PID Act ("PID Bonds"); (ii) the issuance by the City of PID Bonds secured only by PID Assessments, with a total overall minimum value to lien ratio of 3 to 1 (unless the City, in its sole discretion approves a lower value to lien ratio) assuming that the PID Authorized Improvements to be financed by the net proceeds of such PID Bonds are in place as of the date of valuation, and as confirmed by an appraisal from a licensed third-party appraiser; or (iii) any other method approved by the Parties. The total amount of PID Bonds secured by PID Assessments from the Property shall not exceed $11,000,000.

(c) The PID Authorized Improvements to be funded by PID Assessments or PID Bonds will be described in the service and assessment plan for the PID (as amended and updated to from time to time, the "Service and Assessment Plan").

(d) The total estimated cost of the PID Authorized Improvements (the "PID Project Costs") will be as stated in the Service and Assessment Plan. The PID Project Costs will include the cost of two-year maintenance bonds for the PID Projects.

(e) The Developer will provide an engineer's opinion of probable cost, and the City will prepare the Service and Assessment Plan. After the City approves the final PID Project Costs, prepares a proposed assessment roll based thereon, and files the Service and Assessment Plan and proposed assessment roll with the Secretary of the City for public inspection, the City will hold a public hearing and consider levying PID Assessments against the Property.

(f) The City shall review and update the Service and Assessment Plan consistent with the requirements of Section 372.013(b) of the PID Act. Concurrent with the levy of PID Assessments and as needed to implement the Service and Assessment Plan, the City and the Developer will enter into a PID reimbursement agreement that provides for the Developer's construction of certain PID Authorized Improvements and the City's reimbursement to the Developer of certain PID Project Costs.

(g) The City will use its reasonable efforts to issue one or more series of PID Bonds secured, in whole or in part, by PID Assessments levied against the portion of the Property specially benefitted by the PID Authorized Improvements. The net proceeds from the sale of PID Bonds (i.e., net of costs and expenses of issuance and amounts for debt service reserves and capitalized interest) will be used to pay PID Project Costs. Notwithstanding the foregoing, the obligation of the City to issue PID Bonds is conditioned upon the following: (1) annexation of the Property; (2) there being a total overall minimum value to lien ratio of 3 to 1 (unless the City, in its sole discretion approves a lower value to lien ratio) assuming that the PID Authorized Improvements to be financed by the net proceeds of such PID Bonds are in place as of the date of the valuation as determined by an independent third-party appraisal; (3) the adequacy of the bond security and the financial obligation of the Developer to pay: (a) the amount, if any, by which PID Project Costs exceed the net proceeds from the sale of PID Bonds, and (b) the amount, if any, of cost overruns and all private costs needed to reach final lot value; and (5) the PID bonds are approved by the Texas Attorney General. In the event the total overall minimum value to lien is

less than 3 to 1 and the City, in its sole discretion approves a lower value to lien ratio for the issuance of PID Bonds, to the extent permitted by applicable laws, the City will hold back of a portion of the PID Bond proceeds not supported by the total overall 3 to 1 value to lien ratio until the value produced by development of the Property increases to 3 to 1 value to lien. Additionally, if the PID Project Costs exceed the net bond proceeds of the PID Bonds, the City may require the Developer to deposit cash for the shortfall. The net proceeds from the sale of the PID Bonds will be deposited in and disbursed from a construction fund created and administered pursuant to the indenture under which the PID Bonds are issued.

4.2 Costs for Non-Bank Qualified Bonds.

(a) If in any calendar year the City issues bonds, notes or other obligations as approved by the City Council for any given year in question that would constitute a qualified tax-exempt obligation but for the issuance of the PID Bonds or other bonds, notes or other obligations supporting public improvements for non-City owned development projects or City owned projects financed for a direct benefit to the non-City owned development projects, including either bonds authorized by Texas Tax Code Chapter 311, as amended, or bonds authorized by the PID Act, then the Developer shall pay to the City a fee (the "Bank Qualified Debt Fee") to compensate the City for the debt service savings the City would have achieved had the debt issued by the City been able to be classified as a qualified tax-exempt obligation provided that all other Owners or owners benefitting from the City issuing debt are similarly burdened with an obligation to compensate the City. The Bank Qualified Debt Fee of the Developer and all other Owners or owners on whose behalf the City issues debt, will be calculated as follows:

> The net present value (calculated based on the Internal Revenue Service bond yield) of the debt service savings that would have accrued to the City had it been able to issue qualified tax-exempt obligation debt multiplied by a fraction, the numerator of which is the amount of debt issued by the City for any particular owner or Developer (including the Developer, as applicable) and the denominator of which is the total debt issued by the City for the benefit of all owners or Owners (including the Developer, as applicable).

(b) To the extent any Developer(s) or owner(s) (including the Developer, as applicable) has (have) paid the Bank Qualified Debt Fee for any particular calendar year, any such Bank Qualified Debt Fee paid subsequently by a Developer or owner (including the Developer, as applicable) to the City applicable to the same calendar year shall be reimbursed by the City to the Developer(s) or owner(s) (including the Developer, as applicable) as necessary so as to put all Owners and owners so paying for the same calendar year in the required payment proportion as set forth above, said reimbursement to be made by the City within ten (10) business days after its receipt of such subsequent payments of the Bank Qualified Debt Fee.

(c) If in any calendar year the City issues PID Bonds on its own account that exceed the amount that would otherwise qualify the City for the issuance of bank qualified debt, or if the City fails to charge the Bank Qualified Debt Fee to any other developer or owner on whose behalf the City has issued debt and fails to cure such oversight, then no Bank Qualified Debt Fee shall be due under this provision and if any Bank Qualified Debt Fee had already been paid to the City

under this provision, then such Bank Qualified Debt Fee shall be reimbursed promptly to the Developer from lawfully available and otherwise unencumbered funds.

4.3 PID Notice. When selling any of the Property included in the PID, the Owner shall provide notices in the form and manner required by the Texas Property Code, as amended, including specifically Sections 5.014, 5.0141, 5.0142, and 5.0143, to anyone who purchases property within the PID. Further, such Owner shall require builders selling homes to continuously post a notice of the PID Assessments in a conspicuous location in each model home and provide an explanation of the PID Assessments in written brochures and promotional materials given to each prospective purchaser. This Section 4.3 applies to all owners of all or any portion of the Property.

ARTICLE V
ADDITIONAL PROVISIONS

5.1 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, must 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.

5.2 Term. The term of this Agreement (the "Term") shall be twenty 20 years commencing on the Effective Date except that Section 2.5, plus all provisions referenced in Section 2.5, of this Agreement are covenants that touch and concern the Property and shall run with the Property until the 45th anniversary of the Effective Date. The Parties may extend the term of this Agreement if the execute an agreement in writing.

5.3 Events of Default. No Party shall be in default under this Agreement until written notice of the alleged failure of such Party to perform has been given in writing (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given a reasonable time to cure the alleged failure (such reasonable time to be determined based on the nature of the alleged failure, but in no event more than 30 days after written notice of the alleged failure has been given). Notwithstanding the foregoing, no Party shall be in default under this Agreement if, within the applicable cure period, the Party to whom the notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured and within such 30-day period gives written notice to the non-defaulting Party of the details of why the cure will take longer than 30 days with a statement of how many days are needed to cure.

5.4 Remedies. If a Party is in default, the aggrieved Party may only seek relief for specific performance, mandamus, or injunctive relief; however, if such relief is inadequate to allow the Developer to recover sewer cost reimbursements where the City is in default, pursuant to Section 3.1(c), the Developer may seek damages limited to the balance due and owed by the

City for sewer cost reimbursements. Attorneys' fees, interest, consequential damages, exemplary damages, and any other damages, except the balance due and owed by the City for sewer cost reimbursements, are not recoverable as a remedy. If the City is the non-defaulting Party, it may withhold building permits to the Developer in default for any portion or phase of the Property for which the Developer retains obligations under this Agreement (i.e., the Developer has not been released from its obligations under this agreement for that portion of the Property) until the default is cured, provided, however, the City's remedies for a Developer breach of the road repair obligations in Section 3.1(e) shall be limited to specific performance, mandamus, or injunctive relief and, to the extent the foregoing remedies are inadequate, a suit for damages (excluding consequential and exemplary damages). NOTWITHSTANDING THE FOREGOING, HOWEVER, NO DEFAULT UNDER THIS AGREEMENT SHALL ENTITLE THE AGGRIEVED PARTY TO TERMINATE THIS AGREEMENT OR LIMIT THE TERM OF THIS AGREEMENT.

5.5 Governmental Functions; Waivers of Immunity. By its execution of this Agreement, the City does not waive or surrender any of its respective governmental powers, immunities, or rights except as provided in this section. The Parties acknowledge that the City waives its sovereign immunity as to suit solely for the purpose of adjudicating a claim for relief pursuant to Section 5.4.

5.6 Assignment. Developer has the right (from time to time without the consent of the City but with prior notice to the City) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of Developer under this Agreement, to the purchaser of any portion of the Property that is the subject of a City-approved preliminary plat or to an entity that is controlled by or under common control with Developer. Developer has the right (from time to time with the consent of the City which shall not be unreasonably withheld) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of Developer under this Agreement, to any other person or entity that will become the owner of the portion of the Property that is the subject of the assignment. The original Owners have the right (without the consent of the City) to assign this Agreement in whole or in part to Developer or its affiliate that acquires title the Property. Any person or entity who takes an assignment of this Agreement pursuant to this section shall be referred to as an "Assignee". Each assignment must be in writing executed by the assignor and the Assignee and must 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 must 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 the assignor 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, the assignor shall not be released until the City receives such assignment. No assignment by an assignor shall release the assignor from any liability that resulted from an act or omission by the assignor that occurred prior to the effective date of the assignment unless the City approves the release in writing. The assignor must maintain written records of all assignments made by the assignor 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. The City shall not assign this Agreement. An Assignee shall be considered a "Party" and the "Developer" and "Owner" for the purposes of the rights, title, interest, and obligations assigned to the Assignee.

5.7 Encumbrance by Developer and Assignees. Developer 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 with the consent of the City; provided, however, that no such encumbrance shall be made without prior written consent of the City if such encumbrance would result in (1) the issuance of multiple securities, and (2) the City being viewed as an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, and/or (3) the City being subject to additional reporting or recording duties. 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 consider 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.

5.8 Encumbrance by City. 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 Developer's prior written consent.

5.9 Binding Obligations. Pursuant to the requirements of Section 212.172(f) of the Texas Local Government Code, this Agreement and all amendments hereto (including amendments to the Concept Plan) shall be recorded in the deed records of Collin 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.

5.10 Releases. From time to time upon written request of Developer, the City Manager 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 Governing Regulations.

5.11 Estoppel Certificates. From time to time upon written request of Developer, the City Secretary will execute a written estoppel certificate identifying any obligations of Developer 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, Developer is in compliance with its duties and obligations under this Agreement.

5.12 Notices. All notices required or contemplated by this Agreement (or otherwise given in connection with this Agreement) (a "Notice") must 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:

City of Blue Ridge, Texas
Attn: Ms. Edie Sims
200 S. Main Street
Blue Ridge, Texas 75424
E-mail: ESims@blueridgecity.com

With a copy to:

Messer, Fort & McDonald, PLLC
Attn: Wm. Andrew Messer
6371 Preston Road, Suite 200
Frisco, Texas 75034
Email: andy@txmunicipallaw.com

To the Owners:

Prograce Blue Ridge, LLC
Attn: Bhadresh Trivedi
2504 Loftsmoor Lane
Plano, Texas 75025
Email: bhadresh_trivedi@yahoo.com

Blue Ridge Independent School District
Attn: Matt Kimball
318 School Street
Blue Ridge, Texas 75424
Email: matt.kimball@brisd.net

To the Developer/Owner:	Fieldside Development, LLC Attn: Mitchell Fielding 4232 Ridge Road, Suite 104 Heath, Texas 75434 E-mail: mitchell@fieldsideco.com
With a copy to:	Shupe Ventura, PLLC Attn: Corey Admire 9406 Biscayne Boulevard Dallas, Texas 75218 E-mail: corey.admire@svlandlaw.com

5.13 INDEMNIFICATION AND HOLD HARMLESS.

(a) THE DEVELOPER AND ITS SUCCESSORS AND ASSIGNS SHALL INDEMNIFY AND HOLD HARMLESS THE CITY, ITS OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES AND AGENTS (EACH AN "INDEMNIFIED PARTY"), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSE OF EVERY TYPE AND DESCRIPTION TO WHICH THEY MAY BE SUBJECTED OR PUT: (I) BY REASON OF, OR RESULTING FROM THE ALLEGED BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE DEVELOPER; (II) THE ALLEGED NEGLIGENT DESIGN, ENGINEERING AND/OR CONSTRUCTION BY THE DEVELOPER OR ANY ARCHITECT, ENGINEER OR CONTRACTOR HIRED BY THE DEVELOPER OF ANY OF THE PUBLIC INFRASTRUCTURE ACQUIRED FROM THE DEVELOPER HEREUNDER, PROVIDED THAT IF THERE IS CONCLUSIVE PROOF THAT THE DESIGN, ENGINEERING, AND CONSTRUCTION OF THE PUBLIC INFRASTRUCTURE IS IN STRICT ACCORDANCE WITH THE GOVERNING REGULATIONS, IT SHALL NOT BE CONSIDERED NEGLIGENT FOR PURPOSES OF THIS SECTION; (III) THE DEVELOPER'S ALLEGED NONPAYMENT UNDER CONTRACTS BETWEEN THE DEVELOPER AND ITS CONSULTANTS, ENGINEERS, ADVISORS, CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION AND/OR CONSTRUCTION OF THE PUBLIC INFRASTRUCTURE; (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT THE PUBLIC INFRASTRUCTURE; OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER'S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEES, AND/OR TRUSTEES, REGARDING OR RELATED TO THE PUBLIC INFRASTRUCTURE OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE PUBLIC INFRASTRUCTURE, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY (THE "CLAIMS"). NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OR SOLE NEGLIGENCE OF ANY INDEMNIFIED PARTY. DEVELOPER IS EXPRESSLY REQUIRED TO DEFEND CITY AGAINST ALL SUCH CLAIMS, AND CITY IS REQUIRED TO REASONABLY COOPERATE AND ASSIST DEVELOPER IN PROVIDING SUCH DEFENSE.

(b) IN ITS REASONABLE DISCRETION, CITY SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY DEVELOPER IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY CITY IN WRITING. THE INDEMNIFIED PARTIES RESERVE THE RIGHT TO

PROVIDE A PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST; HOWEVER, INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF DEVELOPER'S OBLIGATION TO DEFEND INDEMNIFIED PARTIES OR AS A WAIVER OF DEVELOPER'S OBLIGATION TO INDEMNIFY INDEMNIFIED PARTIES PURSUANT TO THIS AGREEMENT. DEVELOPER SHALL RETAIN CITY-APPROVED DEFENSE COUNSEL WITHIN SEVEN BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF DEVELOPER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON THEIR OWN BEHALF, AND DEVELOPER SHALL BE LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES. THE CITY AGREES, UNLESS ADVISED BY DEFENSE COUNCIL TO THE CONTRARY, TO ASSERT ITS IMMUNITY FROM LIABILITY AND IMMUNITY FROM SUIT AND/OR OTHER AVAILABLE AFFIRMATIVE DEFENSES.

(C) THIS SECTION 5.13 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

(d) THE PARTIES AGREE AND STIPULATE THAT THIS INDEMNIFICATION AND THE EXPRESS NEGLIGENCE TEXT COMPLIES WITH THE CONSPICUOUSNESS REQUIREMENT, AND IS VALID AND ENFORCEABLE AGAINST THE DEVELOPER.

5.14 THE DEVELOPER'S ACKNOWLEDGEMENT OF THE CITY'S COMPLIANCE WITH FEDERAL AND STATE CONSTITUTIONS, STATUTES AND CASE LAW AND FEDERAL, STATE AND LOCAL ORDINANCES, RULES AND REGULATIONS/DEVELOPERS' WAIVER AND RELEASE OF CLAIMS FOR OBLIGATIONS EXPRESSLY SET FORTH IN THIS AGREEMENT.

(a) THE DEVELOPER AND OWNER ACKNOWLEDGE AND AGREE THAT, PROVIDED THERE ARE NO CITY DEFAULTS UNDER THIS AGREEMENT:

(I) THE PUBLIC INFRASTRUCTURE EXPRESSLY SET FORTH IN ARTICLE III OF THIS AGREEMENT TO BE CONSTRUCTED UNDER THIS AGREEMENT, AND THE FEES TO BE IMPOSED BY THE CITY PURSUANT TO THIS AGREEMENT, REGARDING THE PROPERTY, IN WHOLE OR IN PART, DO NOT CONSTITUTE A:

(A) TAKING UNDER THE TEXAS OR UNITED STATES CONSTITUTION;

(B) VIOLATION OF THE TEXAS LOCAL GOVERNMENT CODE, AS IT EXISTS OR MAY BE AMENDED; AND/OR

(C) NUISANCE.

(II) THE AMOUNT OF THE DEVELOPER'S FINANCIAL AND INFRASTRUCTURE CONTRIBUTION FOR THE PUBLIC INFRASTRUCTURE EXPRESSLY SET FORTH IN ARTICLE III OF THIS AGREEMENT IS ROUGHLY PROPORTIONAL TO THE DEMAND THAT THE DEVELOPER'S ANTICIPATED IMPROVEMENTS AND DEVELOPER'S DEVELOPMENT OF THE PROPERTY PLACES ON THE CITY'S INFRASTRUCTURE AND THAT THE TERMS OF TEXAS LOCAL GOVERNMENT CODE § 212.904 ARE FULFILLED.

(iii) THE DEVELOPER HEREBY AGREES, STIPULATES AND ACKNOWLEDGES THAT: (A) ANY PROPERTY WHICH IT CONVEYS TO THE CITY OR ACQUIRES PURSUANT TO THE EXPRESS TERMS OF THIS AGREEMENT FOR THE CITY IS ROUGHLY PROPORTIONAL TO THE BENEFIT RECEIVED BY THE DEVELOPER FOR SUCH LAND, AND THE DEVELOPER HEREBY WAIVES ANY CLAIM THEREFOR THAT IT MAY HAVE; AND (B) ALL PREREQUISITES TO SUCH DETERMINATION OF ROUGH PROPORTIONALITY HAVE BEEN MET, AND ANY VALUE RECEIVED BY THE CITY RELATIVE TO SAID CONVEYANCE IS RELATED BOTH IN NATURE AND EXTENT TO THE IMPACT OF THE DEVELOPMENT OF THE PROPERTY ON THE CITY'S INFRASTRUCTURE. THE DEVELOPER FURTHER WAIVES AND RELEASES ALL CLAIMS IT MAY HAVE AGAINST THE CITY UNDER THIS AGREEMENT RELATED TO ANY AND ALL: (A) CLAIMS OR CAUSES OF ACTION BASED ON ILLEGAL OR EXCESSIVE EXACTIONS; AND (B) ROUGH PROPORTIONALITY AND INDIVIDUAL DETERMINATION REQUIREMENTS MANDATED BY THE UNITED STATES SUPREME COURT IN *DOLAN V. CITY OF TIGARD*, 512 U.S. 374 (1994), AND ITS PROGENY, AS WELL AS ANY OTHER REQUIREMENTS OF A NEXUS BETWEEN DEVELOPMENT CONDITIONS AND THE PROJECTED IMPACT OF THE PUBLIC INFRASTRUCTURE.

(b) THIS SECTION 5.14 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

5.15 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.

5.16 Authority and Enforceability. The City represents and warrants that this Agreement has been approved by resolution 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. Developer represents and warrants that this Agreement has been approved by appropriate action of Developer, and that the individual executing this Agreement on behalf of Developer 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.

5.17 Entire Agreement; Severability. This 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, Developer 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 Developer 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. If at any time after the Effective Date it is determined that any portion of the Property is no longer within the City's ETJ, this Agreement shall remain in full force and effect with respect to all of the Property that remains within the City's ETJ.

5.18 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 Collin County. Venue for any action to enforce or construe this Agreement shall be in Collin County.

5.19 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.

5.20 No Third Party Beneficiaries. This Agreement only inures to the benefit of, and may only be enforced by, the Parties. 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.

5.21 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 30 days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, must 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" includes 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 related to a pandemic or supply shortage delays.

5.22 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 Developer 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.

5.23 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 Developer 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 Developer nor any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Developer (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:

(a) https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,

(b) https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or

(c) https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

5.24 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 Developer and the City agrees to acknowledge such form with the TEC through its electronic filing application system 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 Developer; and, neither the City nor its consultants have verified such information.

5.25 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 Developer 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 City 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.

5.26 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 Developer 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 City 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,

(a) '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,

(b) '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

(c) '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."

5.27 Employment of Undocumented Workers. During the term of this Agreement, the Developer agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a (f), the Developer shall repay the Chapter 380 grant payments granted herein within 120 days after the date the Developer is notified by the City of such violation, plus interest at the rate of six percent (6%) compounded annually from the date of violation until paid. Pursuant to Section 2264.101 (c), Texas Government Code, a business is not liable for a violation of Chapter 2264 by a subsidiary, affiliate, or franchisee of the business, or by a person with whom the business contracts.

5.28 Chapter 380 Reporting. The City agrees to timely report this Agreement to the State Comptroller in accordance with Section 403.0246 of the Texas Government Code and Chapter 380 of the Texas Local Government Code.

5.29 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.

5.30 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.

5.31 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	Concept Plan
Exhibit C	Development Regulations
Exhibit D	Off-Site Sewer Improvements
Exhibit E	Baker Street Improvements
Exhibit F	White Street Improvements
Exhibit G	Church Street Improvements

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

ATTEST:

Name:_____
Title: City Secretary

CITY OF BLUE RIDGE

By:_____
Name:_____
Title:_____

Date:_____

APPROVED AS TO FORM AND LEGALITY:

Name:_____
City Attorney

STATE OF TEXAS §
§
COUNTY OF COLLIN §

This instrument was acknowledged before me on _____, 2022 by _____, _____ of the City of Blue Ridge, Texas on behalf of said city.

_____
Notary Public, State of Texas

OWNER:

PROGRACE BLUE RIDGE, LLC,
a Texas limited liability company

Name: Bhadresh Trivedi
Its: Manager

This instrument was acknowledged before me on July 1, 2022 by Bhadresh Trivedi, as Manager of Prograce Blue Ridge, LLC, a Texas limited liability company.

Notary Public, State of Texas

OWNER:

BLUE RIDGE INDEPENDENT SCHOOL DISTRICT

_____

Name: Matt Kimball
Its: Superintendent

This instrument was acknowledged before me on _____, 2022 by Matt Kimball, Superintendent of the Blue Ridge Independent School District.

_____

Notary Public, State of Texas

EXHIBIT A
METES AND BOUNDS DESCRIPTION OF THE PROPERTY
(59.015 acres)

BEING a tract of land situated in Collin County and City of Blue Ridge, Collin County, Texas, being a part of the Matthias Mowry Survey, Abstract No. 557 and the Greer Johnson survey, Abstract No. 478, being all of Lots 1 and 2, Block A of the Broken Steps Addition, an addition to the City of Blue Ridge, according to the plat thereof recorded in Document No. 2018-691, Official Public Records, Collin County, Texas (O.P.R.C.C.T.), being part of a called 87.983 acre tract of land described in a Warranty Deed to Blue Ridge Independent School District, as recorded in Volume 4683, Page 1033, O.P.R.C.C.T. and being more particularly described as follows:

COMMENCING at a one-half inch iron rod with cap stamped "GEER 4117" found at the southeast corner of Lot 3, Block A of said Broken Steps Addition, said iron rod being at the intersection of the north line of Farm To Market Road 545(a variable width right-of-way) and the west line of Baker Road(a variable width right-of-way);

THENCE South 89 degrees 53 minutes 12 seconds West, a distance of 165.13 feet along the south line of said Lot 3 and the north line of Farm To Market Road 545 to one-half inch iron rod with cap stamped "BOHLERENG" (hereinafter called "iron rod set") set at the southwest corner of said Lot 3, said iron rod being the most southerly southeast corner of said Lot 1 and said iron rod being the **POINT OF BEGINNING** of the hereinafter described tract of land;

THENCE South 89 degrees 53 minutes 12 seconds West, a distance of 413.16 feet along the south line of said Lot 1 and the north line of Farm To Market Road 545 to one-half inch iron rod found at the most southerly southwest corner of said Lot 1 and the southeast corner of a called 2.239 acre tract of land described in a Special Warranty Deed to Ashlie Jo Welch Owens, as described in Document No. 20160323000342180, O.P.R.C.C.T., from which a one-half inch iron rod found bears South 89 degrees 42 minutes 26 seconds West, a distance of 99.38 feet;

THENCE North 00 degrees 12 minutes 36 seconds East, a distance of 289.03 feet along a west line of said Lot 1 and the east line of said 2.239 acre tract of land to a two (2) inch iron pipe found at the northeast corner of said 2.239 acre tract of land;

THENCE North 89 degrees 49 minutes 55 seconds West, along a south line of said Lot 1 and the north line of said 2.239 acre tract of land, passing a two (2) inch iron pipe found at a distance 299.31 feet, continuing in all a distance of 437.47 feet to a three (3) inch wood fence corner post found at the most westerly southwest corner of said Lot 1 and the northwest corner of said 2.239 acre tract of land, said fence corner post being in the east line of a called 18.37 acre tract of land described in a Special Warranty Deed with Vendor's Lien to Padmaja Kollipara and wife, Ramakrishna Kollipara, as described in Document No. 20170601000706210, O.P.R.C.C.T.;

THENCE North 01 degrees 00 minutes 40 seconds West, passing a one-half inch iron rod with cap stamped "GEER 4117" found at the northwest corner of said Lot 1 at a distance of 2,118.92, continuing in all a distance of 2,127.78 feet to an iron rod set in a south line of said 87.983 acre tract of land;

THENCE North 89 degrees 33 minutes 47 seconds West, a distance of 252.23 feet along the most westerly south line of said 87.983 acre tract of land to a one-half inch iron rod with cap stamped "OWENS RPLS 5387" found at the most westerly southwest corner of said 87.983 acre tract of land;

THENCE North 06 degrees 30 minutes 40 seconds West, a distance of 115.75 feet along the west line of said 87.983 acre tract of land to a one-half inch iron rod with cap stamped "OWENS RPLS 5387" found for corner;

THENCE North 03 degrees 49 minutes 41 seconds West, a distance of 63.44 feet to a point in or near the centerline of a creek;

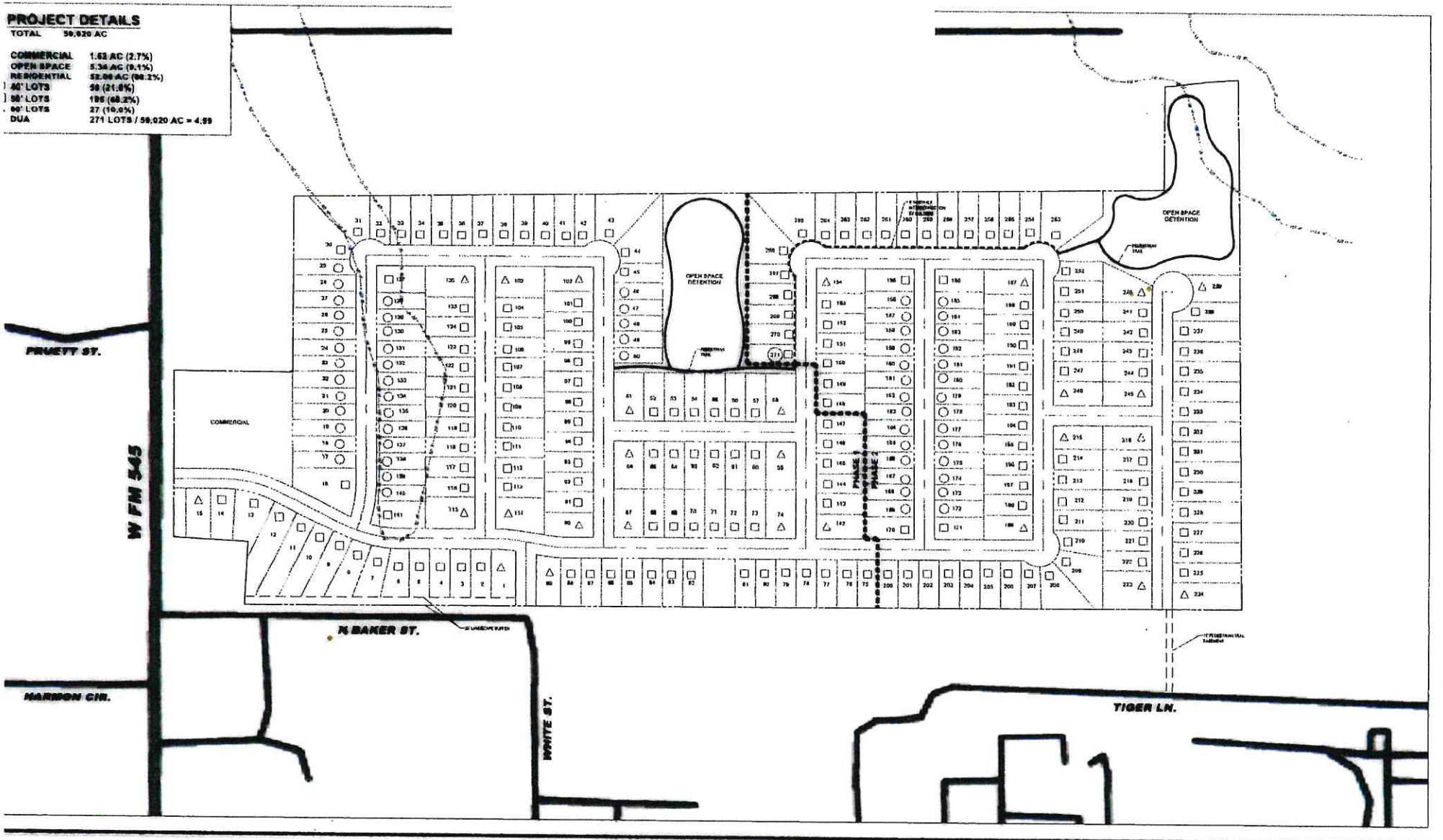
THENCE North 89 degrees 24 minutes 13 seconds East, along the east line of said Broken Steps Addition, a distance of 1,311.96 feet to an iron rod set in a east line of said 87.983 acre tract of land;

THENCE South 00 degrees 13 minutes 06 seconds East, along the east line of said Broken Steps Addition, passing the northwest corner of a tract of land described in Deed to Grace Trevino, recorded in Instrument No. 20120831001093380, O.P.R.C.C.T., at a distance of 1,277.14 feet to an iron rod set, passing the northeast corner of said Lot 2 and an ell corner of said Lot 1 at a distance of 1,746.78 feet, passing the southeast corner of said Lot 2 and an ell corner of said Lot 1 at a distance of 1,894.36 feet, continuing, in all a distance of 2,437.67 feet to an iron rod set at the most easterly southeast corner of said lot 1 and the northeast corner of said Lot 3;

THENCE North 87 degrees 16 minutes 18 seconds West, a distance of 155.41 feet along the north line of said Lot 3 and the south line of said Lot 1 to a one-half inch iron rod with cap stamped "GEER 4117" found at the northwest corner of Lot 3 and an angle point of said Lot 1;

THENCE South 02 degrees 55 minutes 38 seconds West, a distance of 180.79 feet along the west line of said Lot 3 and the southeast line of said Lot 1 to the **POINT OF BEGINNING** containing 2,570,695 square feet, or 59.015 acres of land.

EXHIBIT B
CONCEPT PLAN



BOHLER
2600 NETWORK BLVD, SUITE 310
FRISCO, TX 75034
Phone: (469) 458-7300
TX@BohlerEng.com
TBPE No. 18065 | TBPLS No. 10194413

BLUE RIDGE SUBDIVISION

BLUE RIDGE, TEXAS | PLAN REV.5