ALVARADO CITY COUNCIL AGENDA
SPECIAL - APRIL 6, 2026 - 6:00 PM
CITY COUNCIL CHAMBERS - 104 W COLLEGE AVE.
ALVARADO, TEXAS 76009

CALL TO ORDER

Roll Call

INVOCATION

PLEDGE OF ALLEGIANCE

CITIZEN PARTICIPATION AND PUBLIC INPUT

This is an opportunity for citizens to address the convened City Council of this meeting on any matter. The presiding officer may ask for the citizen to hold his or her comment on an agenda item until that agenda item is reached. Any response from a member of the convened City Council to comments related to items not on the agenda is limited to a statement of specific factual information, a recitation of existing policy, or direction to staff to place the subject on the agenda for a future meeting. Citizens may obtain a form to speak by requesting it from the City Secretary or the City Marshal prior to the start of the meeting.

COUNCIL COMMENTS

Pursuant to LGC Section 551.0415, City Council Members may make a report about items of community interest during a meeting of the governing body without having given notice of the report. Items of community interest include:

- Expressions of thanks, congratulations, or condolence;
- Information regarding holiday schedules;
- An honorary or salutary recognition of a public official, public employee, or other citizen, except that a discussion regarding a change in the status of the person's public office of public employment is not an honorary or salutary recognition for purposes of this subdivision;
- A reminder about an upcoming event organized or sponsored by the governing body;
- Information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; and
- Announcements involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.

NEW BUSINESS

1. Consideration and action related to a Development Agreement between Alvarado 228 Development LLC, Avalon Development Group, LLC, and the City of Alvarado for the Chambers Creek Development. (DeBuff, French)
2. Discuss and consider Resolution No. R2026-0019 of the City Council of the City of Alvarado, Texas, setting a public hearing under section 311.003 of the Texas tax code for the creation of a Tax Increment Reinvestment Zone within the Corporate Limits and the Extraterritorial Jurisdiction of the City of Alvarado, Texas; authorizing the issuance of notice by the City Secretary of Alvarado, Texas regarding the public hearing; directing the City to prepare a Preliminary Reinvestment Zone Financing Plan; and providing an effective date. (DeBuff, French)

EXECUTIVE SESSION

3. § 551.071. Consultation with Attorney. The City Council may convene in executive session to conduct a private consultation with its attorney on any legally posted agenda item, when the City Council REGULAR City Council seeks the advice of its attorney about pending or contemplated litigation, a settlement offer, or 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 the provisions of Chapter 551, including the following items:

    - Any item on the agenda.

4. §551.087. Deliberation Regarding Economic Development Negotiations. To discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1).

    - Chambers Creek Development.

RECONVENE INTO OPEN SESSION AND TAKE ANY ACTION NECESSARY PURSUANT TO EXECUTIVE SESSION

ADJOURNMENT

I, the undersigned authority, do hereby certify that the above Agenda was posted on the bulletin board in the City Hall of the City of Alvarado, Texas, a place convenient and readily accessible to the general public at all times, and said Agenda was posted on March 30, 2026, and remained so posted continuously for three (3) business days prior to the date of the meeting.

Bobbie Jo Taylor, TRMC, MMC
City Secretary

If, during the course of the meeting and discussion of any items covered by this notice, City Council determines that a Closed or Executive Session of the Council is required, then such closed meeting will be held as authorized by Texas Government Code, Chapter 551, Section 551.071 consultation with counsel on legal matters; Section 551.072 - deliberation regarding purchase, exchange, lease or value of real property; Section 551.073 - deliberation regarding a prospective gift; Section 551.074 - personnel matters regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; Section

551.076 - implementation of security personnel or devices; Section 551.087 - deliberation regarding economic development negotiation; Section 551.089 - deliberation regarding security devices or security audits, and/or other matters as authorized under the Texas Government Code.

If a Closed or Executive Session is held in accordance with the Texas Government Code as set out above, the City Council will reconvene in Open Session in order to take action, if necessary, on the items addressed during Executive Session.

Pursuant to Texas Government Code Sec. 551.127, on a regular, non-emergency basis, members may attend and participate in the meeting remotely by video conference. Should that occur, a quorum of the members will be physically present at the location noted above on this agenda.

ACCESSIBILITY STATEMENT
The Alvarado City Hall and Council Chamber are wheelchair accessible. The exit and parking ramps are located in the front of the building. Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services such as interpreters for persons who are deaf or hearing impaired, readers, or large print, are requested to contact the City Secretary's Office at 817-790-3351, FAX: 817-783-7925, e-mail: taylorb@cityofalvarado.org Please call at least two (2) working days prior to the meeting so that appropriate arrangements can be made.

NON-DISCRIMINATION STATEMENT The City of Alvarado does not discriminate on the basis of race, color, national origin, sex, religion, or disability in the employment or the provision of services.

City Council Management Report
Meeting Date: 4/6/2026
Contact: Paul DeBuff, City Manager

AGENDA ITEM:
Consideration and action related to a Development Agreement between Alvarado 228 Development LLC, Avalon Development Group, LLC, and the City of Alvarado for the Chambers Creek Development. (DeBuff, French)

BACKGROUND & FINDINGS:
Alvarado 228 Development LLC and Avalon Development Group LLC are proposing a Development Agreement with the City of Alvarado for Chambers Creek, a ±228 acres master-planned community located adjacent to Alvarado High School, with access from I-35 frontage roads and Maple Avenue.

The proposed development is planned to include approximately 711 single-family homes, neighborhood amenities, a commercial corridor along I-35W, and a sports complex. A significant public benefit of this project is the dedication of approximately 27 acres to the City for the future development of regional sports complex. This land dedication supports long-term recreational opportunities and community growth.

FINANCIAL IMPACT:
Under the terms of the proposed Development Agreement, fifty percent (50%) of commercial and residential ad valorem tax revenue generated by the project will be deposited into the City's General Fund. The remaining 50% will be allocated to TIRZ #4 to support funding of the Sports Complex and other authorized improvements within the TIRZ.

RECOMMENDATION:
Staff recommend approval of the Chambers Creek Development Agreement between the City of Alvarado, Alvarado 228 Development LLC, and Avalon Development Group LLC.

MANAGEMENT REVIEW:
Paul DeBuff, City Manager

ATTACHMENTS:

1. Chambers Creek Development Agreement vF with EXH 3.30.26

CHAMBERS CREEK
DEVELOPMENT AGREEMENT

BY AND AMONG

ALVARADO 228 DEVELOPMENT, LLC

AND

AVALON DEVELOPMENT GROUP, LLC

AND

THE CITY OF ALVARADO, TEXAS

March 16, 2026

CHAMBERS CREEK DEVELOPMENT AGREEMENT

This Chambers Creek Development Agreement (this "Agreement") is executed by and among **Alvarado 228 Development LLC**, a Texas limited liability company (the "Owner"); **Avalon Development Group, LLC**, a Texas limited liability company (the "Developer"); and the **City of Alvarado, Texas** (the "City") to be effective on the Effective Date (as defined below).

RECITALS

WHEREAS, certain terms used in these recitals are defined in Article I; and

WHEREAS, the Owner, the Developer and the City are sometimes individually referred to as a "Party" and collectively as the "Parties"; and

WHEREAS, the City is a home-rule municipality of the state of Texas located within Johnson County (the "County"); and

WHEREAS, the Developer has entered into a contract to purchase approximately 228 acres of real property located partially within the corporate limits of the City and partially within the extraterritorial jurisdiction of the City, described by metes and bounds and depicted in **Exhibit A-1** (the "Property"), from the Owner, and the Parties intend for all rights and obligations of Owner to be automatically assigned to the Developer upon the closing; and

WHEREAS, the Property is comprised of approximately 189 acres of land, described by metes and bounds and depicted in **Exhibit A-2**, to be developed as single-family (the "PID Property"), approximately 12 acres of land described by metes and bounds and depicted in **Exhibit A-3** (the "Commercial Tract"), and approximately 27 acres of land depicted in **Exhibit I** (the "Sports Complex"); and

WHEREAS, the Developer will be the master developer of the Property; and

WHEREAS, the Parties intend for this Agreement to take effect on the last date this Agreement is executed by all Parties (the "Effective Date"); and

WHEREAS, the Developer plans to develop the Property as a mixed use development with residential, commercial, and retail uses (the "Project") upon the execution of this Agreement and subsequent issuance of PID Bonds for the payment of certain costs for the construction and acquisition of certain public improvements and certain other associated costs to benefit the PID Property, and for the repayment to Developer for certain costs advanced for the construction and acquisition of certain public improvements to benefit the PID Property as set forth in this Agreement and as determined by future PID related agreements; and

WHEREAS, in consideration of the Developer's agreements contained herein to accomplish the high-quality development of the PID Property envisioned by the Parties and to provide financing for the Authorized Improvements, the City intends to create a PID in accordance with Chapter 372 of the Texas Local Government Code, as amended (the "PID Act") encompassing the PID

Property, and to create a TIRZ in accordance with Chapter 311 of the Texas Tax Code, as amended (the "TIRZ Act"), to include the Property proposed to be developed; and

WHEREAS, water, sewer, drainage, roadway, and other public infrastructure is not currently available to serve the Parties' intended development of the Property; and

WHEREAS, the Developer desires and intends to design, construct and install Public Infrastructure to serve the development of the Property. Public Infrastructure that is constructed for the benefit of the PID Property and that is also eligible for PID reimbursement are considered Authorized Improvements, which Authorized Improvements are generally identified in **Exhibit B-1** and are intended by the Developer to be substantially the same as those described in the Service and Assessment Plan; and

WHEREAS, the Developer intends for the design, construction and installation of the Authorized Improvements to occur in phases and to dedicate such Authorized Improvements to the City for use and maintenance, subject to approval of the plans and inspection of the Authorized Improvements in accordance with this Agreement and contingent upon the partial or total financing of such Authorized Improvements; and

WHEREAS, the City recognizes the positive impact that the Public Infrastructure and the Development will bring to the City, and that the Public Infrastructure will promote state and local economic development; stimulate business and commercial activity in the municipality; promote the development and diversification of the economy of the state; promote development and expansion of commerce in the state; and promote the elimination of unemployment or underemployment in the state. The provisions of this Agreement ensure that a public purpose is satisfied, and that the City receives a benefit in return; and

WHEREAS, in consideration of the Developer's agreements contained herein, the City shall consider adoption of a resolution creating the PID (the "PID Resolution") following receipt of Owner's or Developer's petition to the City to create a PID for providing financing that will enable the Developer to do the following in accordance with the procedures and requirements of the PID Act: (i) fund a specified portion of the costs of the Authorized Improvements using the proceeds of PID Bonds; and/or (ii) obtain reimbursement for a specified portion of the costs of the Authorized Improvements, the source of said reimbursement will be installment payments from Assessments within the PID, provided that such reimbursements shall be subordinate to the payment of PID Bonds and Administrative Expenses (hereinafter defined); and

WHEREAS, the City, subject to the consent and approval of the City Council, and in accordance with the PID Act, will: (i) consider and act upon the creation of a PID encompassing the PID Property; (ii) consider adoption of a Service and Assessment Plan; (iii) consider adoption of an Assessment Ordinance levying Assessments on the PID Property (to pay for a specified portion of the Budgeted Cost of the Authorized Improvements which are estimated to encompass the costs described in **Exhibit B-1** and the costs associated with the administration of the PID and issuance of the PID Bonds); and (iv) consider issuance of PID Bonds for the purpose of financing a specified portion of the costs of the Authorized Improvements and paying associated costs as authorized by the PID Act; and

WHEREAS, prior to the sale of the first PID Bond issue: (i) the City Council shall have approved and adopted the PID Resolution, a Service and Assessment Plan, and an Assessment Ordinance (collectively, the "PID Documents"); (ii) the City shall have reviewed and approved the Home or Property Buyer Disclosure Program in substantially the same form as attached as **Exhibit E** hereto; (iii) the owners of the PID Property in the PID subject to the Assessments securing such first series of PID Bonds shall have executed a Landowner Consent in substantially the same form as attached as **Exhibit F** hereto; and (iv) the Developer shall have delivered a fully executed copy of the Landowner Consent(s) to the City; and

WHEREAS, in consideration of the Developer's agreements contained herein, the City intends to exercise its powers under the TIRZ Act to create the TIRZ over the Property and dedicate fifty percent (50%) of the City's collected ad valorem tax increment based on the City's annual tax rate for a period of up to thirty-six (36) years, paid in accordance with this Agreement, the TIRZ Project and Finance Plan, and SAP; and

WHEREAS, the Developer proposes that the Authorized Improvements and certain other improvements detailed in this Agreement also qualify as TIRZ Projects (hereinafter defined), under the TIRZ Act; and

WHEREAS, prior to the sale of the first PID Bond issue, and in consideration of the Developer's agreements contained herein, the Parties will agree to the final form of the following documents: (i) the TIRZ Project and Finance Plan; and (ii) an ordinance approving the TIRZ Project and Finance Plan required by the TIRZ Act; and

WHEREAS, all of the City's Administrative Expenses associated with the PID will be funded by the annual levy of annual installments on the PID Property in accordance with the PID Act and the SAP (the "Annual Installments"), and the City will not be responsible for payment of such costs from any other funds; and

WHEREAS, all of the City's TIRZ Administrative Expenses (hereinafter defined) associated with the TIRZ will be paid from amounts on deposit in the TIRZ Fund in accordance with the TIRZ Act and the TIRZ Project and Finance Plan, and the City will not be responsible for payment of such costs from any other funds; and

WHEREAS, the City has concluded and hereby finds that this Agreement promotes economic development in the City, and, as such, meets the requirements under Chapter 380, Texas Local Government Code, is in the best interests of the City and its residents, and meets the requirements of Article III, Section 52-a of the Texas Constitution, by assisting in the development and diversification of the economy of the State, by eliminating unemployment or underemployment in the State, and by the development or expansion of commerce within the State; and

WHEREAS, the Property shall be developed pursuant the City Regulations, except as same may be specifically modified by this Agreement, and an agreed upon concept plan, which Concept Plan is attached hereto as **Exhibit C** ("Concept Plan"), and the Development Standards.

WHEREAS, with respect to the approximately 214.91-acre portion of the Property that is currently in the extraterritorial jurisdiction of the City as reflected on **Exhibit A** identified as the

"Residential Tract" and the "Sports Complex" (the "ETJ Property"), this Agreement is authorized by Section 212.172, Texas Local Government Code; and

WHEREAS, the Parties intend that the City shall be the exclusive provider of retail potable water services and retail sewer services to the Project upon release of the water certificate of convenience and necessity ("CCN") held by Johnson County Special Utility District ("JCSUD") over a portion of the Property; and

WHEREAS, the Parties intend that the ETJ Property shall be voluntarily annexed into the City in accordance with the terms and conditions of this Agreement; and

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 I
DEFINITIONS

In addition to the definitions contained in the above Recitals and in the below Articles, unless the context requires otherwise, the following terms shall have the meanings hereinafter set forth:

Administrative Expenses shall include, without limitation, expenses incurred by the City in the establishment, administration, and operation of the PID, including, but not limited to, the costs of (i) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) creating and organizing the PID and preparing the Assessment Rolls, (iii) computing, levying, collecting and transmitting the Assessments or the installments thereof, (iv) maintaining the record of installments, payments, and reallocations and/or cancellations of the Assessments, (v) investing or depositing the Assessments or other monies, (vi) complying with the PID Act and TIRZ Act, and (vii) administering the construction of the Authorized Improvements, and other costs as may be set forth in the SAP and/or TIRZ Project and Finance Plan

Agreement means this Chambers Creek Development Agreement.

Assessment means a special assessment levied by the City within the PID Property pursuant to Chapter 372, Texas Local Government Code, pursuant to an Assessment Ordinance, to pay for a specific portion of the Budgeted Cost, which shall be Authorized Improvement Costs, as set forth in the Service and Assessment Plan, as well as payment of Administrative Expenses and repayment of the PID Bonds and the costs associated with the issuance of the PID Bonds.

Assessment Ordinance means an ordinance adopted by the City Council which levies Assessments on the PID Property in accordance with the PID Act to pay for a specified portion of the costs of certain Authorized Improvements, and interest thereon as set forth in the Service and Assessment Plan as well as the costs associated with the issuance of the PID Bonds that provide a special benefit to the PID Property.

Assessment Roll(s) means the Assessment Roll(s) attached to the Service and Assessment Plan or any other Assessment Roll in an amendment or supplement to the Service and Assessment Plan or

in an annual update to the Service and Assessment Plan, showing the total amount of the Assessment against each parcel assessed under the Service and Assessment Plan related to the Authorized Improvements.

Authorized Improvements means water, sewer, drainage, and roadway infrastructure and public improvements needed to serve and fully develop the PID Property, and as authorized by Section 372.003 of the PID Act, and to be constructed by the Developer or caused to be constructed by the Developer, including but not limited to the improvements listed in **Exhibit B-1** and as fully described in the SAP.

Authorized Improvement Costs means the actual costs of design, engineering, construction, acquisition, and inspection costs of the Authorized Improvements, as fully described in the Service and Assessment Plan.

Bond Indenture means a trust indenture by and between the issuer of PID Bonds and a trustee bank under which PID Bonds are issued and funds disbursed.

Bond Ordinance means an ordinance adopted by the City Council that authorizes and approves the issuance and sale of PID Bonds.

Budgeted Cost means, with respect to any given Authorized Improvement, the estimated cost of such improvement as set forth in **Exhibit B-1** and as fully described in the SAP, and as authorized by Section 372.003 of the PID Act

Capital Improvement(s) means, collectively, the CIP Water Line, the CIP Sewer Line, and the CIP Roadway Improvements.

Capital Improvement Costs means any construction, contributions, or dedications of Capital Improvements, including actual costs of design, engineering, construction, acquisition, and inspection, and all costs related in any manner to the Capital Improvement.

Certification for Payment Form means a certificate which shall be submitted to the City no more frequently than monthly or less frequently than annually for work completed on any of the Authorized Improvements, in substantially the same form as **Exhibit G** attached hereto, as such form may be modified by the Bond Indenture, construction and funding agreement between the City and the Developer, or a Reimbursement Agreement.

Chapter 380 Grant means a grant of funds or public money by the City via an economic development program pursuant to Chapter 380, Texas Local Government Code, as amended.

CIP Roadway Improvements means as defined in Section 4.7(b) and depicted on **Exhibit B-4**.

CIP Sewer Line means as defined in Section 4.5(b) and depicted on **Exhibit B-3**.

CIP Water Line means as defined in Section 4.4(b) and depicted on **Exhibit B-2**.

City means the City of Alvarado, Texas, a home-rule municipality located in Johnson County, Texas.

City Code means the Code of Ordinances, City of Alvarado, Texas, as it presently exists or may be subsequently amended.

City Council means the City Council of the City.

City Manager means the current, interim, or acting City Manager of the City, or a person designated to act on behalf of that individual if the designation is in writing and signed by the current, interim, or acting City Manager.

City Regulations means City Code provisions, ordinances, design standards, uniform and international building and construction codes, and regulations duly adopted by the City as of the Effective Date, save for any amendments that may be required by state law to protect the health or safety of the residents of the City, and including but not limited to a planned development district zoning ordinance for the Property.

Cost Underruns means actual Authorized Improvement Costs that are less than the Budgeted Costs set forth in the SAP.

County means Johnson County, Texas.

Developer means Avalon Development Group, LLC and its successors and assigns, responsible for developing the Project and causing the Property to be developed in accordance with this Agreement.

Development means the new development on the Property constructed in accordance with this Agreement and which constitutes the Project.

Development Standards means the development standards for the Property set forth in **Exhibit D**.

District Trigger means a written notice from the Owner or the Developer to the City notifying the City that (i) the City has refused to annex and/or zone the Property in accordance with this Agreement, (ii) the City has refused for at least ninety (90) days following a written request by the Developer to create the PID or the TIRZ, or (iii) the City has refused for at least one hundred fifty (150) days following a written request by the Developer to levy Assessments, and/or issue PID Bonds pursuant to the terms of this Agreement, subject to a reasonable opportunity for the City to consider such action upon receipt of such notice including any requirement of approval by the City Council; provided, however, in no instance shall a District Trigger be deemed to have occurred if (i) the PID Bonds are not able to be sold to an investor in the manner recommended by the City's municipal advisor, (ii) the PID Bonds would be issued in a manner that would not satisfy the terms of this Agreement or applicable state and federal laws, (iii) a delay in the issuance is caused solely by the Developer including failure of the Developer to provide information or documents required by the City or the underwriter, or (iv) the Developer is not in full compliance with the terms of this Agreement at the time of the notice to the City.

Eminent Domain Fee means all reasonable and necessary legal proceeding/litigation costs, compensation awards by courts or negotiated amounts for the condemned property interest, attorneys' fees, appraiser and expert witness fees, interest, court costs, mediation fees, deposition

costs, copy charges, courier fees, postage and taxable court costs paid or incurred by the City in the exercise of its eminent domain powers that for any reason are not funded at the time such expenses are incurred by the City by the proceeds of PID Bonds, if PID Bonds are issued, or Assessments if PID Bonds are not issued.

End Buyer means the intended end user of a Fully Developed and Improved Lot, which may include a developer, homebuilder, tenant, user, or homeowner.

Force Majeure means any act that (i) materially and adversely affects the affected Party's ability to perform the relevant obligations under this Agreement or delays such affected Party's ability to do so, (ii) is beyond the reasonable control of the affected Party, (iii) is not due to the affected Party's fault or negligence and (iv) could not be avoided, by the Party who suffers it, by the exercise of commercially reasonable efforts. "Force Majeure" shall include: (a) natural phenomena, such as storms, floods, lightning and earthquakes; (b) wars, civil disturbances, revolts, insurrections, terrorism, sabotage and threats of sabotage or terrorism; (c) transportation disasters, whether by ocean, rail, land or air; (d) strikes or other labor disputes that are not due to the breach of any labor agreement by the affected Party; (e) fires; (f) epidemics or pandemics; (g) governmental shutdowns; (h) actions or omissions of a governmental authority (including the actions of the City in its capacity as a governmental authority) that were not voluntarily induced or promoted by the affected Party, or brought about by the breach of its obligations under this Agreement or any applicable law or failure to comply with City Regulations; provided, however, that under no circumstances shall Force Majeure include any of the following events: (1) economic hardship; (2) changes in market condition; (3) any strike or labor dispute involving the employees of the Developer or any affiliate of the Developer, other than industry or nationwide strikes or labor disputes; (4) during construction, weather conditions which could reasonably be anticipated by experienced contractors operating the relevant location; or (5) any delay, default or failure (financial or otherwise) of the general contractor or any subcontractor, vendor or supplier of the Developer, or any construction contracts for the Capital Improvements, Public Infrastructure or the Development.

Fully Developed and Improved Lot means any lot in the Property, regardless of proposed use, intended to be served by the Authorized Improvements, and/or other public improvements, and for which a final plat has been approved by the City and recorded in the Real Property Records of Johnson County, Texas.

Home or Property Buyer Disclosure Program means the disclosure program, administered by the PID Administrator as set forth in a document in substantially the same form as **Exhibit E** or as provided in a Service and Assessment Plan. that establishes a mechanism to disclose to each buyer of property within the PID Property the terms and conditions under which their lot is burdened by the PID.

Impact Fees means any fees assessed and charged against property owners by the City in accordance with Chapter 395, Texas Local Government Code, and the City Regulations, as amended, and as defined herein.

Improvement Account means the account established under the applicable Bond Indenture for the deposit of PID Bond Proceeds.

Landowner(s) means the Owner, the Developer, and any additional owners of the Property.

Landowner Consent means a certificate executed by a Landowner consenting to the creation of the PID, the levy of the Assessments and the terms of the Service and Assessment Plan in a form substantially similar to **Exhibit F** attached hereto.

Notice means any notice required or contemplated by this Agreement (or otherwise given in connection with this Agreement).

Parcel(s) means any parcel of land located within a PID or TIRZ identified by either a tax map identification number assigned by the Johnson Central Appraisal District for real property tax purposes or by lot and block number in a final subdivision plat recorded in the Real Property Records of Johnson County.

PID means a public improvement district to be considered for creation by the City for the benefit of the PID Property pursuant to Chapter 372, Texas Local Government Code, to be known as the Chambers Creek Public Improvement District.

PID Act means Chapter 372, Texas Local Government Code, as amended.

PID Administrator means a company, entity, employee, or designee of the City, who is experienced in public improvement districts and assessment administration and who shall have the responsibilities provided in the Service and Assessment Plan or any other agreement or document approved by the City related to the duties and responsibilities for the administration of the PID.

PID Bonds means special assessment revenue bonds issued by the City through the PID to finance Authorized Improvements.

PID Bond Proceeds means the funds generated from the sale of the PID Bonds.

PID Resolution means the resolution adopted by the Council creating a PID pursuant to Section 372.010 of the PID Act and approving the advisability of the Authorized Improvements.

Public Infrastructure means the water, sewer, drainage, roadway, and other public infrastructure to be constructed for the benefit of the Property, including the Authorized Improvements and the TIRZ Projects, as further identified in the Service and Assessment Plan or the TIRZ Project and Finance Plan.

Project Fund(s) means the interest-bearing construction fund and any account(s) therein, as set forth in the applicable Bond Indenture.

Property means the real property described by metes and bounds and depicted on **Exhibit A-1**.

Real Property Records of Johnson County means the official land recordings of the Johnson County Clerk's Office.

Reimbursement Agreement means an agreement between the City and the Developer in which Developer agrees to fund certain costs of the Authorized Improvements and the City agrees to

reimburse Developer out of PID Bond Proceeds or Assessments for a portion of such costs of the Authorized Improvements funded by Developer with interest as permitted by the PID Act.

Service and Assessment Plan or SAP means a PID Service and Assessment Plan adopted by the City Council, as may be updated, supplemented, and amended annually, if needed, by the City Council pursuant to the PID Act for the purpose of assessing allocated costs against property located within the boundaries of the PID having terms, provisions and findings approved by the City, as required by this Agreement.

TIRZ means a tax increment reinvestment zone to be created by the City, in accordance with the TIRZ Act, encompassing the Property.

TIRZ Act means Chapter 311, Texas Tax Code, as amended.

TIRZ Administrative Costs means the actual, direct costs paid or incurred by or on behalf of the City to administer the TIRZ, including planning, engineering, legal services, organizational costs, publicizing costs, or implementation costs paid by or on behalf of the City that are directly related to the administration of the TIRZ, as well as payments made at the discretion of the City Council that it finds necessary or convenient to the creation of the TIRZ or to the implementation of the TIRZ Project and Finance Plan for the TIRZ.

TIRZ Credit means the amount, if any, transferred from the Chambers Creek PID Account of the TIRZ Fund to offset a portion of an Assessment within the PID, as set forth in the TIRZ Documents and the SAP.

TIRZ Documents means the TIRZ Project and Finance Plan, the TIRZ Ordinance, and the TIRZ Agreement (hereinafter defined in Section 8.1), as such documents may be amended.

TIRZ Fund means the fund (including any subaccounts) set up by the City in order to receive the City Tax Increment (hereinafter defined in Section 8.1) in accordance with this Agreement and the TIRZ Documents.

TIRZ Ordinance means the City ordinance creating the TIRZ pursuant to the TIRZ Act, and any subsequent ordinances effectuating amendments thereto.

TIRZ Project and Finance Plan means the final project and finance plan for the TIRZ approved in accordance with the TIRZ Act, as amended from time to time.

TIRZ Projects means those projects, including the Authorized Improvements, as estimated in **Exhibit B-1**, qualifying as projects which may be paid from TIRZ Revenues, in accordance with the TIRZ Documents and the TIRZ Act.

TIRZ Revenue means the City Tax Increment deposited in the TIRZ Fund.

ARTICLE II
CHAMBERS CREEK DEVELOPMENT

2.1 Scope of Agreement. This Agreement contemplates a plan for development of the Property in accordance with the City Regulations, except as same may be specifically modified by this Agreement, together with future actions by the Parties, that if approved, will establish provisions for the apportionment, levying, and collection of Assessments on the PID Property, the construction of the Authorized Improvements, reimbursement, acquisition, ownership and maintenance of the Authorized Improvements, the issuance of PID Bonds for the financing of the Authorized Improvements benefitting the PID Property, the creation of the TIRZ for the Property, and the use of TIRZ Revenues.

2.2 Development Overview.

(a) The Developer will undertake or cause the undertaking of the design, development, and construction of the Development, including the Public Infrastructure and any other public improvements necessary to serve the Property. The Development is generally shown on the Concept Plan attached as **Exhibit C** hereto, which is subject to modifications in accordance with Section 10.8 of this Agreement, and the City agrees and acknowledges that the number of residential lots shall not be reduced without the consent of the Developer.

(b) Subject to the terms and conditions set forth in this Agreement, the Developer shall plan, design, construct, and complete, or cause the planning, designing, construction, and completion of, the Public Infrastructure or any public improvements in accordance with the City's standards and specifications and subject to the City's approval in accordance with City Regulations, the Concept Plan, applicable law and the Development Standards.

(c) Upon completion, inspection, and acceptance by the City, the City shall own, operate, and maintain all of the Public Infrastructure, which shall include the Authorized Improvements as further described in Article IV; subject to certain maintenance responsibilities of the HOA (as defined in Section 5.1), for a portion of the Authorized Improvements related to open spaces, common areas, right-of-way, irrigation systems, right-of-way landscaping, drainage ponds, and any other common improvements or appurtenances not maintained and operated by the City.

(d) As required by the City Regulations, Developer shall, at its sole cost and expense, design and construct all Public Infrastructure that is not considered an Authorized Improvement or a TIRZ Project at no cost to the City.

ARTICLE III
PUBLIC IMPROVEMENT DISTRICT

3.1 Creation and Levy of Assessments. A petition to create the PID has been or shall be submitted by the Owner or Developer to the City supported by such additional documentation as the City may require. The City shall initiate and consider for approval all necessary documents and ordinances required under the PID Act to create the PID, to levy the Assessments on the PID Property, and to prepare and consider for approval the Service and Assessment Plan providing for the levy of the Assessments on the PID Property, including

without limitation the PID Resolution. Promptly following preparation and approval of a preliminary Service and Assessment Plan for the PID acceptable to the Developer and the City and subject to City Council making findings that the Authorized Improvements confer a special benefit on the PID Property, the City Council shall consider an Assessment Ordinance. The Developer shall develop the PID Property in compliance with the terms of this Agreement, the PID Documents, and any approved Reimbursement Agreement. The Owners and the Developer shall use commercially reasonable efforts to cause the builders to comply with the Home or Property Buyer Disclosure Program in substantially the same form as attached as **Exhibit E**.

3.2 Acceptance of Assessments and Recordation of Covenants Running with the Land. Concurrently with the levy of each Assessment, the applicable Landowners shall execute and record a Landowner Consent Certificate in substantially the form attached hereto as **Exhibit F.**

3.3 PID Reimbursement Agreement. Concurrently with the City's approval of the PID Resolution, the City shall consider a Reimbursement Agreement for the PID Property in substantially the form of **Exhibit J** attached hereto.

3.4 PID Assessment Amount. The maximum overlapping tax rate equivalent of Assessments for each Assessed Property (as defined in the SAP) and all taxing entities, after application of the TIRZ Credit available from TIRZ Revenues, shall not exceed $3.09 per $100 assessed value, at the time of the levy of the Assessments on each PID phase based upon the estimated average home value of each parcel as set forth in the SAP. Such rate limit applies on an aggregate basis for each Assessed Property within the PID. Further, the maximum PID tax rate equivalent for Assessments for each Assessed Property (as defined in the SAP), after application of the TIRZ Credit available from TIRZ Revenues, shall not exceed $1.00 per $100 assessed value, at the time of the levy of the Assessments on each PID phase based upon the estimated average home value of each parcel as set forth in the SAP. Such rate limit applies on an aggregate basis for each Assessed Property within the PID. There is not a value to lien constraint related to the levy of Assessments.

ARTICLE IV
PUBLIC INFRASTRUCTURE AND AUTHORIZED IMPROVEMENTS

4.1 Authorized Improvements. The Budgeted Costs of the Authorized Improvements are subject to change and shall be updated consistent with the SAP, the PID Act, the TIRZ Project and Finance Plan, and the TIRZ Act. The Public Infrastructure shall be identified and included on each approved site plan and final plat(s) for the Property as each final plat/site plan for each phase of the Property is approved by the City. The Developer may be required to provide an updated **Exhibit B-1** with each final plat application, or site plan application as applicable, consistent with the PID/TIRZ requirements and this Agreement. Upon approval by the City Council of an updated **Exhibit B-1** with each final plat application; site plan application; or update or amendment to the SAP, this Agreement shall be deemed amended to include such approved updated **Exhibit B-1**. The Budgeted Costs and/or Authorized Improvement Costs and the timetable for installation of the Authorized Improvements and/or TIRZ Project will be reviewed in accordance with the PID/TIRZ requirements and in accordance with the City Regulations.

4.2 Construction, Ownership, and Transfer of Public infrastructure.

(a) Construction Plans and Oversizing. Except as otherwise expressly provided for in this Agreement, all Public Infrastructure shall be designed, constructed and installed by the Developer in compliance with the City Regulations. Construction and/or installation of Public Infrastructure shall not begin until complete and accurate plans and specifications have been approved by the City. The size of the Public Infrastructure shall be as finally determined by the City's engineer, however, should the City's engineer determine oversizing is needed to serve property other than the Development, then the City shall pay it's the increase in costs resulting from the oversizing as they become due and payable under the construction contract/the City's proportionate share of each payment. The City may use any funds available to pay for the oversizing other than (i) the PID Bond Proceeds, (ii) Assessments, or (iii) the TIRZ Revenues collected from the Property and obligated under this Agreement.

(b) Contract Award. The contracts for construction of Public Infrastructure shall be let in the name of the Developer. 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 Party responsible for maintenance of the completed Public Infrastructure. The Developer's engineers shall prepare, or cause the preparation of, and provide all contract specifications and necessary related documents for the Public infrastructure. The Developer shall administer the contracts, and if there is not a general contractor, the Developer may charge up to a 4% construction management fee. The Authorized Improvement Costs, which are estimated on **Exhibit B-1**, may be paid, in accordance with Section 7.5 hereof, from the proceeds of PID Bonds, if issued, in accordance with the Bond Indenture, and/or reimbursed to the Developer by the collected Assessments pursuant to the terms of a Reimbursement Agreement, each payment or reimbursement being made through the Certification for Payment Form process where the Developer or the Developer's assignee will submit invoices for payment.

(c) Inspection. The Public infrastructure shall be constructed and inspected in accordance with the applicable state law and the City Regulations.

(d) Competitive Bidding. This Agreement and construction of the Authorized Improvements, including, without limitation, the TIRZ Projects, shall be exempt from competitive bidding pursuant to Sections 252.022(a)(9) and 252.022(a)(11) of the Texas Local Government Code based upon current cost estimates. However, in the event that the actual costs for the Authorized Improvements do not meet the parameters for exemption from the competitive bid requirement, then alternative delivery methods may be used by the City as allowed by law, at City's sole discretion.

(e) Ownership. The Public Infrastructures will be installed within the public rights-of-way or in easements granted to the City. All of the Public infrastructure shall be owned by the City following inspection and acceptance of them by the City using procedures established by the City Regulations and this Agreement. The Developer agrees to take any action reasonably required by the City where applicable to transfer or otherwise dedicate or ensure the dedication of easements for the and rights-of-way, as applicable, to the City and the public.

(f) Public infrastructure Constructed on the Property. If an Authorized Improvement is on land owned by the City, the City hereby grants to the Developer a temporary easement to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Authorized Improvement. To the extent easements or rights-of-way are needed within the Property and/or on the perimeter of the Property for Public Infrastructure, they shall be dedicated by the Developer to the City at no cost to the City. The Developer shall dedicate such easements and rights-of-way by plat or shall execute and deliver to the City such right-of-way deeds, utility easements and access and maintenance easements as the City may reasonably require in recordable form, and the Developer hereby grants to the City a permanent access and maintenance easement, as evidenced on the final plat of the Property, to enter upon the Property for purposes related to inspection and maintenance of the Authorized Improvement. The grant of the permanent easement or right-of-way shall not relieve the Developer of any obligation to grant the City title to property and/or easements related to the Authorized Improvement as required by the City Regulations or this Agreement or in the City's reasonable judgment to be granted to provide for convenient access to and routine and emergency maintenance of such Authorized Improvement.

4.3 Operation and Maintenance of Public infrastructure.

(a) Upon inspection, approval, and acceptance of the water and sewer Public infrastructure, roadway and associated storm water Public infrastructure, or any portion thereof, the City shall maintain and operate the accepted water and sewer infrastructure, and the roadway and associated storm water Public infrastructure, excluding the detention/drainage ponds which shall be maintained and operated by the HOA.

(b) The HOA shall maintain and operate the open spaces, common areas, right-of-way, irrigation systems, right-of-way landscaping, drainage ponds, and any other related common improvements or appurtenances not maintained and operated by the City. Contemporaneously with the City's acceptance of any such Public infrastructure to be maintained by the HOA, the City and the HOA shall enter into an agreement related to the maintenance of such improvements.

4.4 Water Facilities. As required by the City Regulations, Developer shall, as its sole cost and expense, design and construct the following at no cost to the City:

(a) All water onsite Public Infrastructure required by the City Regulations and needed to serve the Development; and

(b) CIP Water Line. An approximately 8,560 linear foot 8-inch and 12-inch water line as shown on **Exhibit B-2** attached hereto, including, without limitation, all pipes, valves, reducers, plugs, tees and fittings (collectively, the "CIP Water Line"). The Parties acknowledge that the CIP Water Line is included in the City's water capital improvements plan and constitute Capital Improvements eligible for Impact Fee Reimbursement to the extent not reimbursed by PID Bonds or TIRZ Funds.

4.5 Wastewater Facilities. As required by the City Regulations, Developer shall, as its sole cost and expense, design and construct the following at no cost to the City:

(a) All wastewater onsite Public Infrastructure required by the City Regulations and needed to serve the Development; and

(b) CIP Sewer Line. An approximately 2,520 linear foot 8-inch sewer line as shown on **Exhibit B-3** attached hereto, including, without limitation, all pipes, valves, reducers, plugs, tees and fittings (collectively, the "CIP Sewer Line"). The Parties acknowledge that the CIP Sewer Line is included on the City's sewer capital improvements plan and constitute Capital Improvements eligible for Impact Fee Reimbursement to the extent not reimbursed by PID Bonds or TIRZ Funds.

4.6 Water and Wastewater Services.

(a) The City shall be solely responsible for providing retail water and wastewater services needed to serve the Project after the Property has been decertified from JCSUD and annexed into the City's corporate limits. Subject to the Developer fulfilling its obligations to design and construct Public Infrastructure herein, the City shall take all actions necessary to have the capacity to provide continuous and adequate retail water and wastewater service at times and in capacities sufficient to meet the service demands for the number of customers reflected in **Exhibits C and D** as the Project is developed.

(b) As of the Effective Date, the City has applied for an expansion of its wastewater CCN to include the Property and the City shall use its best commercially reasonable efforts to obtain a wastewater CCN for the Property. The Developer will not oppose the City in obtaining such wastewater CCN.

(c) As of the Effective Date, JCSUD is the holder of the water CCN for a portion of the Property. Developer shall file for decertification from JCSUD within thirty (30) days, at Developer's sole cost and expense, after the Property is annexed into the City. After Developer completes the decertification, the City shall use its best commercially reasonable efforts to obtain a water CCN for the Property. The Developer will not oppose the City in obtaining such water CCN.

(d) Upon acceptance by the City of the water and wastewater facilities described herein, the City shall operate or cause to be operated said water and wastewater facilities serving the Project and use them to provide service to all customers within the Project at the same rates as similar projects located within the City. Upon acceptance by the City, the City shall at all times maintain said water and wastewater facilities, or cause the same to be maintained, in good condition and working order in compliance with all applicable laws and ordinances and all applicable regulations, rules, policies, standards, and orders of any governmental entity with jurisdiction over same.

4.7 Roadway Facilities and Drainage Improvements. As required by the City Regulations, Developer shall, as its sole cost and expense, design and construct the following at no cost to the City:

(a) All roadway and drainage onsite Public Infrastructure required by the City Regulations and needed to serve the Development; and

(b) CIP Roadway Improvements; TIA.

(1) Two (2) lanes of an ultimate two lane roadway adjacent to the Property known as County Road 108C and expected to be named "Maple Street" or "Maple Avenue" upon annexation, including widening and paving, as shown on **Exhibit B-4** attached hereto (the "CIP Roadway Improvements"). The CIP Roadway Improvements shall be completed prior to the earlier of (i) the City's acceptance of the Public Infrastructure in the fourth phase of the residential development or (ii) the City providing a written notice to Developer to commence and complete the CIP Roadway Improvements. The Parties acknowledge that the CIP Roadway Improvements are included in the City's master thoroughfare plan and constitute Capital Improvements eligible for Impact Fee Reimbursement to the extent not reimbursed by PID Bonds or TIRZ Funds. If any of the CIP Roadway Improvements are not included in the City's master thoroughfare plan, the City shall take all steps necessary to include all of the CIP Roadway Improvements to the City's master thoroughfare plan so that they constitute Capital Improvements eligible for Impact Fee Reimbursement as contemplated by this Agreement.

(2) The Parties acknowledge that a traffic impact analysis ("TIA") is being performed by Developer to determine what additional roadway improvements are needed to maintain traffic at an acceptable non-failure level ("TIA Improvements"), and that the TIA will not be completed until after the Effective Date. Within seven (7) days of completion of the TIA, Developer shall provide the City with an electronic copy of the TIA and all underlying data relied upon by the traffic engineer conducting the TIA. The Parties agree that all details related to construction of the TIA Improvements will be resolved through the preliminary plat approval process with the City, including, but not limited to, the timing of construction and the amount of Developer's contribution for the TIA Improvements. Developer hereby waives the thirty (30) day "shot clock" otherwise applicable pursuant to Texas Local Government Code Section 212.009(a) for the preliminary plat submitted to the City, and Developer agrees that failure of the Parties to resolve the TIA Improvements consistent with the findings of the TIA through the preliminary plat is a valid reason for the City to deny the preliminary plat. If any of the TIA Improvements are not included in the City's master thoroughfare plan, the City shall take all steps necessary to include all of the TIA Improvements to be constructed by the Developer to the City's master thoroughfare plan so that they constitute Capital Improvements eligible for Impact Fee Reimbursement as contemplated by this Agreement.

(c) Drainage/Detention Infrastructure. The drainage/detention improvements that will serve the Property. Prior to the recordation of the final plat for any phase of the Development, Developer shall complete, in a good and workmanlike manner and in compliance with the City Regulations, construction of the drainage/detention improvements necessary to serve such phase.

Upon inspection, approval and acceptance, City shall maintain and operate the drainage (excluding the drainage improvements and detention ponds required to be maintained by the HOA pursuant to Section 5.1 below) and roadway Public Infrastructure for the Property.

ARTICLE V
ADDITIONAL DEVELOPER AND CITY OBLIGATIONS

5.1 Mandatory Homeowners' Association. The Developer will create a mandatory homeowners' association ("HOA") over the PID Property, which HOA, in accordance with City Regulations and through its covenants, conditions, and restrictions filed in the Real Property Records of Johnson County or its by-laws, shall be required to assure compliance with this Agreement, and shall be required to remain solvent and assess and collect annual fees from owners in an amount calculated to operate and maintain the open spaces, common areas, detention ponds, screening walls, detention areas, and other related improvements or appurtenances that are not required to be dedicated or maintained and operated by the City within the PID Property. Common residential areas, including but not limited to all landscaped entrances to the PID Property, and all other improvements not maintained by the City, shall be maintained solely by the HOA. The HOA shall be required to pay ad valorem taxes on any property owned by the HOA.

5.2 Sports Complex.

(a) Land Dedication. The Developer shall dedicate approximately twenty-seven (27) acres to the City suitable for a regional sports complex which shall, at a minimum, include the following improvements: three (3) natural turf softball or baseball fields; two (2) natural turf soccer fields; six (6) tennis or pickleball courts; restroom facilities, and a concrete parking area, or as otherwise mutually agreed to by the Parties (the "Sports Complex"), as generally depicted on the Sports Complex Plan attached hereto as **Exhibit I**. The conveyance from the Developer to the City will occur on or before construction of the Phase II Sports Complex, as defined in Section 5.2(b) below.

(b) Feasibility Study, Construction Timeline, and Responsibility.

(1) The Developer shall engage a third-party consultant to prepare a feasibility study (the "Feasibility Study") to determine the feasibility of support for tournament play at the Sports Complex and whether additional facilities and sports fields beyond the requirements in Section 5.2(a) may be added to support such tournaments including the estimated costs associated with such additional facilities and sports fields. Within one hundred twenty (120) calendar days of the Effective Date, the Developer shall submit to the City an initial draft of the Feasibility Study as evidence of Developer's compliance with this Section 5.2(b)(1). The final version of the Feasibility Study must be completed prior to commencement of construction on any portion of the Sports Complex. All Developer costs associated with preparation of the Feasibility Study shall be reimbursable to the Developer from the Sports Complex Account funded in accordance with Section 8.2(b), below.

(2) The Developer shall construct or cause the construction of the Sports Complex in two phases. The first phase of the Sports Complex (the "Phase I Sports Complex") and the second phase of the Sports Complex (the "Phase II Sports Complex") shall be constructed in accordance with the findings of the Feasibility Study and as agreed to by the Developer and the City. The Developer shall commence construction of the Phase I Sports Complex upon the earlier of (i) completion of the sale of all homes located in the first phase of the single-family residential development within the PID Property or (ii) upon approval of a final plat for the second phase of

the single-family residential development within the PID Property. The costs associated with the engineering, design, and construction of the Phase I Sports Complex shall not exceed six hundred thousand and 00/100 dollars ($600,000) unless the City agrees to fund the costs in excess of $600,000. The Developer shall commence construction of the Phase II Sports Complex within six (6) months after the TIRZ Revenues collected in the Sports Complex Account of the TIRZ Fund in a given year totals at least six hundred thousand dollars ($600,000) for such year, which amount is deemed sufficient to repay the Developer's financing for the costs of the Phase II Sports Complex, including interest expenses. The Developer, in partnership with the City, will oversee all planning, design, engineering, and construction of the Sports Complex. Prior to the completion of the Phase I Sports Complex, the City shall organize a meeting with the Developer and the HOA to negotiate any allowances or restrictions pertaining to the use of the Sports Complex, including hours of operation, holiday scheduling, shared parking access, and any other access to the Sports Complex by the HOA.

(c) Ownership, Operation, and Maintenance. The Sports Complex will be owned, operated, and maintained by the City at its sole cost and expense. The City may contract with a qualified third-party operator to manage staffing, programming, tournament booking, sponsorships, concessions, and other daily operations. During the first two (2) years of operation, the City shall obtain prior written consent from the Developer prior to entering into any agreements with a qualified third-party operator, and such Developer consent shall not be unreasonably withheld or delayed.

(d) Sports Complex Financing. As provided in Article VIII, amounts collected in the Sports Complex Account of the TIRZ Fund shall be used to reimburse the Developer for the costs of the design, engineering and construction of the Phase I Sports Complex and the Phase II Sports Complex, including its financing and actual interest paid. The City may, at its discretion, reimburse the Developer with alternative funding sources (economic development grants, donations, sponsorships) to accelerate the reimbursements otherwise owed to the Developer from TIRZ Revenues.

(e) City Fees. Notwithstanding Section 11.1 and Section 11.2, the City agrees to waive any and all development, review, permitting, and inspection fees otherwise applicable to the construction of the Sports Complex.

5.3 City Consent to Special District. Following the occurrence of a District Trigger, this Agreement constitutes, to the extent permitted by applicable law, the irrevocable and unconditional consent of the City to the Owner or the Developer creating, at no additional cost to the City, one or more municipal utility districts and/or municipal management districts covering the Property or any portion thereof (a "Special District") pursuant to the authority and in accordance with all provisions of Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 54, Texas Water Code, as amended and Chapter 375, Texas Local Government Code, as amended. The City further consents, to the extent permitted by applicable law, to:

(a) an expansion of the authority of the Special District (by petition to and approval of the Texas Commission on Environmental Quality (the "TCEQ") or otherwise) to

include road utility district powers pursuant to Chapter 441, Texas Transportation Code, as amended;

(b) expansions, from time to time, of the authority of the Special District (by special acts of the Texas legislature or otherwise) to include road powers (both within and outside the boundaries of the District) authorized by the Texas Constitution or by the laws of the State of Texas, as amended; and

(c) the division of the Special District into defined areas, but not the annexation of land other than the Property into the Special District without prior written City consent that must be evidenced by a resolution of the City Council and such consent shall not be deemed or otherwise gained under state law.

Upon a District Trigger, the City agrees, at no cost to the City, to consider such further ordinances, or consents, and execute such further documents required by state law and as may reasonably be requested by the Owner and the Developer, the TCEQ, the Texas Attorney General, or the Special District to evidence the City's consents as set forth in this Agreement and in any consent resolution. Upon a District Trigger and the creation of a Special District, the City hereby consents to an assignment of any receivables due under this Agreement, any construction funding agreement, any Reimbursement Agreement, or any TIRZ Agreement to the Special District for the issuance of contract revenue bonds by the Special District. The Developer agrees to reimburse or cause the Special District to reimburse the City for reasonable and necessary costs associated with such further documents. The consents contained in this Section 5.3 and any consent resolution are given by the City, to the extent permitted by applicable law, 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 Attorney General.

ARTICLE VI
PID BONDS

6.1 PID Bonds.

(a) The Developer shall submit or cause to be submitted a PID creation petition to the City. Following receipt of the PID creation petition, the City shall consider issuing PID Bonds, in one or more series, solely for the purposes of financing the costs of the Authorized Improvements and related costs and paying issuance costs and Administrative Expenses. As soon as reasonably practicable following a request by the Developer, and provided the City's financial advisor confirms the PID Bonds meet the below requirements and are marketable to third party institutional investors and confirmation that the Assessments are reasonable relative to the market as determined by the City Council, the City agrees to issue PID Bonds, subject to City Council approval

(b) The issuance of PID Bonds is subject to the following conditions:

(1) a minimum value to lien ratio of at least 1.5:1 at the time of the issuance of each series of PID Bonds based on the anticipated final

improved retail lot values, if provided, as determined in a third-party appraisal for any issuance of PID Bonds; provided, however, the minimum value to lien ratio stated herein may be lower upon a recommendation by the City's financial advisor. The appraiser preparing any appraisal required in connection with the PID Bonds will be selected by the underwriter, and all reasonable appraisal fees will be paid by the Developer and may be reimbursed from PID Bond Proceeds.

(2) The City has determined that the PID Bonds assessment level, structure, terms, conditions and timing of the issuance of the PID Bonds are reasonable for the Authorized Improvements Cost to be financed and that there is sufficient security for the PID Bonds to be creditworthy.

(3) All costs incurred by the City that are associated with the administration of the PID shall be paid out of Annual Installments levied against the PID Property, as set forth in the SAP.

(4) The City has formed and utilized its own financing team including, but not limited to, bond counsel, financial advisor, PID Administrator, and underwriters related to the issuance of PID Bonds and bond financing proceedings.

(5) Approval by the Texas Attorney General of the PID Bonds and registration of the PID Bonds by the Comptroller of Public Accounts of the State of Texas.

(6) The Developer is current on all taxes, assessments, fees and obligations to the City including without limitation payment of Assessments.

(7) The Developer is not in default under this Agreement or, with respect to the Property, any other agreement to which Developer is a party.

(8) The Administrator has indicated and the City Council has approved that the specified portions of the Authorized Improvements Cost to be paid from the proceeds of the PID Bonds are eligible to be paid with PID Bond Proceeds.

(9) The Authorized Improvements to be financed by the PID Bonds have been or will be constructed according to the approved Development Standards imposed by this Agreement.

(10) The City has determined that the PID Bonds meet all regulatory and legal requirements applicable to the issuance of the PID Bonds.

(11) No information regarding the City, including without limitation financial information, shall be included in any offering document relating to PID Bonds without the consent of the City.

(12) The Developer agrees to provide periodic information and notices of material events regarding the Developer and the Developer's development within the PID in accordance with any continuing disclosure agreement required to be executed by the Developer in connection with the issuance of PID Bonds.

(13) Developer is not in default under any continuing disclosure agreement.

(14) The City will not charge the Developer an additional PID fee to be paid in connection with the levy of Assessments or the issuance of PID Bonds.

(15) The aggregate principal amount of PID Bonds required to be issued will not exceed an amount sufficient to fund: (i) the Authorized Improvements Costs, (ii) required reserves and/ or capitalized interest during the period of construction and not more than 12 months after the completion of construction and in no event for a period greater than 2 years from the date of the initial delivery of the PID Bonds, (iii) any costs of issuance, and (iv) an initial deposit to a PID administrative fund under the Bond Indenture. Provided, however that to the extent the law(s) which limit the period of capitalized interest to 12 months after completion of construction change, the foregoing limitation may be adjusted to reflect the law(s) in effect at the time of actual PID Bond issuance.

(16) The maximum maturity for PID Bonds shall not exceed 30 years from the date of delivery thereof.

(17) The Developer is not in default of any obligations required by the applicable Bond Indenture for any outstanding PID Bonds.

6.2 Non-Bank Qualified Debt.

(a) In any calendar year in which PID Bonds are issued, the Developer agrees to pay the City additional costs occurring solely from the difference in interest cost ("Additional Costs") the City may incur in the issuance of City obligations (the "City Obligations") as described in this Section if the City Obligations are deemed not to qualify for the designation of "qualified tax-exempt obligations" ("QTEO") as defined in section 265(b)(3) of the Internal Revenue Code of 1986, as amended, as a result of the issuance of PID Bonds by the City in any given year. The City agrees to deposit all funds for the payment of such Additional Costs received under this Section into a segregated account of the City, and such funds shall remain separate and apart from all other funds and accounts of the City until December 31 of the calendar year in which the PID Bonds are issued, at which time the City is authorized to utilize such funds for any purpose permitted by law. Additionally, the City will provide the Developer on an annual basis no later than December 15th each year the projected amount of City Obligations to be issued in the upcoming year based on its annual budget process.

(b) In the event the City issues PID Bonds prior to the issuance of City Obligations, the City, with assistance from its Financial Advisor, shall calculate the estimated Additional Costs based on the market conditions as they exist approximately forty-five (45) days prior using independent third party public pricing information to the date of the pricing of the PID Bonds (the "Estimated Additional Costs"), the City shall provide a written invoice to the Developer, and the Developer shall have ten (10) days to review and provide input on the calculation to the City. The Developer shall pay such Estimated Additional Costs to the City on or before the earlier of (i) ten (10) business days after the date of the City's invoice or (ii) fifteen (15) business days prior to pricing the PID Bonds. The City shall not be required to price or sell any issue of PID Bonds until the Developer has paid to the City the Estimated Additional Costs related to the PID Bonds then being issued. The Estimated Additional Costs are an estimate of the increased cost to the City to issue its City Obligations as non-QTEO. Upon the City's approval of the City Obligations, the City's Financial Advisor shall calculate the actual Additional Costs to the City of issuing its City Obligations as non-QTEO (the "Actual Increased Costs"). The City will, within five (5) business days of the issuance of the City Obligations, notify the Developer of the Actual Increased Costs. In the event the Actual Increased Costs are less than the Estimated Additional Costs, the City will refund to the Developer the difference between the Actual Increased Costs and the Estimated Additional Costs within ten (10) business days of the date of the City's Notice to the Developer of the Actual Increased Costs. If the Actual Increased Costs are more than the Estimated Additional Costs, the Developer will pay to the City the difference between the Actual Increased Costs and the Estimated Additional Costs within ten (10) business days of the date of the City's Notice to the Developer of the Actual Increased Costs. If the Developer does not pay the City the difference between the Actual Increased Costs and the Estimated Additional Costs within ten (10) business days of the date of the City's Notice to the Developer of the Actual Increased Costs, the Developer shall not be paid any reimbursement amounts under any Reimbursement Agreement(s) related to the PID or the Project until such payment is made in full.

(c) In the event the City issues City Obligations prior to the issuance of PID Bonds, the City's Financial Advisor shall calculate the estimated Additional Costs based on the market conditions as they exist approximately forty-five (45) days prior to the date of the pricing using independent third party public pricing information of the City Obligations (the "Estimated Additional City Obligation Costs"), the City shall provide a written invoice to the Developer, and the Developer shall have ten (10) days to review and provide input on the calculation to the City. The Developer shall pay such Estimated Additional City Obligation Costs to the City at least fifteen (15) days prior to pricing the City Obligations. If the Developer has not paid the Estimated Additional City Obligation Costs to the City by the required time, the City, at its option, may elect to designate such City Obligations as QTEO, and the City shall not be required to issue any PID Bonds in such calendar year. The Estimated Additional City Obligation Costs are an estimate of the increased cost to the City to issue its City Obligations as non-QTEO. Upon the City's approval of the City Obligations, the City's Financial Advisor shall calculate the actual Additional Costs to the City of issuing its City Obligations as non-QTEO (the "Actual Increased City Obligation Costs"). The City will, within five (5) business days of the issuance of the City Obligations, notify the Developer of the Actual Increased City Obligation Costs. In the event the Actual Increased

City Obligation Costs are less than the Estimated Additional City Obligation Costs, the City will refund to the Developer the difference between the Actual Increased City Obligation Costs and the Estimated Additional City Obligation Costs within ten (10) business days of the date of the City's Notice to the Developer of the Actual Increased City Obligation Costs. If the Actual Increased City Obligation Costs are more than the Estimated Additional City Obligation Costs, the Developer will pay to the City the difference between the Actual Increased City Obligation Costs and the Estimated Additional City Obligation Costs within ten (10) business days of the date of the City's Notice to the Developer of the Actual Increased City Obligation Costs. If the Developer does not pay the City the difference between the Actual Increased City Obligation Costs and the Estimated Additional City Obligation Costs within ten (10) business days of the date of the City's Notice to the Developer of the Actual Increased City Obligation Costs, the Developer shall not be paid any reimbursement amounts under any Reimbursement Agreement(s) or from the proceeds of PID Bonds, related to the PID or the Project until such payment is made in full.

(d) To the extent any developer(s), including the Developer, has (have) paid Additional Costs for any particular calendar year in connection with such developer's developments in the City, any such Additional Costs paid subsequently by a developer, including the Developer, to the City applicable to the same calendar year shall be reimbursed by the City to such developer(s) as necessary so as to put all developers and the Developer so paying for the same calendar year in the proportion set forth in subsection (e), below, said reimbursement to be made by the City within ten (10) business days after its receipt of such subsequent payments of such Additional Costs.

(e) Notwithstanding whether any other developer has agreed to pay Additional Costs in connection with such other developer's developments in the City, the Developer shall only be liable for its portion of the Additional Costs under this provision, and if any Additional Costs in excess of the Developer's portion had already been paid to the City under this provision, then such excess of Additional Costs shall be repaid to the Developer from funds on deposit with the City and otherwise unencumbered. The portion owed by the Developer shall be determined by dividing the total bond proceeds from any debt issued on behalf of the Developer in such calendar year by the total bond proceeds from any debt issued by the City.

ARTICLE VII
PAYMENT OF AUTHORIZED IMPROVEMENTS

7.1 Assessment Fund/Improvement Account of the Project Fund. Prior to the issuance of PID Bonds, Assessments shall be deposited into a fund created under the applicable Reimbursement Agreement (the "Assessment Fund") and shall be used to reimburse the Developer for Authorized Improvement Costs, subject to the terms and limitations set forth in such Reimbursement Agreement. The Assessment Fund shall be maintained as provided in the applicable Reimbursement Agreement and shall not be commingled with any other funds of the City. On the date of issuance of any PID Bonds, the City shall establish the Improvement Account of the Project Fund in accordance with the applicable Bond Indenture. Amounts on deposit in the Improvement Account shall be used to pay or reimburse the Developer for Authorized Improvement Costs. Any Improvement Account of the Project Fund shall be maintained as

provided in the Bond Indenture and shall not be commingled with any other funds of the City. Any Improvement Account of the Project Fund shall be administered and controlled (including signatory authority) by the City, or the trustee bank for the PID Bonds, and funds in the Improvement Account of the Project Fund shall be deposited and disbursed in accordance with the terms of the Bond Indenture. In the event of any conflict between the terms of this Agreement and the terms of the Bond Indenture, the terms of the Bond Indenture shall control.

7.2 Cost Overrun. In advance of the Developer letting a contract for the Authorized Improvements, the City shall confirm that the cost for construction of such Authorized Improvements is generally consistent with the Budgeted Costs provided on **Exhibit B-1,** as amended from time to time pursuant to this Agreement. If the Authorized Improvement Costs (or segment or section thereof) exceeds the Budgeted Cost for such Authorized Improvement (or segment or section thereof) (a "Cost Overrun"), the Developer shall be solely responsible for the remainder of the Authorized Improvements Costs (or segment or section thereof), except as provided for in Section 7.3 below.

7.3 Cost Underrun. If, upon the completion of construction of an Authorized Improvement (or segment or section thereof) and the acceptance by the City and payment or reimbursement for such Authorized Improvement, there are Cost Underruns for any Authorized Improvement anticipated to be paid from the same Assessment, any remaining Budgeted Cost(s) may be available to pay Cost Overruns on any other Authorized Improvement with the approval of the City Manager. The elimination of a category of Authorized Improvements as set forth in the Service and Assessment Plan will require an amendment to the SAP. Prior to the completion of all of the Authorized Improvements within an improvement category but after completion of specific line items within such Authorized Improvement category, as listed in the applicable SAP, funds available from such improvement category that are designated as Cost Underruns for a specific line item may be applied to Cost Overruns of another Authorized Improvement category paid from the same Assessment without approval of the City. If, upon completion of the Authorized Improvements in any improvement category, there are funds remaining in any improvement categories, those funds can then be used to reimburse the Developer for any qualifying costs of the Authorized Improvements that have not been previously paid.

7.4 Prioritization of Payments and Remainder of Funds in the Improvement Account of the Project Fund. If PID Bonds are issued, Authorized Improvement Costs shall be paid first from PID Bond proceeds, and then from any Developer funds required to be deposited under a Bond Indenture. If funds remain in the Improvement Account of the Project Fund created under the Bond Indenture after the completion of all Authorized Improvements and the payment of all Authorized Improvement Costs as provided for in the Bond Indenture, then such funds thereafter shall be the exclusive property of the City and shall be used by the City as provided for in the SAP, the Bond Indenture, or any other applicable use to the Property as provided by law. If any Developer deposit funds are remaining after completion of all Authorized Improvements and payment of all Authorized Improvement Costs as provided for in the Bond Indentures and SAP, then such funds shall be returned to the Developer.

7.5 Payment Process for Authorized Improvements.

(a) Unless the Developer is in default under the terms of this Agreement, the

City shall authorize reimbursement of the Authorized Improvement Costs from PID Bond proceeds or from revenues received from the collection of Assessments related to a Reimbursement Agreement, subject to the terms set forth in a Bond Indenture, construction, funding agreement, and/or Reimbursement Agreement. Notwithstanding the previous sentence, in the event the Developer is in default, the City shall reimburse the Developer for those Authorized Improvements that have been completed by the Developer and accepted by the City, subject to the terms set forth in a Bond Indenture and/or Reimbursement Agreement. The Developer shall submit a Certification for Payment Form to the City (no more frequently than monthly or less frequently than annually) for Authorized Improvement Costs including a completed segment, section or portion of an Authorized Improvement, as approved by the City. The Certification for Payment Form is set forth in **Exhibit G**, and may be modified by the Bond Indenture, a construction funding agreement or a Reimbursement Agreement, if applicable. The City shall review the sufficiency of each Certification for Payment Form with respect to compliance with this Agreement, the City Regulations, the SAP, and any applicable Bond Indenture or Reimbursement Agreement. The City shall review each completed Certification for Payment Form, including all required receipts and affidavits of all bills paid, within fifteen (15) business days of receipt thereof and upon approval, certify the Certification for Payment Form pursuant to the provisions of the Bond Indenture or Reimbursement Agreement, if applicable, and payment shall be made to the Developer or its designee pursuant to the terms of the Bond Indenture or Reimbursement Agreement, if applicable, provided that funds are available under the Bond Indenture or Reimbursement Agreement. If a Certification for Payment Form is approved only in part, the City shall specify the extent to which the Certification for Payment Form is approved and payment for such partially approved Certification for Payment Form shall be made to the Developer pursuant to the terms of the Bond Indenture or Reimbursement Agreement, as applicable, provided that funds are available under the Bond Indenture or Reimbursement Agreement.

(b) If the City requires additional documentation, timely disapproves, or questions the correctness or authenticity of the Certificate for Payment Form, the City shall deliver a detailed Notice to the Developer within ten (10) business days of receipt thereof, and payment with respect to disputed portion(s) of the Certification for Payment Form shall not be made until the Developer and the City have jointly settled such dispute or additional information has been provided to the City's reasonable satisfaction.

(c) The City shall reimburse the lesser of: (i) the Budgeted Costs as set forth in **Exhibit B-1** and the SAP, and (ii) the Authorized Improvement Costs, from funds available pursuant to the Bond Indenture or a Reimbursement Agreement, as applicable.

(d) Reimbursement to the Developer or City for costs related to the creation, organization or operation of the PID, the levy of Assessments and issuance of PID Bonds may be distributed at closing of the PID Bonds pursuant to a "Closing Disbursement Request," to the extent authorized pursuant to the PID Act, in substantially the form attached as **Exhibit H**.

ARTICLE VIII
TIRZ

8.1. Tax Increment Reinvestment Zone. The City shall exercise its powers under the TIRZ Act to consider creation of a TIRZ including the Property and deposit fifty percent (50%) of ad valorem taxes levied and collected by the City on the captured appraised value of real property taxable by the City within the Property for a period of up to thirty-six (36) years (the "City Tax Increment") into the TIRZ Fund or respective subaccount. Prior to the issuance of the first series of PID Bonds, the City will enter into a separate agreement with the Developer related to the reimbursement of TIRZ Projects from the TIRZ Fund upon terms mutually agreeable to the Developer and the City and consistent with this Agreement (the "TIRZ Agreement").

8.2 TIRZ Fund.

(a) In accordance with the TIRZ Project and Finance Plan and the TIRZ Agreement, forty percent (40%) of the City Tax Increment collected from the PID Property shall be deposited into a subaccount of the TIRZ Fund (the "Chambers Creek PID Account").

(b) In accordance with the TIRZ Project and Finance Plan and the TIRZ Agreement, sixty percent (60%) of the City Tax Increment collected from the PID Property and one hundred percent (100%) of the City Tax Increment collected from the Commercial Property shall be deposited into a subaccount of the TIRZ Fund (the "Sports Complex Account").

(c) After the payment of TIRZ Administrative Expenses, disbursements from the Chambers Creek PID Account shall provide a TIRZ Credit to parcels within the PID Property, on a parcel-by-parcel basis, to off-set or pay a portion of any Assessments levied on the PID Property within the PID for the costs of Authorized Improvements that qualify as projects under the TIRZ Act for a period of thirty (30) years for each phase, as further described in the SAP, resulting in a maximum overlapping tax stack of $3.09 per $100 of assessed value and a maximum tax rate equivalent for Assessments for each Assessed Property (as defined in the SAP) of $1.00 per $100 assessed value at the time of the levy against such PID Property, net of the TIRZ Credit.

(d) After the payment of TIRZ Administrative Expenses, disbursements from the Sports Complex Account shall be used to reimburse the Developer for its actual costs for the engineering, design, and construction of Sports Complex Phase I and Sports Complex Phase II, including its financing costs and actual interest paid, not to exceed $27,000,000. The TIRZ Credit and the reimbursement obligation in subsection (c) above are not secured by a pledge of ad valorem taxes, other than the Chambers Creek PID Account and the Sports Complex Account, or financed by the issuance of any bonds or other obligations payable from ad valorem taxes of the City but is payable only from the Chambers Creek PID Account and from the Sports Complex Account, respectively, subject to this Agreement and Article III, Section 52-a of the Texas Constitution. Except as provided herein, the Developer is not entitled to reimbursement from the City for any costs incurred by Developer in excess of the funds available in the Chambers Creek PID Account and the Sports Complex Account.

(e) To the extent any TIRZ Revenues remain after the foregoing expenses have been paid, such TIRZ Revenues shall be used at the discretion of the City pursuant to the TIRZ Act and the TIRZ Project and Finance Plan.

(f) The TIRZ Fund, including the Chambers Creek PID Account and the Sports Complex Account, shall be segregated in the accounting records of the City.

(g) Notwithstanding anything to the contrary, the City shall not enter into any agreements or consider any amendments to the TIRZ Project and Finance Plan or the TIRZ Agreement that would cause any other third party to receive a higher priority in the distribution of the Chambers Creek PID Account or the Sports Complex Account without the consent of the Developer.

8.3 Limitation on Conveyance. No conveyance, transfer, assignment, mortgage, pledge, grant, or other encumbrance shall be made by Developer or any successor or assignee of Developer of the TIRZ Agreement that results in the City being an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission without the express written consent of the City.

ARTICLE IX
FULL PURPOSE ANNEXATION

9.1 Annexation Petition. Within thirty (30) days of the Effective Date, Owner agrees to submit a voluntary annexation petition for the ETJ Property. Within ninety (90) days of the receipt of the annexation petition, the City shall complete annexation of the ETJ Property and zoning of the Property in accordance with this Agreement. Owner and Developer agree 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. Subject to Section 9.3, 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, Owner or Developer, whichever owns the ETJ Property being annexed at that time, shall execute another voluntary annexation petition for the ETJ Property within ten (10) days of being requested to do so. Owner and Developer acknowledge and agree that:

(a) this Section 9.1 was a material inducement for the City to enter into this Agreement with Developer and to create a PID and TIRZ;

(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.

9.2 Zoning of Property. While the Parties expressly acknowledge that the ETJ Property will be voluntarily annexed in accordance with Section 9.1 of this Agreement, the Parties agree that the Concept Plan, Development Standards and the applicable provisions of this Agreement memorialize the plan for development of the 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 as a new PD - Planned Development District consistent with the Concept Plan, Development Standards and applicable provisions of this Agreement contemporaneously with the annexation of the ETJ Property. Through this Agreement, the Owner and Developer expressly consent and agree 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 Property, the Parties agree that this Agreement shall control. The Developer agrees that nothing in this Agreement shall prevent **Exhibit D** and the City Regulations, including but not limited to zoning, from being enforced against an End-Buyer.

9.3 Annexation and Zoning Subject to Closing. The City acknowledges that the Developer is not the current owner of the Property. In the event the Developer does not close on the Property as set forth in Article XII and the annexation occurs pursuant to Section 9.1 and/or the Property is zoned pursuant to Section 9.2, following City's receipt of $5,000.00 from Developer or Owner the City agrees, within ninety (90) days of notice being provided by the Owner, to disannex the ETJ Property from the City's corporate limits. In the event of disannexation, Owner expressly waives the statutory rights contained in Section 43.148 of the Texas Local Government Code regarding refunds of taxes and fees upon disannexation.

ARTICLE X
DEVELOPMENT

10.1 Full Compliance with City Regulations. The City, the Owner, and the Developer acknowledge and agree that, except as expressly waived, modified or abated by this Agreement, all of the City Regulations shall apply to any and all development activity undertaken on the Property (or any portion of the Property) in connection with the Development, except when those regulations conflict with the attached Development Standards.

10.2 Provided that in the event of any conflict between the City Regulations and this Agreement, including the Development Standards, this Agreement and the Development Standards shall control now and in the future during the term of this Agreement established in Article XII. The City waives, relinquishes, and releases any right it might have under a current or future City Regulation or state law to amend the Development Standards attached hereto as **Exhibit D** after the Effective Date, unless agreed to by Developer, its successors or assigns.

10.3 Development in Compliance with Concept Plan. Development and use of the Property, including, without limitation, the construction, installation, maintenance, repair, and replacement of all improvements and facilities of any kind whatsoever on and within the Property, shall be in compliance with the Concept Plan attached as **Exhibit C** and the Development Standards attached as **Exhibit D**, respectively, and applicable City Regulations at the time of the Effective Date.

10.4 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 Effective Date. The Developer does not, by entering into this Agreement, waive any rights or obligations arising under Chapter 245 of the Texas Local Government Code during the term of this Agreement. Developer acknowledges and agrees however, that upon expiration or termination of this Agreement, all rights under Chapter 245 with regard to the Project shall terminate.

10.5 Property Acquisition. The Parties acknowledge that the Developer may be required to acquire certain off-site property rights and interests to allow certain Authorized Improvements to be constructed to serve the Property. Developer shall use, in their sole discretion, commercially reasonable efforts to obtain all third-party rights-of-way, consents, or easements, if any, needed to construct the off-site improvements. If, however, Developer is unable to obtain such third-party rights-of-way, consents, or easements within sixty (60) days of commencing efforts to obtain the needed rights-of-way, consents, or easements, then, as a condition to requiring the Developer to construct off-site improvements, the City, in its sole discretion, may take reasonable steps to secure same through the use of the City's power of eminent domain. If the City takes such eminent domain action, the Developer shall fund all Eminent Domain Fees paid or incurred by the City in the exercise of its eminent domain powers that for any reason are not funded by the proceeds of PID Bonds, if PID Bonds are issued, or Assessments and shall 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. If the escrow fund remains appropriately funded in accordance with this Agreement and in accordance with the City's discretionary governmental powers, the City will use all reasonable efforts to expedite such condemnation procedures so that the Authorized Improvements can be constructed as soon as reasonably practicable. If the Eminent Domain Fees exceed the amount of funds escrowed in accordance with this paragraph, Developer shall deposit additional funds as requested by the City into the escrow account within ten (10) days after written Notice from the City. Any unused escrow funds will be refunded to Developer within fifteen (15) 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.

To the extent Eminent Domain Fees are paid by the Developer, the Developer may seek reimbursement of any or all eligible Eminent Domain Fees from PID Bonds, or if PID Bonds are not issued, Assessments, to the extent authorized under the PID Act.

10.6 ESD Disannexation; Reimbursement. The Parties acknowledge that the Property is located within the Johnson County Emergency Services District No. 1 (the "ESD"), and that the ESD levies and collects sales taxes, among other taxes, within the Property. The City has requested the ESD disannex the entirety of the Property from the ESD only to the extent necessary for the ESD to cease levying and collecting sales taxes within the Property. Following this disannexation, the ESD will continue to provide emergency services to the Property with no change in scope of the services provided. If the ESD demands compensation from the City to complete the disannexation contemplated in this Section 10.6, Developer agrees to reimburse the City up to an amount not to exceed fifteen thousand dollars ($15,000).

10.7 Conflicts. In the event of any conflict between this Agreement and any City Regulations, this Agreement, including any exhibit or attachment, shall control. Provided however, that in the event that the Bond Indenture contains requirements that differ from this Agreement, then the Bond Indenture, shall control. In the event of any conflict between this Agreement and the Reimbursement Agreement, the Reimbursement Agreement shall control. In the event of any conflict between the Reimbursement Agreement and the Bond Indenture, the Bond Indenture shall control. In the event of a conflict between the Agreement and any exhibits to this Agreement the text of the Agreement controls over the Exhibits, except for **Exhibit D**. In the event of a conflict

between the Concept Plan and the Development Standards attached as **Exhibit D**, respectively, the Development Standards shall control.

10.8 Concept Plan. The City's approval of the Concept Plan herein constitutes the acknowledgement that the Development is consistent with the City's Comprehensive Plan, as amended. Such approval does not constitute the City's agreement that any specific portion of the Development depicted within **Exhibit C** conforms to the City Regulations, as same may be modified by this Agreement.

The Developer must submit any proposed change to the Concept Plan to the City for approval. If the change is a Minor Modification, as such term is defined in this Agreement, then approval or denial shall be given by the City Manager within ten (10) business days after the request of the Developer. If the change is not a Minor Modification, then approval of such change is considered a major modification ("Major Modification"). Denial of the Minor Modification request may be appealed to the City Council. All requests for Major Modifications shall be considered by the City Council in its sole legislative discretion.

Any amendment approved by the City to the Concept Plan shall be considered an amendment to this Agreement and shall replace the attached Concept Plan and become part of this Agreement. Developer is responsible for providing City updated copies of any modified or amended Concept Plan. Any subsequent development application for approval of a site plan or final plat, that differs from the terms of this Agreement if approved by the City, shall automatically amend this Agreement. The City Manager may administratively approve any amendments to the Concept Plan or subsequent site plan that the City Manager deems in his or her reasonable discretion to be minor in nature. Minor modifications shall include but not be limited to the following (collectively "Minor Modifications"):

(a) adjustments of no more than one hundred (100) feet to the location or configuration of roadways, sidewalks, utilities, parking areas, buildings, landscape features, (including plants and trees), ponds and any other improvements depicted on any Concept Plan; and

(b) any modification approved in a plat approved by the City including but not limited to (i) changes to the lot size or configuration; (ii) adjustments to the number of lots in the overall Development; (iii) changes to a local street width, length or alignment; (iv) changes to utility or access easements; (v) changes to street layouts in any phase; or (vi) adjustments to the amount of open space, buffers, and drainage not more than five percent (5%) of the gross site acreage.

10.9 Oil and Gas Activity Restrictions. No new surface drilling locations, well pads, or any other oil and gas infrastructure shall be permitted within the Project except through horizontal drilling from the existing well pad. As provided in the Development Standards, surface drilling and other oil and gas activities beyond the current well pad site shall require a Specific Use Permit pursuant to the City's zoning process.

ARTICLE XI
DEVELOPMENT PROCESS AND CHARGES

11.1 Development, Review, and Inspection Fees. Development of any portion of the Property shall be subject to payment to the City of the applicable fees according to the City's Regulations, including without limitation fees relating to platting, zoning requests, inspection fees, impact fees, and any other charges and fees not expressly exempted or altered by the terms of this Agreement.

11.2 Building Permit Fees. Development of the Property shall be subject to the payment to the City of building permit fees according to the City's standard building permit rates.

11.3 Credit for Parkland Dedication. The Developer is expected to dedicate approximately 27 acres of land suitable for the Sports Complex as generally depicted on the Sports Complex Plan. Provided the Developer dedicates such Sports Complex acreage substantially in accordance with this Agreement, Developer shall be deemed to have satisfied all applicable park development fees and parkland dedication or improvement requirements or payment of fees required in lieu thereof, of any kind whatsoever, for the Property.

11.4 Impact Fees and Impact Fee Reimbursement.

(a) Impact Fees. Impact Fees for each phase of the Project shall be assessed at the rates adopted by the City Council in effect at the time of final plat approval for each phase and shall be collected upon the issuance of a building permit for each lot within the Property in accordance with state regulations.

(b) Impact Fee Reimbursement. The City agrees to collect the Impact Fees in a segregated interest-bearing account and to reimburse the Developer for eligible Capital Improvement Costs, including interest costs, not paid for the PID Bonds or TIRZ Funds from such segregated account ("Impact Fee Reimbursement") no less frequently than twenty (20) business days after the conclusion of each annual quarter (January 1, April 1, July 1, and October 1) and upon the City's acceptance of each applicable Capital Improvement (or segments and sections thereof). The City hereby agrees that the Impact Fee Reimbursement shall be made using Impact Fees collected from the Property up to (1) the total approved and verified costs of the Capital Improvements, including interest costs, or (2) the total of all Impact Fees collected from the Property, whichever is less. The City agrees to collect such Impact Fees until 100% buildout of the Project.

(c) Chapter 380 Grant for Water CCN Decertification. Following completion of Developer's decertification of JCSUD's water CCN as required in Section 4.6 above, the City agrees to provide a Chapter 380 Grant to Developer no less frequently than twenty (20) business days after the conclusion of each annual quarter (January 1, April 1, July 1, and October 1) in an amount equal to the lesser of (i) Developer's actual cost to decertify JCSUD's water CCN or (ii) five hundred ten thousand and 00/100 dollars ($510,000), to reimburse the Developer for amounts paid to JCSUD for decertification of JCSUD's CCN. The amount of each quarterly Chapter 380 Grant payment shall be equal to the amount of water Impact Fees collected from the Property during the respective calendar quarter.

11.5 **INDEMNIFICATION AND HOLD HARMLESS. 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 BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE DEVELOPER; (II) THE 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; (III) THE DEVELOPER'S NONPAYMENT UNDER CONTRACTS BETWEEN THE DEVELOPER AND ITS CONSULTANTS, ENGINEERS, ADVISORS, CONTRACTORS, SUB-CONTRACTORS AND SUPPLIERS IN THE PROVISION AND/OR CONSTRUCTION OF THE PUBLIC INFRASTRUCTURE; (IV) ANY CLAIMS (INCLUDING DEATH) OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT THE PUBLIC INFRASTRUCTURE; OR (V) ANY CLAIMS (INCLUDING DEATH) 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.**

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 JOINTLY AND SEVERALLY LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES.

THIS SECTION 11.5 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

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

11.6 **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 IMPOSED BY THIS AGREEMENT.**

(A) THE DEVELOPER ACKNOWLEDGES AND AGREES THAT:

(I) THE PUBLIC INFRASTRUCTURE 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) ASSUMING NO DEFAULTS UNDER THIS AGREEMENT, THE AMOUNT OF THE DEVELOPER'S FINANCIAL AND INFRASTRUCTURE CONTRIBUTION FOR THE PUBLIC INFRASTRUCTURE IS ROUGHLY PROPORTIONAL TO THE DEMAND THAT THE DEVELOPER'S ANTICIPATED IMPROVEMENTS AND DEVELOPER'S DEVELOPMENT PLACES ON THE CITY'S INFRASTRUCTURE.

(III) ASSUMING NO DEFAULTS UNDER THIS AGREEMENT, THE DEVELOPER HEREBY AGREES AND ACKNOWLEDGES, WITHOUT WAIVING CLAIMS RELATED SOLELY TO EXACTIONS NOT CONTEMPLATED BY THIS AGREEMENT, THAT: (A) ANY PROPERTY WHICH IT CONVEYS TO THE CITY OR ACQUIRES FOR THE CITY PURSUANT TO THIS AGREEMENT 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. ASSUMING NO DEFAULTS UNDER THIS AGREEMENT, THE DEVELOPER FURTHER AGREES TO WAIVE AND RELEASE 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 11.6 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

11.7 Inspections and Permitting. The City shall have a right to inspect, as authorized or required by City Regulations, the construction of all structures, Public Infrastructure, and any public improvements necessary to support the proposed development within the Property, including water, sewer, drainage, streets, park facilities, electrical, and streetlights and signs. The City's inspections shall not release the Developer from its responsibility to construct, or ensure the construction of, adequate Public Infrastructure and infrastructure in accordance with approved engineering plans, construction plans, and other approved plans related to development of the Property. The City shall be the beneficiary of the required two-year maintenance bond the Developer, or contractor as applicable, shall provide for all Public Infrastructure. Except as otherwise provided in this Agreement, if the City finds that such improvements have been completed in accordance with the final plans and specifications approved by the City (or any modifications thereof approved by the City), and in accordance with all other applicable laws and City Regulations, the City shall accept the same whereupon ownership of such improvements shall be transferred to the City and be operated and maintained by the City at its sole expense.

11.8 Temporary Street Closures. To the extent reasonably requested by the Developer in connection with the construction of the Authorized Improvements, the City shall grant and issue to the Developer all necessary permits to authorize temporary closures of, and shall grant and issue to the Developer all necessary permits to make cuts or other perforations in, demolish and excavate all or portions of any street, alley or other public right-of-way that is under reasonable control of the City and that is contained in whole or in part within the Property or that abuts any portion of the Property; provided however, all such actions are subject to the City's obligations to preserve and protect public health, safety, and welfare. Developer shall restore all City property, easements, infrastructure and property to the same or better condition than before Developer made make cuts or other perforations in, demolish and excavate all or portions of any street, alley or other public right-of-way before the Authorized Improvement is accepted.

11.9 Joint Cooperation. During the planning, design, development and construction of the private improvements and the Authorized Improvements on the Property, the Parties agree to

cooperate and coordinate with each other, and to assign appropriate, qualified personnel to this Development. The City will make reasonable efforts to accommodate urgent or emergency requests during construction. In order to facilitate a timely review process, the Developer shall cause the architect, engineer and other design professionals to attend City meetings if requested by the City.

ARTICLE XII
TERM

12.1 The initial term of this Agreement shall be for a period of thirty (30) years beginning on the Effective Date. The initial term shall automatically be extended by a single fifteen (15)-year term unless formal action is taken by either Party, in writing, not to extend the initial term, such action, and notification of such action, to be taken no later than thirty (30) days before the expiration of the initial term. Notwithstanding anything to the contrary, if the Developer does not close on the Property as set forth in the purchase contract between the Owner and the Developer, the Owner may terminate this Agreement by providing written notice to the City and the Developer. Upon such termination, the ETJ Property shall be disannexed from the City as provided in Section 9.3, above, or if prior to the City's annexation, the City shall allow the Owner to withdraw any voluntary annexation petition submitted pursuant to Section 9.1, above.

ARTICLE XIII
EVENTS OF DEFAULT; REMEDIES

13.1 Events of Default. No Party shall be in default under this Agreement until 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 thirty (30) days (or any longer time period to the extent expressly stated in this Agreement as relates to a specific failure to perform) after written Notice of the alleged failure has been given except as relates to a type of default for which a different time period is expressly set forth in this Agreement). 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. Notwithstanding the foregoing, however, a Party shall be in default of its obligation to make any payment required under this Agreement if such payment is not made within twenty (20) business days after it is due.

13.2 Remedies. As compensation for the other Party's default, an aggrieved Party is limited to seeking specific performance, or other equitable relief available at law, of the other Party's obligations under this Agreement. NOTWITHSTANDING THE FOREGOING, HOWEVER, NO DEFAULT UNDER THIS AGREEMENT SHALL ENTITLE THE AGGRIEVED PARTY TO TERMINATE THIS AGREEMENT.

ARTICLE XIV
ASSIGNMENT AND ENCUMBRANCE

14.1 Assignment. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties. No assignment by the Developer shall release the Developer from any liability that resulted from an act or omission by Developer that occurred prior to the effective date of the assignment unless the City approves the release in writing. The Developer and any Assignee have the right (from time to time) to assign this Agreement to a non-affiliate, non-related entity, in whole or in part, and including any obligation, right, title, or interest of the Developer under this Agreement to any person or entity (an "Assignee") with City consent, which consent the City shall not unreasonably withhold. The Developer and any Assignee have the right (from time to time) to assign this Agreement to an affiliate or related entity, in whole or in part, and including any obligation, right, title, or interest of the Developer under this Agreement without City consent, but with notice to the City. The Developer shall maintain written records of all assignments made by the Developer to Assignees, 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, and this obligation shall survive the assigning Party's sale, assignment, transfer, or other conveyance of any interest in this Agreement or the Property.

Any receivables due under this Agreement, any construction funding agreement, any Reimbursement Agreement (pursuant to Section 372.023(d-1) of the Texas Local Government Code), or any TIRZ agreement may be sold, transferred, or assigned by Developer to any person, including without limitation, to a trustee in connection with a trust indenture, without the consent of, but upon written Notice to the City in accordance with Section 16.2 of this Agreement and as allowed, provided however, Developer shall be limited to a maximum of six (6) such assignments and any additional assignments after the sixth such assignment shall require the consent of the City. No such sale, conveyance, transfer, assignment, mortgage, pledge or other encumbrance shall be made without the prior written consent of the City if such conveyance, transfer, assignment, mortgage, pledge, or other encumbrance would result in (1) the issuance of municipal securities, (2) the City being viewed as an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, (3) the City being subjected to additional reporting or recordkeeping duties, (4) and/or for the purpose of or relating to the issuance of bonds or other obligations or other structured financing obligations.

14.2 Assignment by the City. The City shall not assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of the City under this Agreement, without the prior written approval of the Developer. Provided however, that this language does not apply to any real property interest which the City may have within the Development.

14.3 Encumbrance by Developer and Assignees. The 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 (a) their respective lenders without the consent of, but with prompt written Notice to, the City, and (b) to any person or entity with the City Manager's prior written consent (which consent shall not be unreasonably withheld, conditioned, or delayed). If the City Manager fails to provide the Developer or Assignee with a reasonable written objection to a collateral assignment request within thirty (30) days of receiving such request, then the collateral assignment shall be

automatically deemed approved by 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 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, but no more than 180 days, 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, not to be unreasonably withheld, 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 Developer through a lender of any portion of the Property shall be bound by this Agreement and 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.

14.4 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 the Developer's prior written consent. Provided however, that this section shall not apply to any real property interests which the City may have in the Development.

14.5 Assignees as Parties. An Assignee authorized in accordance with this Agreement and for which Notice of assignment has been provided in accordance with this Agreement shall be considered a "Party" for the purposes of this Agreement. Any person or entity upon becoming an owner of land or upon obtaining an ownership interest (but not including End Buyer) in any part of the Property shall have all of the obligations of the Developer as set forth in this Agreement and all related documents to the extent of said ownership or ownership interest. 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 Developer 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.

14.6 No Third-Party Beneficiaries. Subject to Section 14.1 of this Agreement, 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.

14.7 Notice of Assignment. Subject to Section 14.1 of this Agreement, the following requirements shall apply in the event that the Developer sells, assigns, transfers, or otherwise conveys the Property or any part thereof and/or any of its rights or benefits under this Agreement:

(a) within thirty (30) days after the effective date of any such sale, assignment, transfer, or other conveyance, the Developer must provide written Notice of same to the City;

(b) the Notice must describe the extent to which any rights or benefits under this Agreement have been sold, assigned, transferred, or otherwise conveyed;

(c) the Notice must state the name, mailing address, and telephone contact information of the person(s) acquiring any rights or benefits as a result of any such sale, assignment, transfer, or other conveyance; and

(d) the Notice must be signed by a duly authorized person representing the Developer.

ARTICLE XV
RECORDATION AND ESTOPPEL CERTIFICATES

15.1 Binding Obligations. This Agreement and all amendments hereto and assignments hereof shall be recorded in the deed records of the County. This Agreement binds and constitutes a covenant running with the Property. Upon the Effective Date, this Agreement shall be binding upon the Parties and their successors and assigns permitted by this Agreement and forms a part of any other requirements for development within the Property. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns as 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 of a Fully Developed and Improved Lot except for land use and development regulations, including the City Regulations, that apply to such lots.

15.2 Estoppel Certificates. From time to time upon written request of the Developer, if needed to facilitate a sale of all or a portion of the Property or a loan secured by all or a portion of the Property, the City will execute a written estoppel certificate in a form and substance satisfactory to the City, to its reasonable knowledge and belief, identifying any obligations of the Developer under this Agreement that are in default. The Developer shall pay the City $500 at the time of the Developer's request for a second estoppel certificate during a calendar year and $1000 for each estoppel certificate in excess of two per calendar year.

ARTICLE XVI
ADDITIONAL PROVISIONS

16.1 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 of the City; 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.

16.2 Notices. Any Notice, submittal, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when

personally delivered or seventy-two (72) hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City:	Attn: City Manager City of Alvarado 104 West College Alvarado, Texas 76009
With a copy to:	Attn: Julie Fort Messer Fort PLLC 6371 Preston Road, Suite 200 Frisco, TX 75034
To the Developer:	Attn: Jonathan Murhpy and Ted Murphy Avalon Development Group, LLC PO Box 671201 Dallas, Texas 75367
With a copy to:	Attn: Ross Martin Winstead PC 2728 N. Harwood St., Suite 500 Dallas, Texas 75201
To the Owner:	Attn: Douglas Boyer Alvarado 228 Development LLC 205 E. Henderson Street Cleburne, Texas 76031
And to:	Attn: Wayne Powell 930 W 1st Street, Suite 400 Fort Worth, TX 76102

Any party may change its address or addresses for delivery of Notice by delivering written Notice of such change of address to the other party.

16.3 Interpretation. The Parties acknowledge that each 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 nor against any Party, regardless of which Party originally drafted the provision.

16.4 Time. In this Agreement, time is of the essence and compliance with the times for performance herein is required.

16.5 Entire Agreement. This Agreement embodies the entire Agreement between the Parties and cannot be varied or terminated except as set forth in this Agreement, or by written agreement of the City and the Developer expressly amending the terms of this Agreement.

16.6 Severability. 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 and upon mutual agreement of the parties, 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.

16.7 Applicable Law; Venue. This Agreement is entered into pursuant to and is to be construed and enforced in accordance with, the laws of the State of Texas, and all obligations of the Parties are performable in the County. Exclusive venue for any action to enforce or construe this Agreement shall be in the Johnson County District Court or the applicable federal court.

16.8 Non-Waiver. Any failure by a Party to insist upon strict performance by the other 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.

16.9 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.

16.10 Authority and Enforceability. The City represents and warrants that this Agreement has been approved by official action by the City Council of the City 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. The Developer represents and warrants that this Agreement has been approved by appropriate action of the Developer, and that the individual executing this Agreement on behalf of the Developer has been duly authorized to do so. Each Party respectively acknowledges and agrees that this Agreement is binding upon such Party and is enforceable against such Party, in accordance with its terms and conditions and to the extent provided by law.

16.11 Further Documents. The Parties agree that at any time after execution of this Agreement, they will, upon request of another Party, execute and deliver such further documents and do such further acts and things as the other Party may reasonably request in order to effectuate the terms of this Agreement. This provision shall not be construed as limiting or otherwise hindering the legislative discretion of the City Council seated at the time that this Agreement is executed or any future City Council.

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

Exhibit A-1	Metes and Bounds Description and Depiction of the Property
Exhibit A-2	Metes and Bounds Description and Depiction of the PID Property
Exhibit A-3	Metes and Bounds Description and Depiction of the Commercial Tract
Exhibit B-1	Authorized Improvements and Estimated Costs
Exhibit B-2	CIP Water Improvements
Exhibit B-3	CIP Sewer Improvements
Exhibit B-4	CIP Roadway Improvements
Exhibit C	Concept Plan
Exhibit D	Development Standards
Exhibit E	Home or Property Buyer Disclosure Program
Exhibit F	Landowner Consent Certificate
Exhibit G	Certification for Payment Form
Exhibit H	Closing Disbursement Request
Exhibit I	Sport Complex Plan
Exhibit J	Form of PID Reimbursement Agreement

16.13 Home or Property Buyer Disclosures. The Developer shall comply with the Home or Property Buyer Disclosure Program and shall record this Agreement in the real property records of the County, which notifies sellers of Property of the obligations set forth in the Home or Property Buyer Disclosure Program.

16.14 Governmental Powers; Waivers of Immunity. By its execution of this Agreement, the City waives its sovereign immunity as to suit solely for the purpose of adjudicating a claim under this Agreement and to pursue the remedies specified in this Agreement in accordance with Section 271.152, Texas Government Code, as amended.

16.15 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 fifteen (15) 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.

16.16 Amendments. This Agreement cannot be modified, amended, or otherwise varied, except in writing signed by the Parties expressly amending the terms of this Agreement.

16.17 Consideration. This Agreement is executed by the Parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is hereby acknowledged.

16.18 Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed by the Parties hereto or by any third party to create the relationship of principal and agent, or of partnership, joint venture or any association whatsoever between any one or more of the Parties, it being expressly understood and agreed that no provision contained in this Agreement nor any act or acts of the Parties hereto shall be deemed to create any relationship between the

Parties other than the relationship of independent parties contracting with each other solely for the purpose of effecting the provisions of this Agreement.

16.19 Captions. The descriptive captions of this Agreement are for convenience of reference only and shall in no way define, describe, limit, expand or affect the scope, terms, conditions, or intent of this Agreement.

16.20 Number and Gender. Whenever used herein, unless the context otherwise provides, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all other genders.

16.21 Statutory Verifications. The Developer and the Owner each make the following representations and verifications pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Developer or the Owner within the meaning of Securities and Exchange Commission Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) Not a Sanctioned Company. The Developer and the Owner represent that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Developer, the Owner and each of their respective parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Developer and the Owner hereby verify 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. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Developer and the Owner hereby verify 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. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Developer and the Owner hereby verify 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. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

16.22 Form 1295. Submitted herewith are completed Form 1295s in connection with the Developer's and Owner's participation in the execution of this Agreement 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 Owner, and the City agrees to acknowledge such forms with the TEC through its electronic filing application not later than the 30th day after the receipt of such forms. The Developer, the Owner and the City 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 1295s; that the information contained in the Form 1295s has been provided solely by the Developer or the Owner, as applicable; and, neither the City nor its consultants have verified such information.

16.23 Entire Agreement; Severability. The Parties agree that execution of this Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the Property and the subject matter of this Agreement. 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, (x) 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 (y) this Agreement shall remain in full force and effect with respect to all of the Property that is within the City's extraterritorial jurisdiction.

[Signatures to Follow]

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

ATTEST:

CITY OF ALVARADO, TEXAS

_____
Name: Bobbie Jo Taylor
Title: City Secretary

By: _____
Name: Jacob Wheat
Title: Mayor

Date: _____

STATE OF TEXAS §
§
COUNTY OF JOHNSON §

This instrument was acknowledged before me on the ____ day of March, 2026, by Jacob Wheat, Mayor of the City of Alvarado, Texas, a home-rule municipality, on behalf of said home rule municipality.

_____
Notary Public, State of Texas

Developer:

Avalon Development Group, LLC
a Texas limited liability company

By: _____, LLC,
a _____ limited liability company
Its _____

By: _____
Name: _____
Its: _____

STATE OF TEXAS §
§
COUNTY OF COLLIN §

This instrument was acknowledged before me on the _____ day of March, 2026, by _____, _____ of _____, LLC, a ____ limited liability company, as _____ of Avalon Development Group, LLC, a Texas limited liability company on behalf of said company.

_____

Notary Public, State of Texas

Owner:
ALVARADO 228 DEVELOPMENT, LLC
a Texas limited liability company

By: _____
Name: Douglas Bowyer
Title: Manager

THE STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on this day, _____, 2026, by Douglas Bowyer, Manager of Alvarado 228 Development LLC, on behalf of said limited liability company.

_____
Notary Public, State of Texas

(SEAL)

EXHIBIT A-1
Metes and Bounds Description and Depiction of the Property

EXHIBIT A-1 PARCEL - 1

BEING 188.62 acres of land in the Robert Bell Survey, Abstract Number 44, J. Bell Survey, Abstract No. 46, T. Stephens Survey, Abstract No. 778, and the Ambrose Powers Survey, Abstract Number 686, Johnson County, Texas; being part of that certain tract of land described in a Warranty Deed to Alvarado 228 Development. LLC. as recorded in Book 2016 Page 2678, Deed Records, Johnson County, Texas (D.R.J.C.T.), and being more particularly described, by metes and bounds, as follows:

BEGINNING at a mag nail with washer set stamped "MANHARD CONSULTING" at the northernmost northwest corner;

THENCE North 89°45'44" East, a distance of 1,669.99 feet to a yellow capped 5/8" iron rod set stamped "MANHARD CONSULTING";

THENCE North 62°48'30" East, continuing along said line, a distance of 147.84 feet to a mag nail with washer set stamped "MANHARD CONSULTING" at the northeast corner;

THENCE South 25°14'01" East, along the common line, a distance of 2,002.48 feet to a 1/2" iron rod found;

THENCE South 01°37'36" West, a distance of 314.22 feet to a found fence post;

THENCE South 89°01'16" East, a distance of 676.85 feet to a found 1/2" iron rod;

THENCE South 00°12'15" East, a distance of 1,428.77 feet to a 1/2" iron rod found at the southeast corner;

THENCE South 82°22'29" West, a distance of 160.00 feet to a capped 5/8" iron rod found stamped "RPLS 4838";

THENCE North 84°13'06" West, 557.60 feet to a point for corner;

THENCE North 78°11'06" West, 75.80 feet to a point for corner;

THENCE North 36°28'06" West, 127.40 feet to a point for corner;

THENCE South 75°02'54" West, 101.10 feet to a point for corner;

THENCE South 60°58'54" West, 175.40 feet to a point for corner;

THENCE South 77°47'51" West, 175.00 feet to a point for corner;

THENCE South 56°30'54" West, 172.60 feet to a point for corner;

THENCE North 86°37'06" West, 202.00 feet to a point for corner;

THENCE North 55°59'06" West, 54.80 feet to a point for corner;

THENCE North 45°42'06" West, 143.80 feet to a point for corner;

THENCE North 35°43'06" West, 100.00 feet to a point for corner;

THENCE North 21°54'06" West, 58.20 feet to a point for corner;

THENCE North 78°48'06" West, 186.90 feet to a point for corner;

THENCE North 80°49'06" West, 120.90 feet to a point for corner;

THENCE South 84°37'54" West, 367.50 feet to a point for corner;

THENCE South 76°51'54" West, 22.35 feet to a point for corner;

THENCE North 12°47'36" West, 333.88 feet to a point for corner;

THENCE North 33°45'46" West, 978.77 feet to a point for corner;

THENCE North 89°48'52" East, 1.29 feet to a point for corner;

THENCE North 01°00'47" East, 2,128.25 feet to a point for corner;

THENCE South 89°49'45" West, 199.77 feet to a point for corner;

THENCE North 01°10'12" East, 20.88 feet to the POINT OF BEGINNING, containing 188.62 acres of land.

PARCEL -2

Alvarado – Sports Complex
26.41 Acres
Johnson County, Texas

BEING 26.41 acres of land in the A. Kimbell Survey, Abstract Number 479, and the J. Bell Survey, Abstract No. 46, Johnson County, Texas; being part of that called 228.322 acre tract of land described in a Warranty Deed to Alvarado 228 Development. LLC. as recorded in Book 2016, Page 2678, Deed Records, Johnson County, Texas (D.R.J.C.T.), and being more particularly described, by metes and bounds, as follows:

COMMENCING at a mag nail with washer set stamped "MANHARD CONSULTING" at the northernmost northwest corner of said 228.322 acres, and being on the centerline of Maple Street (prescriptive roadway);

THENCE South 01°10'12" West leaving said centerline, a distance of 20.88 feet to a ½-inch iron rod;

THENCE North 89°49'45" East, a distance of 199.77 feet to a capped ½-inch iron rod stamped "DANNENBAUM";

THENCE South 01°00'47" West, a distance of 2,128.25 feet to a 5/8-inch iron rod stamped "FORT WORTH SURVEYING" for the POINT OF BEGINNING;

THENCE South 33°42'00" East, a distance of 978.06 feet to a point for corner;

THENCE South 12°47'36" East, a distance of 333.88 feet to a point in Chambers Creek;

THENCE westerly with Chambers Creek as follows:

South 76°51'54" West, 180.65 feet;

South 85°21'54" West, 200.10 feet;

North 86°16'06" West, 178.50 feet;

South 75°39'54" West, 300.00 feet;

South 79°27'54" West, 200.60 feet;

North 60°35'35" West, 113.10 feet;

North 26°54'15" West, 139.50 feet;

THENCE North 01°04'35" East leaving said Creek, 113.85 feet to a fence post;

THENCE North 01°15'43" East, a distance of 989.34 feet to a ½-inch iron rod;

THENCE North 88°03'11" East, a distance of 362.87 feet to a 60d nail;

THENCE North 89°48'52" East, a distance of 199.83 feet to the POINT OF BEGINNING, containing 26.41 acres of land more or less.

P/611.174001/doc/survey/legal Desc/Alvarado Sports Plex

13.29 Aces – Commercial Tract
Johnson County Texas

PARCEL-3

BEING 13.29 acres of land in the A. Kimbell Survey, Abstract Number 479, and the J. Bell Survey, Abstract No. 46, Johnson County, Texas; being part of that called 228.322 acre tract of land described in a Warranty Deed to Alvarado 228 Development. LLC. as recorded in Book 2016, Page 2678, Deed Records, Johnson County, Texas (D.R.J.C.T.), and being more particularly described, by metes and bounds, as follows:

COMMENCING at a mag nail with washer stamped "MANHARD CONSULTING" for the northernmost northwest corner, being on the centerline of Maple Street (prescriptive roadway);

THENCE South 01°10'12" West, a distance of 20.88 feet to a ½-inch iron rod;

THENCE North 89°49'45" East, a distance of 199.77 feet to a capped ½-inch iron rod stamped "DANNENBAUM";

THENCE South 01°00'47" West, a distance of 2,128.25 feet to a ½-inch capped iron rod stamped "FORT WORTH SURVEYING";

THENCE South 89°48'52" West, a distance of199.83 feet to a 60-d nail;

THENCE South 88°03'11" West, a distance of 362.87 feet to a ½-inch iron rod for the POINT OF BEGINNING;

THENCE South 01°15'43" West, a distance of 989.34 feet to a point for corner;

THENCE South 77°34'21" West, a distance of 401.58 feet a point for corner on the easterly right of way line for Interstate 30;

THENCE northerly with said right of way line as follows:

> North 16°34'19" West, a distance of 824.58 feet a 1-inch smooth iron rod for the beginning of a curve;
>
> Along a curve to the left, having a radius of 5,904.58 feet, a delta of 02°38'45", an arc length of 272.67 feet, and whose long chord bears North 17°50'20" West, 272.65 feet to a point for corner;

THENCE North 87°59'41" East leaving said right of way line, a distance of 733.11 feet to the POINT OF BEGINNING, containing 13.29 acres of land, more or less.

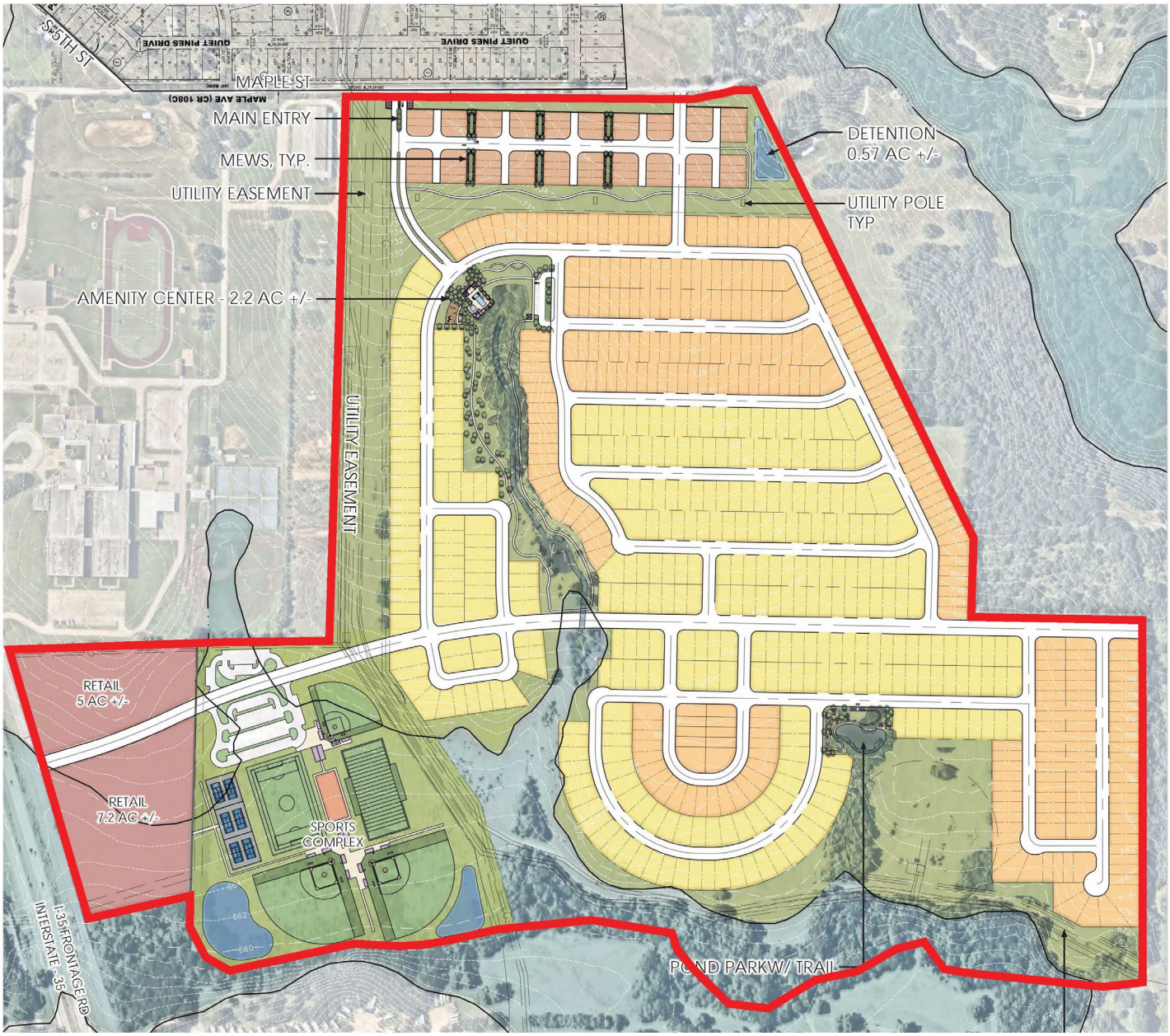
S 5TH ST
MAPLE ST
MAPLE AVE (CR 108C)
QUIET PINES DRIVE
QUIET PINES DRIVE
MAIN ENTRY
MEWS, TYP.
UTILITY EASEMENT
AMENITY CENTER - 2.2 AC +/-
DETENTION
0.57 AC +/-
UTILITY POLE
TYP
UTILITY EASEMENT
RETAIL
5 AC +/-
RETAIL
7.2 AC +/-
SPORTS
COMPLEX
I-35 FRONTAGE RD
INTERSTATE 35
POND PARKW/ TRAIL

EXHIBIT A-2
Metes and Bounds Description and Depiction of the PID Property

EXHIBIT A-2

BEING 188.62 acres of land in the Robert Bell Survey, Abstract Number 44, J. Bell Survey, Abstract No. 46, T. Stephens Survey, Abstract No. 778, and the Ambrose Powers Survey, Abstract Number 686, Johnson County, Texas; being part of that certain tract of land described in a Warranty Deed to Alvarado 228 Development. LLC. as recorded in Book 2016 Page 2678, Deed Records, Johnson County, Texas (D.R.J.C.T.), and being more particularly described, by metes and bounds, as follows:

BEGINNING at a mag nail with washer set stamped "MANHARD CONSULTING" at the northernmost northwest corner;

THENCE North 89°45'44" East, a distance of 1,669.99 feet to a yellow capped 5/8" iron rod set stamped "MANHARD CONSULTING";

THENCE North 62°48'30" East, continuing along said line, a distance of 147.84 feet to a mag nail with washer set stamped "MANHARD CONSULTING" at the northeast corner;

THENCE South 25°14'01" East, along the common line, a distance of 2,002.48 feet to a 1/2" iron rod found;

THENCE South 01°37'36" West, a distance of 314.22 feet to a found fence post;

THENCE South 89°01'16" East, a distance of 676.85 feet to a found 1/2" iron rod;

THENCE South 00°12'15" East, a distance of 1,428.77 feet to a 1/2" iron rod found at the southeast corner;

THENCE South 82°22'29" West, a distance of 160.00 feet to a capped 5/8" iron rod found stamped "RPLS 4838";

THENCE North 84°13'06" West, 557.60 feet to a point for corner;

THENCE North 78°11'06" West, 75.80 feet to a point for corner;

THENCE North 36°28'06" West, 127.40 feet to a point for corner;

THENCE South 75°02'54" West, 101.10 feet to a point for corner;

THENCE South 60°58'54" West, 175.40 feet to a point for corner;

THENCE South 77°47'51" West, 175.00 feet to a point for corner;

THENCE South 56°30'54" West, 172.60 feet to a point for corner;

THENCE North 86°37'06" West, 202.00 feet to a point for corner;

THENCE North 55°59'06" West, 54.80 feet to a point for corner;

THENCE North 45°42'06" West, 143.80 feet to a point for corner;

THENCE North 35°43'06" West, 100.00 feet to a point for corner;

THENCE North 21°54'06" West, 58.20 feet to a point for corner;

THENCE North 78°48'06" West, 186.90 feet to a point for corner;

THENCE North 80°49'06" West, 120.90 feet to a point for corner;

THENCE South 84°37'54" West, 367.50 feet to a point for corner;

THENCE South 76°51'54" West, 22.35 feet to a point for corner;

THENCE North 12°47'36" West, 333.88 feet to a point for corner;

THENCE North 33°45'46" West, 978.77 feet to a point for corner;

THENCE North 89°48'52" East, 1.29 feet to a point for corner;

THENCE North 01°00'47" East, 2,128.25 feet to a point for corner;

THENCE South 89°49'45" West, 199.77 feet to a point for corner;

THENCE North 01°10'12" East, 20.88 feet to the POINT OF BEGINNING, containing 188.62 acres of land.

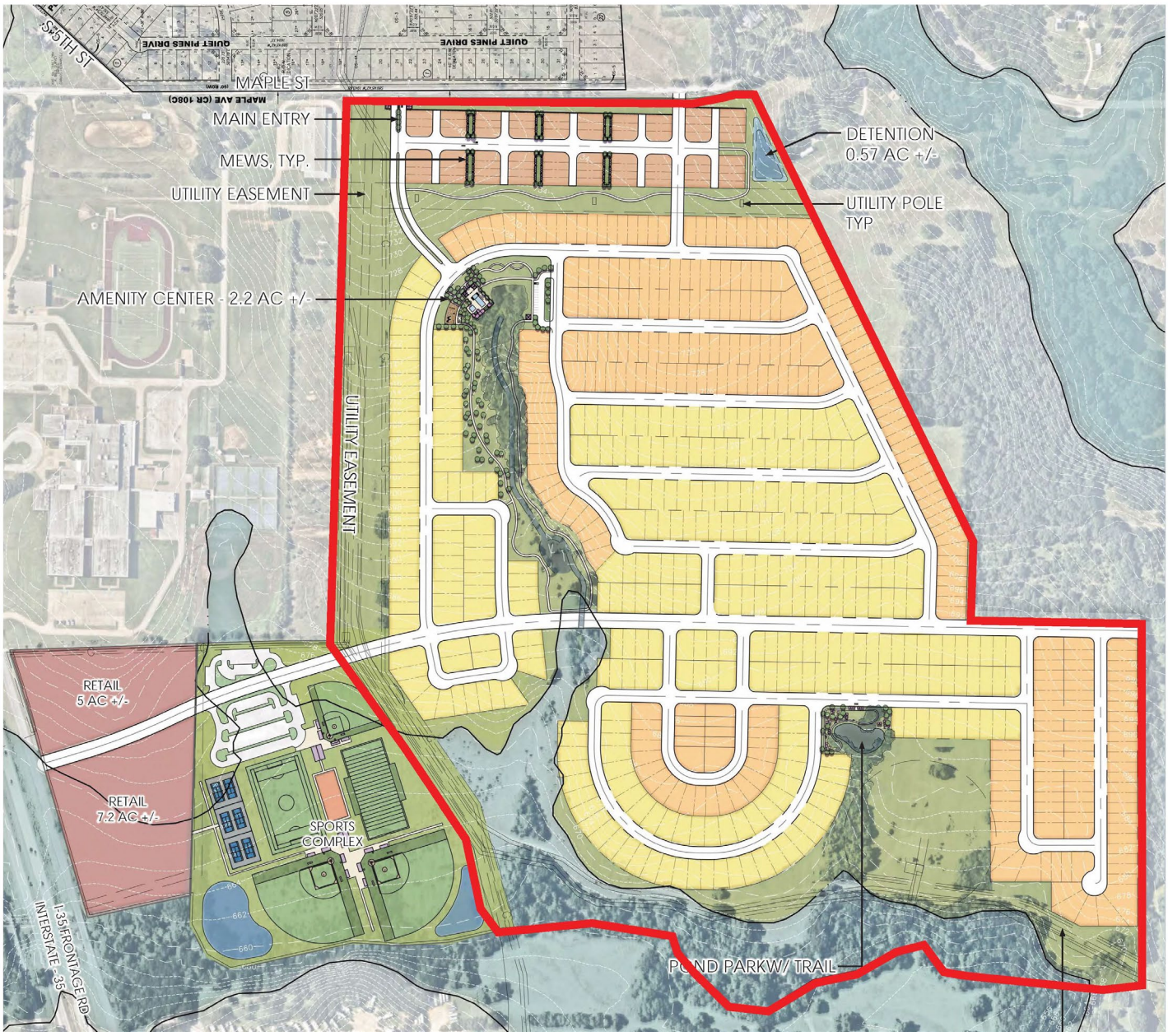
S 51H ST
QUIET PINES DRIVE
QUIET PINES DRIVE
MAPLE ST
MAPLE AVE (CR 108C)
MAIN ENTRY
MEWS, TYP.
UTILITY EASEMENT
AMENITY CENTER - 2.2 AC +/-
DETENTION
0.57 AC +/-
UTILITY POLE
TYP
UTILITY EASEMENT
RETAIL
5 AC +/-
RETAIL
7.2 AC +/-
SPORTS
COMPLEX
I-35 FRONTAGE RD
INTERSTATE 35
POND PARKW/ TRAIL

EXHIBIT A-3
Metes and Bounds Description and Depiction of the Commercial Tract

13.29 Aces – Commercial Tract
Johnson County Texas

EXHIBIT A-3

BEING 13.29 acres of land in the A. Kimbell Survey, Abstract Number 479, and the J. Bell Survey, Abstract No. 46, Johnson County, Texas; being part of that called 228.322 acre tract of land described in a Warranty Deed to Alvarado 228 Development. LLC. as recorded in Book 2016, Page 2678, Deed Records, Johnson County, Texas (D.R.J.C.T.), and being more particularly described, by metes and bounds, as follows:

COMMENCING at a mag nail with washer stamped "MANHARD CONSULTING" for the northernmost northwest corner, being on the centerline of Maple Street (prescriptive roadway);

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THENCE South 89°48'52" West, a distance of199.83 feet to a 60-d nail;

THENCE South 88°03'11" West, a distance of 362.87 feet to a ½-inch iron rod for the POINT OF BEGINNING;

THENCE South 01°15'43" West, a distance of 989.34 feet to a point for corner;

THENCE South 77°34'21" West, a distance of 401.58 feet a point for corner on the easterly right of way line for Interstate 30;

THENCE northerly with said right of way line as follows:

> North 16°34'19" West, a distance of 824.58 feet a 1-inch smooth iron rod for the beginning of a curve;
>
> Along a curve to the left, having a radius of 5,904.58 feet, a delta of 02°38'45", an arc length of 272.67 feet, and whose long chord bears North 17°50'20" West, 272.65 feet to a point for corner;

THENCE North 87°59'41" East leaving said right of way line, a distance of 733.11 feet to the POINT OF BEGINNING, containing 13.29 acres of land, more or less.

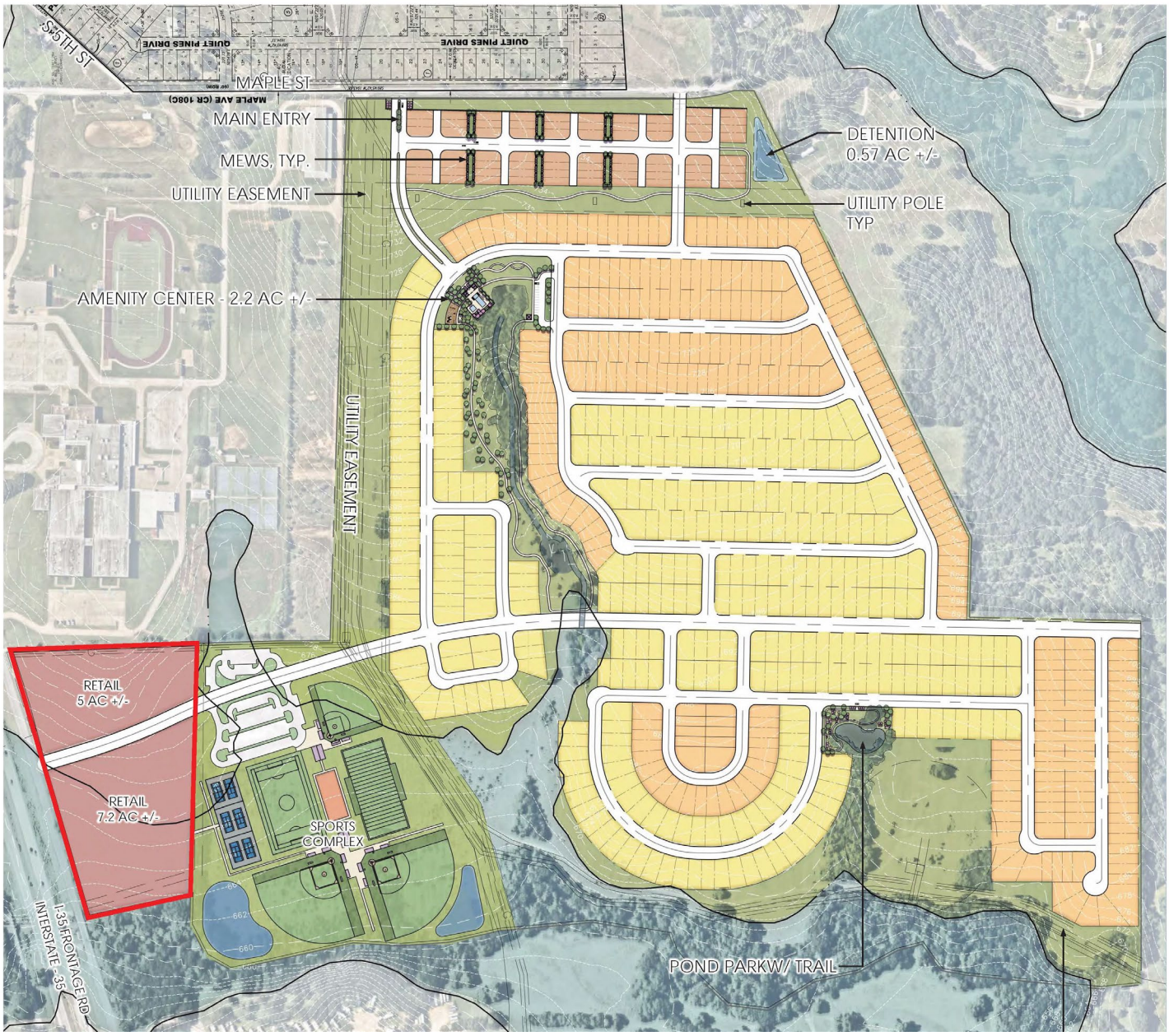

S 15TH ST
QUIET PINES DRIVE
QUIET PINES DRIVE
MAPLE AVE (CR 108C)
MAPLE ST
MAIN ENTRY
MEWS, TYP.
UTILITY EASEMENT
AMENITY CENTER - 2.2 AC +/-
DETENTION
0.57 AC +/-
UTILITY POLE
TYP
UTILITY EASEMENT
RETAIL
5 AC +/-
RETAIL
7.2 AC +/-
SPORTS
COMPLEX
I-35 FRONTAGE RD
INTERSTATE 35
POND PARKW/ TRAIL

EXHIBIT B-1
Authorized Improvements and Estimated Costs

EXHIBIT B-1

ENGINEER'S OPINION OF PROBABLE COST
ALVARADO CHAMBERS CREEK
ALVARADO,TX
1/13/2026
PID ELIGIBLE BUDGET - EXECUTIVE SUMMARY

		LOT QUANTITY	177	175	186	173	711
		LOT WIDTH (30/40/50)	(72/32/73)	(0/54/121)	(0/120/66)	(0/96/77)	(72/302/337)
ITEM	DESCRIPTION						
	MAJOR		PHASE 1	PHASE 2	PHASE 3	PHASE 4	TOTAL
1.	EARTHWORK & EROSION CONTROL		$ 200,764	$ 46,774	$ 20,005	$ 31,176	$ 298,719
2.	SANITARY SEWER IMPROVEMENTS		$ 136,146	$ -	$ -	$ -	$ 136,146
3.	WATER IMPROVEMENTS		$ -	$ -	$ -	$ -	$ -
4.	STORM SEWER IMPROVEMENTS		$ 475,528	$ -	$ -	$ -	$ 475,528
5.	PAVING IMPROVEMENTS		$ 487,264	$ 1,797,590	$ -	$ 518,892	$ 2,803,745
6.	STREET LIGHTING & SIGNAGE		$ 72,471	$ 26,187	$ -	$ 38,063	$ 136,721
7.	LANDSCAPE, SCREENING, ENTRY, & AMENITIES		$ 516,133	$ 11,406	$ -	$ 11,092	$ 538,631
SUBTOTAL (HARD COSTS)			$ 1,888,305	$ 1,881,957	$ 20,005	$ 599,222	$ 4,389,490
8.	CIVIL ENGINEERING DESIGN & SURVEY		$ 277,525	$ 41,798	$ 9,037	$ 48,200	$ 376,560
9.	GEOTECHNICAL & MATERIAL TESTING (1.5%; Owner)		$ 28,325	$ 28,229	$ 300	$ 8,988	$ 65,842
10.	CONTINGENCY (15%)		$ 283,246	$ 282,294	$ 3,001	$ 89,883	$ 658,423
	TOTAL		**$ 2,477,401**	**$ 2,234,278**	**$ 32,343**	**$ 746,294**	**$ 5,490,315**
	HARD COST PER LOT		**$ 10,668**	**$ 10,754**	**$ 108**	**$ 3,464**	**$ 6,174**
	TOTAL COST PER LOT		**$ 13,997**	**$ 12,767**	**$ 174**	**$ 4,314**	**$ 7,722**

	MINOR	PHASE 1	PHASE 2	PHASE 3	PHASE 4	TOTAL
1.	EARTHWORK & EROSION CONTROL	$ 79,629	$ 109,071	$ 99,250	$ 85,738	$ 373,688
2.	SANITARY SEWER IMPROVEMENTS	$ 552,829	$ 594,231	$ 407,066	$ 407,690	$ 1,961,816
3.	WATER IMPROVEMENTS	$ 598,979	$ 450,509	$ 276,086	$ 238,557	$ 1,564,132
4.	STORM SEWER IMPROVEMENTS	$ 833,383	$ 1,155,028	$ 271,105	$ 1,017,786	$ 3,277,301
5.	PAVING IMPROVEMENTS	$ 1,404,346	$ 1,749,612	$ 1,406,740	$ 1,211,936	$ 5,772,633
6.	STREET LIGHTING & SIGNAGE	$ 60,291	$ 85,260	$ 64,148	$ 68,817	$ 278,516
7.	LANDSCAPE, SCREENING, ENTRY, & AMENITIES	$ 41,020	$ 50,834	$ 42,548	$ 36,459	$ 170,861
SUBTOTAL (HARD COSTS)		$ 3,570,476	$ 4,194,544	$ 2,566,943	$ 3,066,983	$ 13,398,947
8.	CIVIL ENGINEERING DESIGN & SURVEY	$ 194,015	$ 222,758	$ 136,530	$ 165,272	$ 718,575
9.	GEOTECHNICAL & MATERIAL TESTING (1.5%; Owner)	$ 53,557	$ 62,918	$ 38,504	$ 46,005	$ 200,984
10.	CONTINGENCY (15%)	$ 535,571	$ 629,182	$ 385,041	$ 460,047	$ 2,009,842
	TOTAL	**$ 4,353,620**	**$ 5,109,402**	**$ 3,127,019**	**$ 3,738,307**	**$ 16,328,348**
	HARD COST PER LOT	**$ 20,172**	**$ 23,969**	**$ 13,801**	**$ 17,728**	**$ 18,845**
	TOTAL COST PER LOT	**$ 24,597**	**$ 29,197**	**$ 16,812**	**$ 21,609**	**$ 22,965**

	PRIVATE	PHASE 1	PHASE 2	PHASE 3	PHASE 4	TOTAL
1.	EARTHWORK & EROSION CONTROL	$ 2,208,059	$ 1,614,476	$ 1,959,173	$ 996,438	$ 6,778,146
2.	SANITARY SEWER IMPROVEMENTS	$ 187,769	$ 182,310	$ 197,760	$ 186,430	$ 754,269
3.	WATER IMPROVEMENTS	$ 190,344	$ 182,928	$ 192,919	$ 179,529	$ 745,720
4.	STORM SEWER IMPROVEMENTS	$ -	$ -	$ -	$ -	$ -
5	LANDSCAPE, SCREENING, ENTRY, & AMENITIES	$ 582,414	$ 2,234,229	$ 142,167	$ 142,167	$ 3,100,977
SUBTOTAL (HARD COSTS)		$ 3,168,586	$ 4,213,943	$ 2,492,019	$ 1,504,564	$ 11,379,112
8.	CIVIL ENGINEERING DESIGN & SURVEY	$ 304,724	$ 116,958	$ 131,500	$ 79,025	$ 632,207
9.	GEOTECHNICAL & MATERIAL TESTING (1.5%; Owner)	$ 47,529	$ 63,209	$ 37,380	$ 22,568	$ 170,687
10.	CONTINGENCY (15%)	$ 475,288	$ 632,091	$ 373,803	$ 225,685	$ 1,706,867
	TOTAL	**$ 3,996,126**	**$ 5,026,202**	**$ 3,034,702**	**$ 1,831,842**	**$ 13,888,872**
	HARD COST PER LOT	**$ 17,902**	**$ 24,080**	**$ 13,398**	**$ 8,697**	**$ 16,004**
	TOTAL COST PER LOT	**$ 22,577**	**$ 28,721**	**$ 16,316**	**$ 10,589**	**$ 19,534**

DEVELOPMENT TOTAL	**$ 10,827,147**	**$ 12,369,881**	**$ 6,194,064**	**$ 6,316,444**	**$ 35,707,536**
HARD COST PER LOT	**$ 48,742**	**$ 58,803**	**$ 27,306**	**$ 29,889**	**$ 41,023**
TOTAL COST PER LOT	**$ 61,170**	**$ 70,685**	**$ 33,301**	**$ 36,511**	**$ 50,222**

EXHIBIT B-1

ENGINEER'S OPINION OF PROBABLE COST
ALVARADO CHAMBERS CREEK
ALVARADO,TX
1/13/2026
IMPACT FEE REIMBURSEMENT - EXECUTIVE SUMMARY

	LOT QUANTITY	177	175	186	173	711
	LOT WIDTH (30/40/50)	(72/32/73)	(0/54/121)	(0/120/66)	(0/96/77)	(72/302/337)
ITEM	**DESCRIPTION**					
	MAJOR CIP IMPROVEMENTS	PHASE 1	PHASE 2	PHASE 3	PHASE 4	TOTAL
1.	EARTHWORK & EROSION CONTROL	$ -	$ -	$ -	$ -	$ -
2.	SANITARY SEWER IMPROVEMENTS	$ -	$ 1,141,225	$ -	$ -	$ 1,141,225
3.	WATER IMPROVEMENTS	$ 1,055,186	$ 161,555	$ 150,402	$ 301,154	$ 1,668,297
4.	STORM SEWER IMPROVEMENTS	$ -	$ -	$ -	$ -	$ -
5.	PAVING IMPROVEMENTS	$ -	$ 360,280	$ -	$ -	$ 360,280
6.	STREET LIGHTING & SIGNAGE	$ -	$ -	$ -	$ -	$ -
7.	LANDSCAPE, SCREENING, ENTRY, & AMENITIES	$ -	$ -	$ -	$ -	$ -
SUBTOTAL (HARD COSTS)		$ 1,055,186	$ 1,663,060	$ 150,402	$ 301,154	$ 3,169,802
8.	CIVIL ENGINEERING DESIGN & SURVEY	$ -	$ -	$ -	$ -	$ -
9.	GEOTECHNICAL & MATERIAL TESTING (1.5%; Owner)	$ -	$ -	$ -	$ -	$ -
10.	CONTINGENCY (15%)	$ 158,278	$ 249,459	$ 22,560	$ 45,173	$ 475,470
	TOTAL	**$ 1,213,464**	**$ 1,912,519**	**$ 172,962**	**$ 346,327**	**$ 3,645,272**

EXHIBIT B-2
CIP Water Improvements

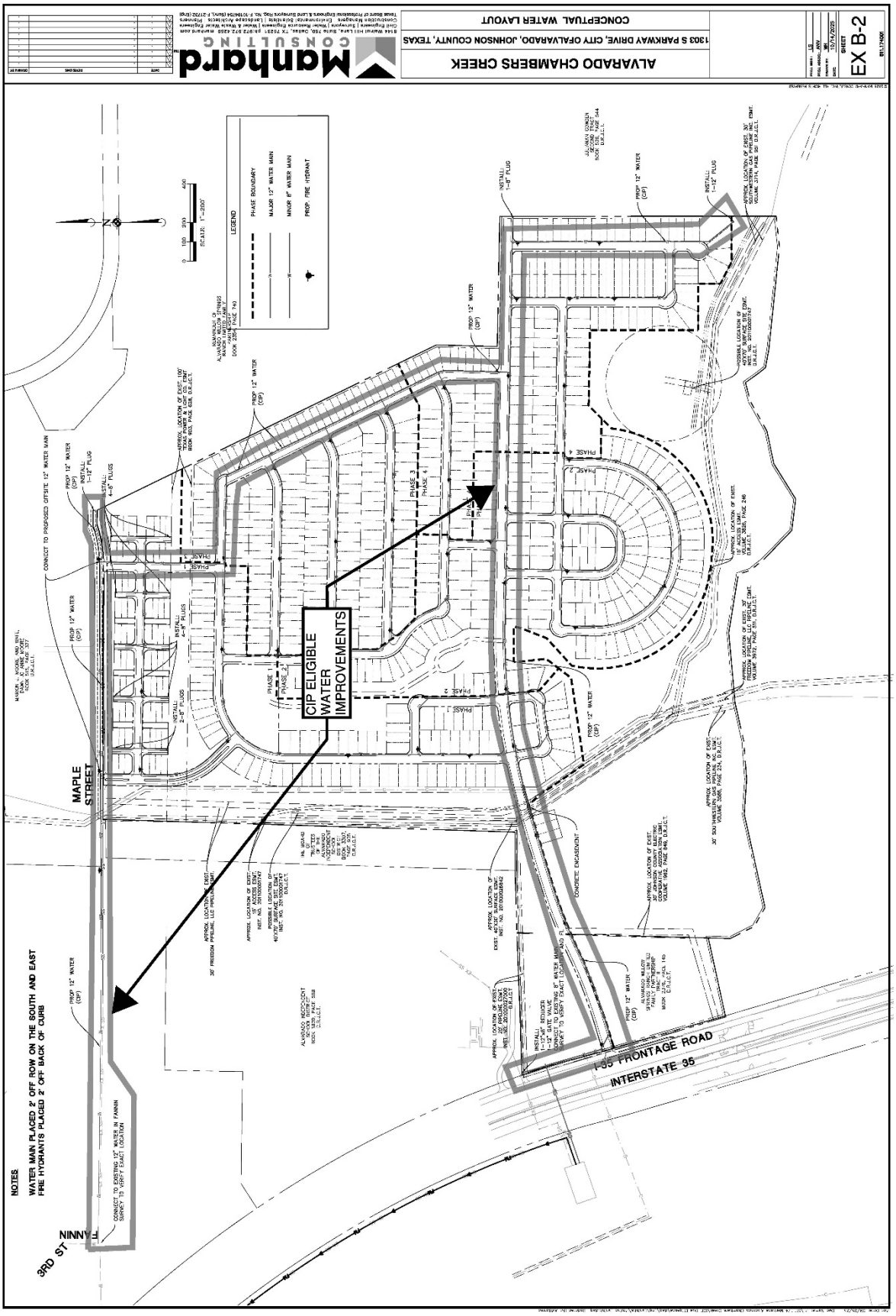


EXHIBIT B-3
CIP Sewer Improvements

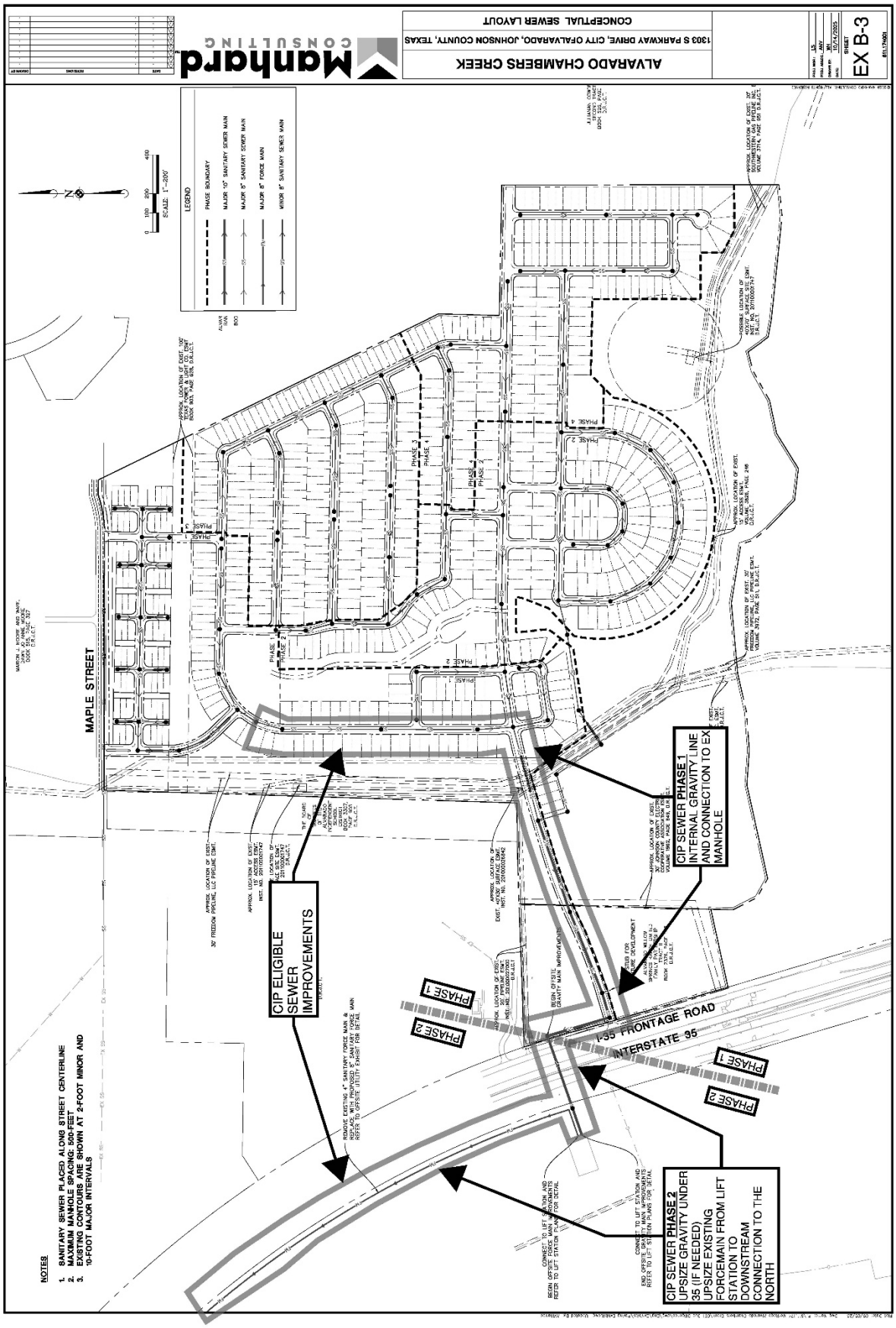
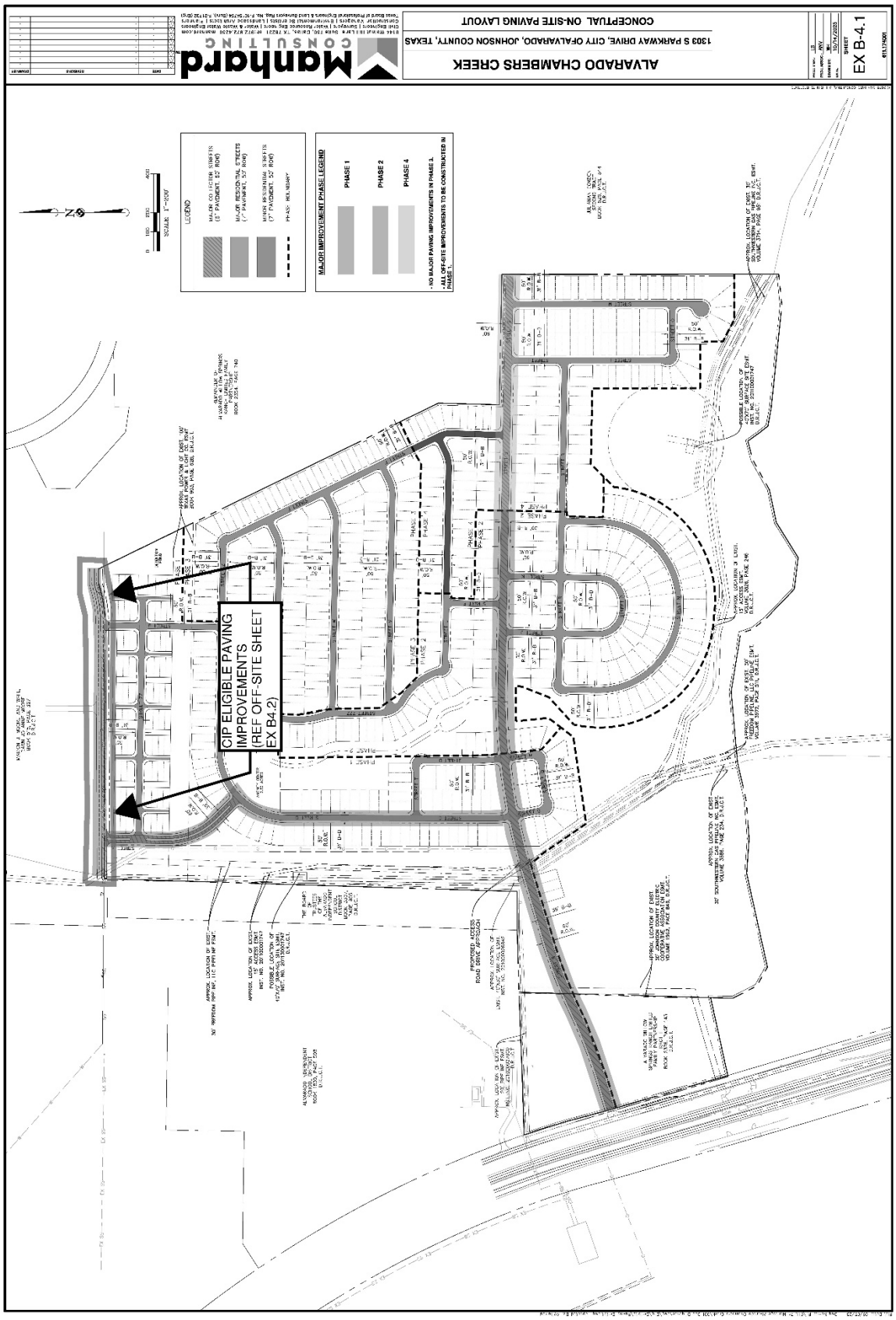
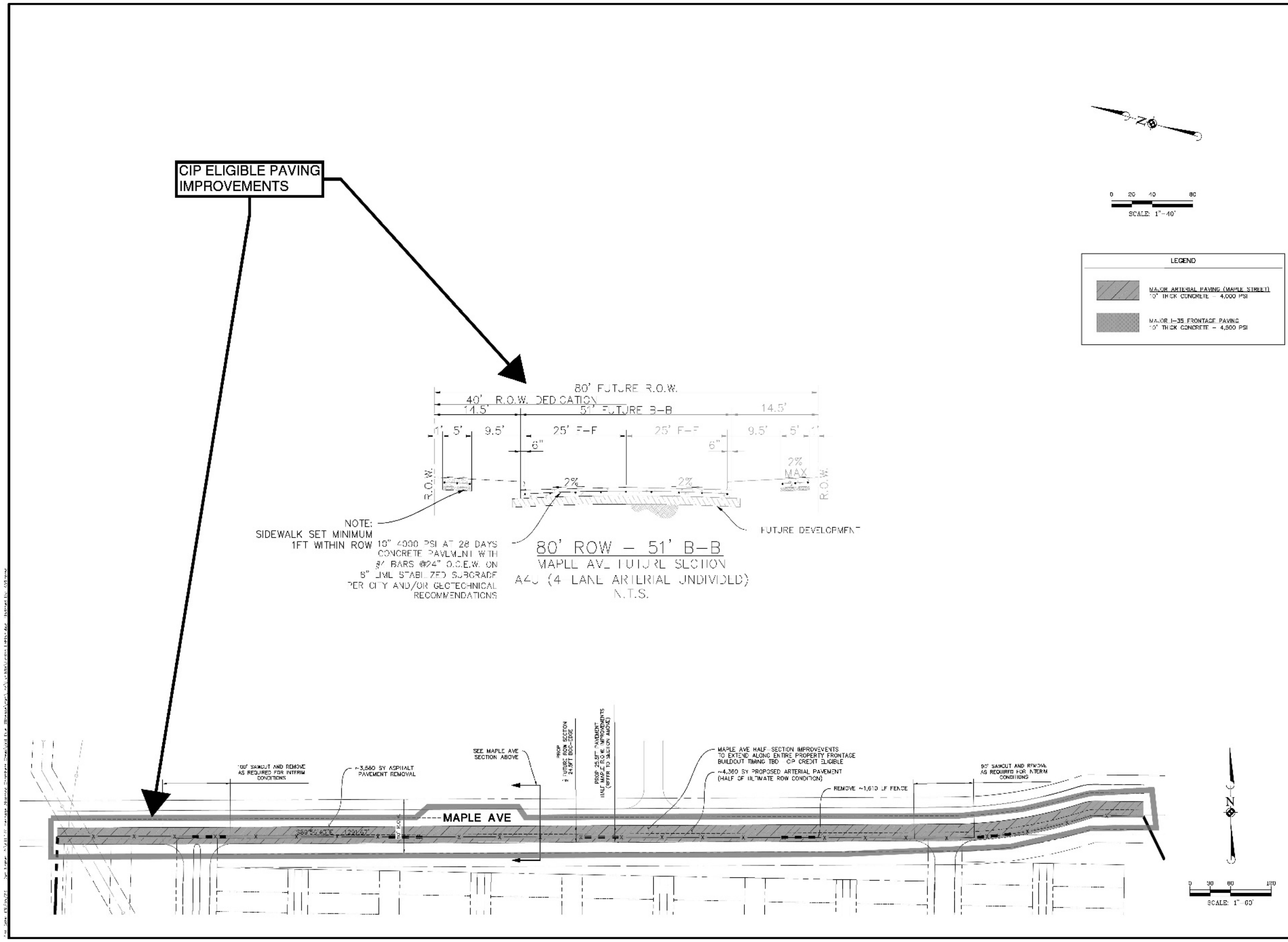


EXHIBIT B-4
CIP Roadway Improvements





ALVARADO CHAMBERS CREEK

1303 S PARKWAY DRIVE, CITY OFALVARADO, JOHNSON COUNTY, TEXAS

OFFSITE PAVING EXHIBIT

Manhard CONSULTING

8144 Walnut Hill Lane, Suite 750, Dallas, TX 75231 ph:972.972.4250 manhard.com
Civil Engineers | Surveyors | Water Resource Engineers | Water & Waste Water Engineers
Construction Managers | Environmental Scientists | Landscape Architects | Planners
Texas Board of Professional Engineers & Land Surveyors Reg. No. F-10194704 (Surv), F-21732 (Eng)

PROJ. MGR.: LS
PROJ. ASSOC.: ANY
DRAWN BY: WH
DATE: 10/14/2025
SHEET
EX B-4.2
611.174001

EXHIBIT C
Concept Plan

EXHIBIT C – CONCEPT PLAN

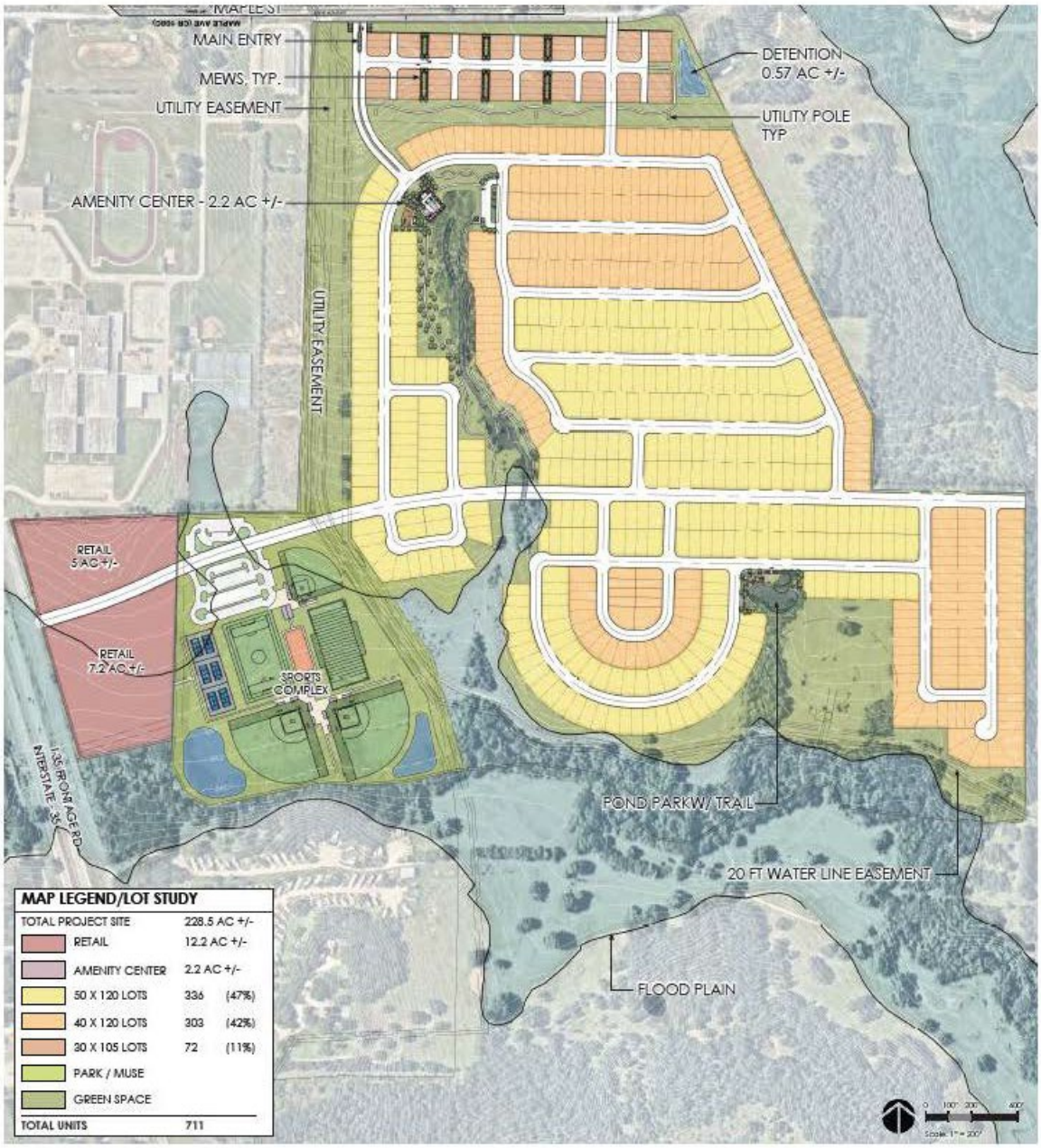


EXHIBIT D
Development Standards

EXHIBIT "D"

CHAMBERS CREEK

PD DEVELOPMENT STANDARDS

CHAMBERS CREEK – PURPOSE AND INTENT:

Chambers Creek will be a ±228-acre mixed-use development that creates a vibrant, interconnected community balancing urban conveniences with neighborhood charm. The development emphasizes thoughtful integration of residential, retail, and commercial spaces to foster a live-work-play environment.

The residential component will feature a diverse housing mix with single-family homes designed to meet various lifestyle needs and preferences. The single-family neighborhood will offer a range of lot sizes and home styles that appeal to first-time buyers, growing families, those seeking to move up, and those seeking to downsize. Chambers Creek is designed with larger front and back yards than typical developments, enhancing curb appeal while providing residents with more private outdoor space for personal customization.

Chambers Creek prioritizes community connectivity through a network of walkable spaces including trails, sidewalks, and gathering areas. The carefully planned amenities will include a full-featured amenity center, pocket parks, and trail connections that will enhance the livability of the neighborhood. Existing mature trees and natural ponds are preserved and integrated into amenity areas and open spaces, creating serene, nature-rich gathering spots. In addition, approximately 27 acres of land will be donated and built by the developer for the City of Alvarado for a proposed regional sports complex, which will include baseball, softball, football, and soccer fields, pickleball courts, concessions, restrooms, and playground areas. This sports complex will be privately funded and reimbursed to the developer through a Tax Increment Reinvestment Zone. Additionally, the centralized open space and pocket park are strategically and naturally located within the residential areas ensure that residents from both sides of the community are only a short walk away from beautiful landscaped green spaces. These amenity areas will create vibrant and natural gathering spaces that encourage active lifestyles and meaningful social interaction among residents of all ages, with a focus on connectivity, recreation, and lasting neighborhood identity which brings the community together.

The retail and business components along the I-35 corridor will provide convenient services to residents while creating a distinctive gateway to the development. These areas are strategically positioned to maximize visibility and accessibility, offering opportunities for everyone within the community and beyond. Chambers Creek is designed to serve families, employees of Alvarado businesses, local business owners, entrepreneurs, and visitors alike, reinforcing connectivity, recreation, and lasting neighborhood identity.

DEVELOPMENT STANDARDS - SINGLE FAMILY

1. Uses:

A. Permitted uses in the Chambers Creek single-family areas shall be limited to single-family homes, amenities detailed in this Exhibit, and accessory structures as permitted by the City of Alvarado, with the exception of carports.

B. No Specific Use Permit shall be applied for or issued on any lot in the Chambers Creek Subdivision.

C. Model homes associated with the sale of single-family residences are permitted on the Property until all single-family residences are occupied. Temporary sales offices (i.e. Trailers) are allowed only until model homes are built and certificate of occupancy is issued.

2. The minimum allowable lot mix shall be as follows but not to exceed an increase in lot count of 5% as shown on the preliminary plat:

Lot Type	Lot Size	Lots	% of Residential Area
Type 1	29' x 102'	75	11%
Type 2	40' x 120'	302	42%
Type 3	50' x 120'	336	47%

3. Single-Family Detached Lot Development Standards:

Lot Type	Type 1	Type 2	Type 3
Minimum Lot Width	29'	40'	50'
Minimum Lot Depth	100'	115'	115'
Minimum Lot Area (SqFt)	2,950	4,800	6,000
Minimum Front Yard Setback	30'	25'	25'
Minimum Rear Yard Setback	15'	15'	15'
Minimum Side Yard Setback Interior	3'	5'	5'
Side Yard of Corner Lots	8'	10'	10'
Minimum Gross Living Area	1,000	1,100	1,150
Maximum Lot Coverage	50%	50%	54%
Maximum Height (to highest eave or parapet)	35'	35'	35'
Maximum Height (to top of roof structure)	45'	45'	45'
Minimum Off-Street Parking Spaces	2	2	2

4. NOTES:

   A. Location of Lot Type shall be in accordance with the Concept Plan and preliminary plat

   B. Lot widths to be measured at front yard setback line.

   C. Outdoor living areas shall have a minimum rear setback of 10' whether or not the area is covered by a roof which is integrated into the dwelling unit.

5. Architectural standards: All structures constructed within the Chambers Creek community shall comply with the architectural standards as indicated below:

   A. Streetscape Standards: Sidewalks shall be provided along all residential streets in the development and shall be constructed in compliance with the current adopted City of Alvarado Infrastructure Design Standards.

   B. Garages: Decorative garage doors shall be constructed of wood, metal, or a composite material made to have the appearance of wood. No carports are allowed.

   C. Landscaping: All Type 1 single-family lots shall include a minimum of one (1) 3" caliper shade tree, all Type 2 and Type 3 single family lots shall include a minimum of one (1) 3" caliper shade tree or two (2) 1½" caliper ornamental trees shall be planted (selected from the Approved Planted Materials List). Planting beds fronting the street on all lot Types will have a minimum of five (5) shrubs including at least one (1) 5-gallon shrub and four (4) one-gallon shrubs. Areas not used for buildings, tree plantings, planting beds, driveways or patios on all lots must be fully sodded and shall be improved with an automatic irrigation system.

   D. Fencing: All-wood privacy fences shall be six (6) feet in height, board on board, with steel-capped metal posts in compliance with Section 42-59, Alvarado Unified Development Ordinance.

   E. Elevations/Exterior Finish Materials: Building elevations for all structures shall include a minimum of 75% masonry on the front elevation, with the exception of accent materials as detailed herein. Side and rear elevations shall include a minimum of 25% masonry, or be articulated with approved accent materials, generally consistent with the concept building elevations. Acceptable exterior finish materials, excluding openings for doors and windows, shall include brick, stone, cementitious fiber board, and stucco. Masonry material shall include brick, stone, cementitious fiber board and stucco. Accent configurations shall adhere to the following standards:

   1. All stone shall be detailed and laid to resemble structural stone walls (i.e., stone shall be chopped or saw cut).
   2. All stucco shall be cement plaster made of cement sand and lime and shall be applied to elevations using a three-step process with a smooth or sand-finish. Exterior insulated finishing systems (E.I.F.S.) or other synthetic stucco as defined by the International Building Code shall be prohibited on all elevations.
   3. All wood shall be painted or stained.

F. Address Monuments: All homes will be required to have a decorative address display which will be mounted on the front façade of all main dwellings.

G. Roofs:

1. All dwelling units shall have pitched roofs.
2. All single-family residential units shall have a minimum roof pitch of 6:12 on primary pitches.
3. All roofs shall be clad in architectural-grade shingles.

H. Accessory buildings and structures: All accessory buildings and structures shall comply with the architectural and other design considerations in the Alvarado Unified Development Ordinance in addition to the setback requirements identified herein.

I. Repetition of Floor Plan and Elevation: A minimum of three (3) platted residential lots must be skipped on the same side and two (2) lots must be skipped on the opposite side of a street before rebuilding the same single-family residential unit with an identical (or nearly identical) street elevation design and exterior masonry selection. The same floor plan and elevation shall not be repeated on neighboring, side by side lots or directly across the street. Identical or nearly identical floor plan means that the layout, size and function of the rooms are essentially the same. Identical or nearly identical street elevation design means little to no variance in the articulation of the façade, height, or width of façade, placement of the primary entrances, porches, number and placement of windows, and other major architectural features. It does not mean similar colors, materials, or small details.

COMMUNITY DESIGN STANDARDS

1. Community Buffers:

A. Proposed Collector Roads (Maple Ave, Maple Ave Main Entry, I-35 Entry):

1. A landscape buffer shall be provided adjacent to both sides of each Collector road and include 3-inch caliper overstory trees planted every 50 feet. Berms and retaining walls may be constructed within the buffer to enhance the visual appeal.
2. Additional plantings shall also be installed throughout the buffer. Planting material includes, but is not limited to shrubs, ornamental grasses, turf, and mulched planter beds. Decorative hardscape features may also be incorporated in the buffer design.
3. A minimum 5' wide concrete walking path shall be provided within the right-of-way along both sides of any proposed Collector.

B. Irrigation:

1. Landscape buffers shall be maintained with irrigation systems. Trees and shrubs shall be irrigated by drip irrigation lines. Other landscaping may be irrigated by spray irrigation.

2. Neighborhood Entry Features:

A. Primary Entry A (Maple Ave):

1. Architectural features on masonry walls or masonry monuments shall be located at the primary entrance for Chambers Creek.
2. Entry features and/or community signage may be lighted, within any applicable setback.

B. Primary Entry B (I-35 Frontage):

1. Architectural features on masonry walls or masonry monuments shall be located at the primary entrance for Chambers Creek.
2. Entry features and/or community signage may be lighted, within any applicable setback.

DEVELOPMENT STANDARDS – FRONTAGE COMMERCIAL

1. Uses:

A. Except as provided below, only uses allowed by right or by SUP in the C-2 zoning district shall be permitted.

B. Additional Permitted uses by right in the Chambers Creek Commercial area shall include:

1. Retail Sales (General & Specialty):

- Furniture and home furnishings stores
- Home improvement and garden centers
- Electronics and appliance stores
- Apparel, shoe, jewelry, and accessory stores
- Department stores, superstores, and warehouse clubs
- Grocery stores, supermarkets, and specialty food markets
- Convenience stores with or without fuel sales
- Pharmacies and drugstores
- Bookstores, hobby, and entertainment media retailers
- Sporting goods and outdoor recreation retailers
- Pet supply and animal accessory retailers

2. Food & Beverage Establishments:

- Full-service restaurants and cafes
- Self-service, take-out, and fast casual dining
- Coffee shops, juice bars, smoothie and tea cafes
- Ice cream, dessert, and specialty snack shops
- Restaurants with drive-thru service
- Restaurants with outdoor or sidewalk service
- Bars, lounges, and taverns (subject to TABC licensing)
- Catering kitchens and commissaries

3. Financial, Business, and Real Estate Services:
   - Banks and credit unions (with or without drive-thru)
   - Investment, insurance, and financial planning offices
   - Real estate offices and property management firms
4. Medical and Personal Services:
   - Medical, dental, and chiropractic offices
   - Vision centers and hearing clinics
   - Personal services: salons, spas, massage, estheticians
   - Fitness centers, yoga, pilates, and wellness studios
   - Daycare and preschool facilities (licensed)
5. Automotive and Transportation Services:
   - New and used vehicle dealerships
   - RV, boat, and specialty vehicle sales
   - Automotive parts and accessory stores
   - Minor and major automotive repair and service
   - Car washes and detailing centers
6. Entertainment and Lodging:
   - Indoor amusement centers, arcades, and escape rooms
   - Movie theaters and small event venues

- Hotels, motels, and extended-stay lodging
- Conference and banquet halls
- Other Commercial Uses:
- Structured parking garages
- Surface parking lots
- Print/copy centers and shipping services
- Dry cleaning drop-off and pick-up centers

H. The following uses shall be specifically prohibited within the Chambers Creek Retail/Commercial areas:

- Sexually oriented businesses
- Wrecking or demolition establishments (including junk yards)
- Asphalt or concrete batch plants
- Outdoor storage as a primary use
- Heavy industrial or manufacturing uses
- Recycling centers or scrap metal processing
- Bail bond or parole offices

2. Development Standards:

   A. Any development standards not specifically listed in this PD shall defer to the requirements of the C-2 (General Commercial District) zoning district including setbacks, lot coverages, lot sizes, and maximum building heights.

3. Parking Requirements:

   1. Except as provided below, off-street parking shall meet the requirements of the Alvarado UDO.
   2. Shared parking allowed up to 25% reduction.

4. Screening and Landscaping:

   A. Trash and service areas must be screened with 8' masonry walls and opaque gates

   B. 10' landscape buffer required along ROW

   C. 1 tree every 40 feet in buffers and 1 per 10 spaces in parking lots

   D. Irrigation systems required for all landscaping

E. Screening along SF must include solid masonry wall or landscaped berm/fence combination

EXHIBIT E
Home or Property Buyer Disclosure Program

When selling any of the Property after the Chambers Creek Public Improvement District ("PID") is created, the Developer shall provide notices in a form required by and in compliance with Title 2, Chapter 5 of the Texas Property Code, as amended, to prospective buyers of property and the following minimum requirements:

1. Provide the buyer disclosure, in substantially the form attached to the Service and Assessment Plan for the PID, to each purchaser of property within the PID, as required by Section 5.014 of the Texas Property Code.

2. Record notice of the PID in the appropriate land records for the Property.

3. Require builders to attach the final Assessment Roll for such Assessed Parcel (or if the Assessment Roll is not available for such Assessed Parcel, then a schedule showing the maximum 30-year payment for such Assessed Parcel) in an addendum to each residential homebuyer's contract on brightly colored paper.

4. Collect a copy of the addendum signed by each buyer from builders and provide to the City.

5. Require signage indicating that the Property for sale is located in a special assessment district and require that such signage be located in conspicuous places in all model homes.

6. Prepare and provide to homebuilders an overview of the existence and effect of the PID for those homebuilders to include in each sales packet of information that it provides to prospective homebuyers.

7. Notify builders who estimate monthly ownership costs of the requirement that they must include special assessments in estimated Property taxes.

8. Notify Settlement Companies through the builders that they are required to include special taxes on HUD 1 forms and include in total estimated taxes for the purpose of setting up tax escrows.

9. Include notice of the PID in the homeowner association documents in conspicuous bold font.

10. The City will include announcements of the PID on the City's web site.

The Developer and the PID Administrator shall regularly monitor the implementation of this disclosure program and shall take appropriate action to require these notices to be provided when one of them discovers that any requirement is not being complied with.

EXHIBIT F
Landowner Consent Certificate

CONSENT AND AGREEMENT OF LANDOWNER

This Consent and Agreement of Landowner is issued by _____, a _____ (the "Landowner"), as the landowner who holds record title to the property described on **Exhibit A** attached hereto and located within the Chambers Creek Public Improvement District (the "PID") created by the City of Alvarado, Texas (the "City") pursuant to Resolution No. _____ passed and approved by the City Council of the City on _____. Capitalized terms used herein and not otherwise defined shall have the meaning given to such terms in the City's ordinance levying assessments (the "Assessments") on property within the PID, adopted on _____, including the Service and Assessment Plan and Assessment Rolls for the PID attached thereto (together, the "Assessment Ordinance").

Landowner hereby declares and confirms that it holds record title to the real property set forth on **Exhibit A** (the "Property"), which Property is a portion of the real property included within the PID and is subject to the assessments levied pursuant to the Assessment Ordinance. Further, Landowner hereby ratifies, declares, consents to, affirms, agrees to and confirms each of the following:

1. The creation and boundaries of the PID, the boundaries of the Assessed Property within the PID (the "Assessed Property") subject to the Assessments, and the Authorized Improvements for which the Assessments are being made, as set forth in the Service and Assessment Plan for the District (the "SAP").

2. The determinations and findings by the City in the Assessment Ordinance and the SAP.

3. The Assessment Ordinance, the SAP and the Assessment Rolls for the District (the "Assessment Rolls").

4. The right, power and authority of the City Council to create the PID, adopt the Assessment Ordinance, including the attachments thereto, and to levy the Assessments against the Property.

5. Each Assessment levied on each Assessed Property owned by the undersigned as shown in the SAP (including the Annual Installments thereof, as identified in the SAP and as updated from time to time as set forth in the SAP).

6. The _____ Improvements specially benefit the Assessed Property owned by the undersigned in an amount equal to or in excess of the Assessment levied on each Assessed Property, as such Assessments are shown on the Assessment Rolls.

7. Each Assessment is final, conclusive and binding upon such Landowner.

8. The Landowner, shall pay the Assessment levied on the Assessed Property owned

by it when due and in the amount required by and stated in the SAP and the Assessment Ordinance.

9. Delinquent installments of the Assessments shall incur and accrue interest, penalties, and attorney's fees as provided in the SAP and the PID Act.

10. The "Annual Installments" of the Assessments may be calculated and adjusted in accordance with the SAP, and Landowner shall be obligated to pay the Annual Installments against the Assessed Property owned by Landowner, when due, calculated as set forth in the SAP.

11. As of the date hereof, all notices required to be provided to it under the PID Act have been received and to the extent of any defect in such notice, Landowner hereby waives any notice requirements and consents to all actions taken by the City with respect to the creation of the PID and the levy of the Assessments. The Landowner further confirms it owned 100% of the Property that is Assessed Property within the PID on each of _____, 202_ and on _____, 202_.

12. That this Consent and Agreement of Landowner shall be filed in the records of the County Clerk of Johnson County, with copies of the recorded documents delivered to the City promptly after receipt thereof by the recording party, as a lien and encumbrance against the Assessed Property.

13. There are no properties within the boundaries of the PID that are not identified in the SAP and the Assessment Rolls.

14. If any Authorized Improvement is on the Property, the Landowner hereby grants an easement to the City to enter upon such land for purposes related to inspection and maintenance (pending acquisition and acceptance) of the Authorized Improvement. This grant of such permanent easement herein does not relieve the Landowner of any obligation to grant the City title to property and/or easements related to the Authorized Improvement as required by the Development Agreement or as should in the City's reasonable judgment be granted to provide for convenient access to and routine and emergency maintenance of such Authorized Improvement.

    Landowner hereby waives any and all defects, irregularities, illegalities or deficiencies in the proceedings establishing the PID, defining the Assessed Property, adopting the Assessment Ordinance, including the attachments thereto, levying of the Assessments, and determining the amount of the Annual Installments of the Assessments.

[Execution page follows]

IN WITNESS WHEREOF, the undersigned has caused this Consent and Agreement of Landowner to be executed as of _____.

LANDOWNER:

By: _____
Name:
Title:

THE STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on this ___ day of _____, 202__, by _____, the _____ of _____, on behalf of said _____.

_____
Notary Public in and for the State of Texas

[SEAL]

EXHIBIT A

[Attach Property Description]

EXHIBIT G
Certification for Payment Form

The undersigned is an agent for _____ (the "Developer") and requests payment from the [[Improvement Account][Developer Improvement Account] of the Project Fund (as defined in the Bond Indenture)][Assessment Fund] from the City of Alvarado, Texas (the "City") in the amount of $_____ for labor, materials, fees, and/or other general costs related to the creation, acquisition, or construction of certain Authorized Improvements related to the Chambers Creek Public Improvement District. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Development Agreement.

In connection to the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this payment request form on behalf of the Developer and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced Authorized Improvement(s) has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
3. The amount listed for the Authorized Improvement(s) below is a true and accurate representation of the Actual Costs associated with the creation, acquisition, or construction of said Authorized Improvement(s); and such costs: (i) are in compliance with the Bond Indenture, the Development Agreement and the Reimbursement Agreement; and (ii) are consistent with the Service and Assessment Plan.
4. The Developer is in compliance with the terms and provisions of the Development Agreement, the Reimbursement Agreement, the Bond Indenture, and the Service and Assessment Plan.
5. All conditions set forth in the Reimbursement Agreement and/or Bond Indenture for the payment hereby requested have been satisfied.
6. The work with respect to the Authorized Improvement(s) referenced below (or their completed segment, section or portion thereof) has been completed and the City may begin inspection of the Authorized Improvement(s).
7. The Developer agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested are as follows:

a. X amount to Person or Account Y for Z goods or services.
b. Etc.

The Actual Costs for the Authorized Improvement(s) shall be paid as follows:

Authorized Improvement:	Amount to be paid from the [[_____ Account] of the Project Fund][Assessment Fund]	Total Cost of Authorized Improvement

Attached hereto are receipts, purchase orders, Change Orders, and similar instruments which support and validate the above requested payments.

Pursuant to the Development Agreement, after receiving this payment request, the City is authorized to inspect the Authorized Improvement (or completed, section or portion thereof segment) and confirm that said work has been completed in accordance with all applicable governmental laws, rules, and Plans.

I hereby declare that the above representations and warranties are true and correct.

By:

By: _____

Date:_____

APPROVAL OF REQUEST BY CITY

The undersigned is in receipt of the attached Certification for Payment. After reviewing the Certification for Payment, the Certification for Payment is approved and the [Trustee][_____] is directed to disburse the requested payments from the [Improvement Account][Developer Improvement Account] of the Project Fund][Assessment Fund], in accordance with the Certification for Payment. The City's approval of the Certification for Payment shall not have the effect of estopping or preventing the undersigned from asserting claims under the Bond Indenture, Reimbursement Agreement, the Service and Assessment Plan, any other agreement between the parties or that there is a defect in the Authorized Improvement.

CITY OF ALVARADO, TEXAS

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT H
Closing Disbursement Request

The undersigned is an agent for _____, (the "Developer") and requests payment from:

[the Cost of Issuance Account of the Project Fund] [the Improvement Account of the Project Fund] from_____, (the "Trustee") in the amount of____DOLLARS ($_____) for costs incurred in the establishment, administration, and operation of the Chambers Creek Public Improvement District (the "District") or the costs of issuance of the [_____] (the "PID Bonds") (collectively, the "Eligible Costs"), as follows:

Closing Costs Description	Cost	PID Allocated Cost
TOTAL		

Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the Development Agreement In connection to the above referenced payments, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Closing Disbursement Request on behalf of the Developer and is knowledgeable as to the matters set forth herein.

2. The payment requested for the above referenced Eligible Costs at the time of the delivery of the PID Bonds has not been the subject of any prior payment request submitted to the City.

3. The amount listed for the above itemized costs is a true and accurate representation of the Eligible Costs incurred by Developer at the time of the delivery of the PID Bonds, and such costs are in compliance with and within the costs as set forth in the Reimbursement Agreement, Bond Indenture, Development Agreement and Service and Assessment Plan, as applicable.

4. The Developer is in compliance with the terms and provisions of the Development Agreement, the Bond Indenture, Reimbursement Agreement, and the Service and Assessment Plan, as applicable.

5. All conditions set forth in the Bond Indenture for the payment hereby requested have been satisfied.

6. The Developer agrees to cooperate with the City in conducting its review of the requested payment and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

Payments requested hereunder shall be made as directed below:

a. X amount to Person or Account Y for Z goods or services.

b. Payment instructions

I hereby declare that the above representations and warranties are true and correct.

By:

By: _____

Date:_____

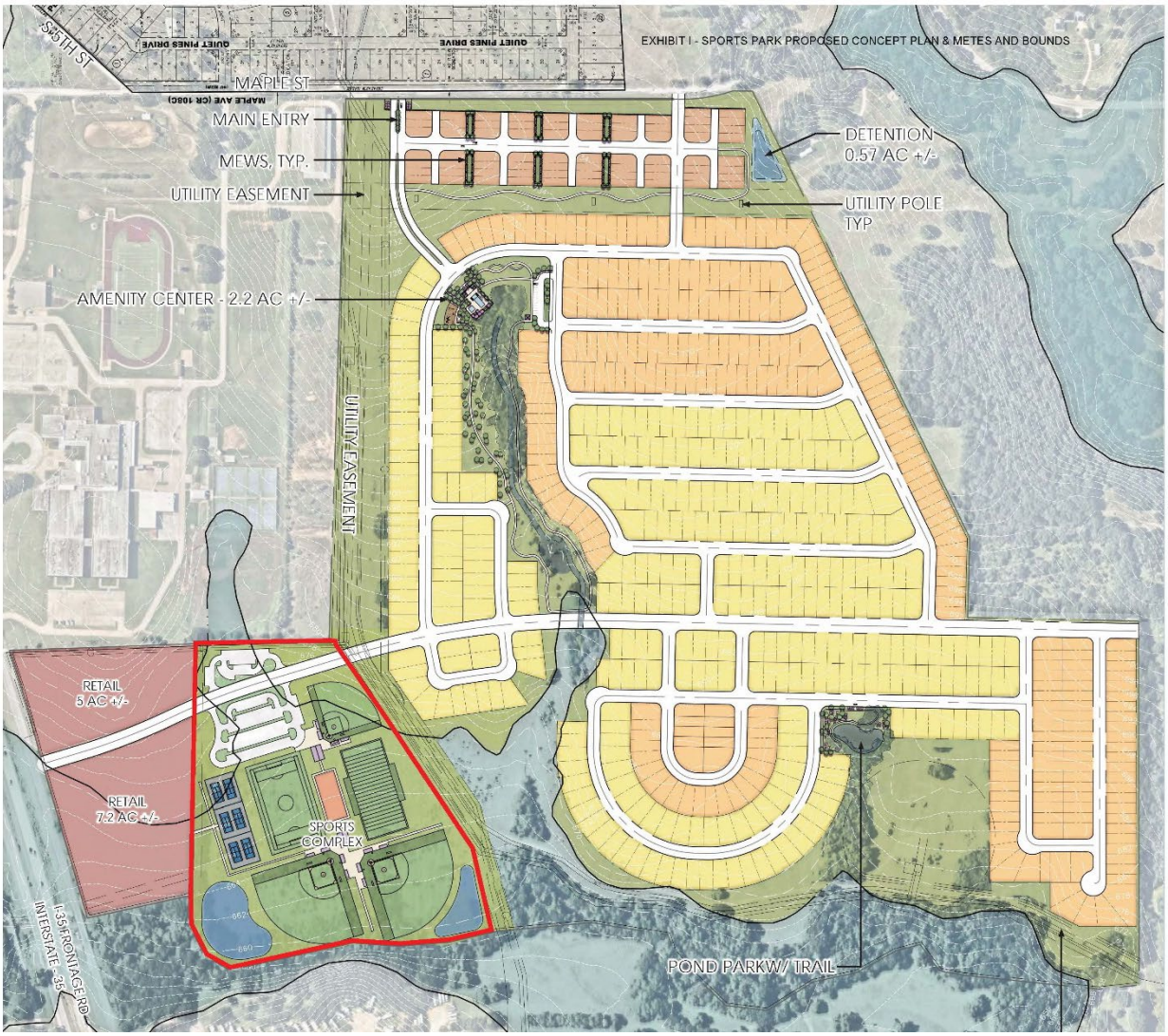
APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Closing Disbursement Request, acknowledges the Closing Disbursement Request, and finds the Closing Disbursement Request to be in order. After reviewing the Closing Disbursement Request, the City approves the Closing Disbursement Request to the extent set forth below and authorizes and directs payment by Trustee in such amounts and from the _____ accounts, to the Developer or other person designated by the Developer herein.

CITY OF ALVARADO, TEXAS

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT I
Sports Complex Plan



Alvarado – Sports Complex
26.41 Acres
Johnson County, Texas

BEING 26.41 acres of land in the A. Kimbell Survey, Abstract Number 479, and the J. Bell Survey, Abstract No. 46, Johnson County, Texas; being part of that called 228.322 acre tract of land described in a Warranty Deed to Alvarado 228 Development. LLC. as recorded in Book 2016, Page 2678, Deed Records, Johnson County, Texas (D.R.J.C.T.), and being more particularly described, by metes and bounds, as follows:

COMMENCING at a mag nail with washer set stamped "MANHARD CONSULTING" at the northernmost northwest corner of said 228.322 acres, and being on the centerline of Maple Street (prescriptive roadway);

THENCE South 01°10'12" West leaving said centerline, a distance of 20.88 feet to a ½-inch iron rod;

THENCE North 89°49'45" East, a distance of 199.77 feet to a capped ½-inch iron rod stamped "DANNENBAUM";

THENCE South 01°00'47" West, a distance of 2,128.25 feet to a 5/8-inch iron rod stamped "FORT WORTH SURVEYING" for the POINT OF BEGINNING;

THENCE South 33°42'00" East, a distance of 978.06 feet to a point for corner;

THENCE South 12°47'36" East, a distance of 333.88 feet to a point in Chambers Creek;

THENCE westerly with Chambers Creek as follows:

South 76°51'54" West, 180.65 feet;

South 85°21'54" West, 200.10 feet;

North 86°16'06" West, 178.50 feet;

South 75°39'54" West, 300.00 feet;

South 79°27'54" West, 200.60 feet;

North 60°35'35" West, 113.10 feet;

North 26°54'15" West, 139.50 feet;

THENCE North 01°04'35" East leaving said Creek, 113.85 feet to a fence post;

THENCE North 01°15'43" East, a distance of 989.34 feet to a ½-inch iron rod;

THENCE North 88°03'11" East, a distance of 362.87 feet to a 60d nail;

THENCE North 89°48'52" East, a distance of 199.83 feet to the POINT OF BEGINNING, containing 26.41 acres of land more or less.

P/611.174001/doc/survey/legal Desc/Alvarado Sports Plex

EXHIBIT J
Form of PID Reimbursement Agreement

AGREEMENT FOR THE CONSTRUCTION AND FUNDING OF AUTHORIZED IMPROVEMENTS AND REIMBURSEMENT OF ADVANCES
Chambers Creek Public Improvement District

This Agreement for the Construction and Funding of Authorized Improvements and Reimbursement of Advances Chambers Creek Public Improvement District (the "Agreement") is made and entered into as of _____ (the "Effective Date") by and between the City of Alvarado, Texas, a home-rule city and municipal corporation of the State of Texas (the "City") and Avalon Development Group, LLC, a Texas limited liability company, and its successors and assigns (the "Developer").

RECITALS

WHEREAS, the Developer, as the developer of certain real property located wholly within the corporate limits of the City, as described in the Creation Resolution (hereinafter defined) (the "Property"), desires to develop such Property; and

WHEREAS, the City has received a petition (the "Petition") requesting the formation of the Chambers Creek Public Improvement District (the "PID") pursuant to Chapter 372, Texas Local Government Code, as amended (the "PID Act"); and

WHEREAS, the City has accepted the Petition and created the PID pursuant to Resolution No. _____ (the "Creation Resolution"), in accordance with the provisions of the PID Act; and

WHEREAS, the PID includes the Property; which Property is intended to be developed in phases or improvement areas (each, an "Improvement Area") of the PID, as such Improvement Areas will be illustrated in the Chambers Creek Public Improvement District Service and Assessment Plan ("SAP") to be prepared and approved by the City; and

WHEREAS, the Developer intends to make certain authorized improvements to each Improvement Area, which improvements include the acquisition, construction, or improvement of water facilities or improvements, wastewater facilities or improvements, drainage facilities or improvements, streets, roadway improvements, sidewalks, right-of-way acquisition, utility easement acquisition, and other improvement projects described in the Creation Resolution, all of which are designated as "authorized improvements" under the PID Act (collectively, the "Authorized Improvements"); and

WHEREAS, the purpose of the PID is to finance the Authorized Improvements; and

WHEREAS, development within the PID is expected to be governed by the terms of the Development Agreement between the City and Developer dated _____ (as may be amended or otherwise modified, the "Development Agreement"); and

WHEREAS, the SAP shall be prepared and approved by the City in accordance with the

PID Act, and shall establish, among other matters, the projected costs of the Authorized Improvements, including the Actual Costs (as defined herein), costs incurred in the establishment, administration, and operation of the PID, and costs of bond issuance, if applicable, as provided in the PID Act (collectively, the "PID Costs"); and

WHEREAS, the SAP shall allocate the PID Costs to the benefitted Property within the PID; and

WHEREAS, assessments to be levied against benefitted Property within each Improvement Area ("PID Assessments") will be reflected on one or more assessment rolls to be approved by the City Council of the City (the "City Council"); and

WHEREAS, the City shall, by ordinance, approve the SAP (including the assessment roll(s)), levy the PID Assessments, and establish the dates upon which interest on PID Assessments will begin to accrue and collection of PID Assessments will begin; and

WHEREAS, all Assessment Revenues (as defined herein) received and collected by the City shall be deposited, as required by the PID Act, into an assessment fund that is segregated from all other funds of the City (the "Assessment Fund") or, in the event of the issuance of bonds to finance the Authorized Improvements ("PID Bonds"), into funds held under an indenture pursuant to which the PID Bonds are issued (the "PID Bond Indenture"); and

WHEREAS, Assessment Revenue deposited into the Assessment Fund or the PID Bond Reimbursement Fund (as defined herein) shall be used solely to reimburse Developer and its designees or assigns for PID Costs advanced by the Developer, plus interest; and proceeds from PID Bonds ("PID Bond Proceeds"), if issued, shall be used to pay the PID Costs, including costs previously paid by the Developer, and for the purposes set forth in the PID Bond Indenture; and

WHEREAS, the Developer intends to make or cause to be made Developer Advances (as defined herein) for the permitting, design, and construction of the Authorized Improvements and the City intends to acquire and/or receive the Authorized Improvements constructed by the Developer or otherwise authorize the dedication of the Authorized Improvements to another authorized third-party and to reimburse the Developer for the Developer Advances; and

WHEREAS, the City and the Developer desire to enter into this Agreement to memorialize the City's intent to reimburse the Developer for the Developer Advances made for the construction and financing of the Authorized Improvements to the fullest extent allowed by law; and

WHEREAS, this Agreement is a "reimbursement agreement" authorized by Section 372.023(d)(1) of the PID Act; and

WHEREAS, the City's obligations to reimburse the Developer for Developer Advances paid related to the Authorized Improvements constructed for the benefit of the PID shall (i) only be paid from the PID Assessments and/or Annual Installments (as defined herein) collected from property within the PID once the related PID Assessments are levied and/or from PID Bond Proceeds, (ii) are contingent upon the City levying PID Assessments for the related Authorized Improvements, and (iii) will not be due and owing unless and until the City actually levies such PID Assessments;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of the mutual promises, covenants, obligations, and benefits hereinafter set forth, the City and the Developer hereby contract and agree as follows:

DEFINITIONS

In addition to the terms defined in the foregoing recitals, as used herein, the following terms have the meanings specified below. Capitalized terms used but not defined herein have the meanings ascribed to them in the Development Agreement.

"Actual Costs" shall have the meaning ascribed to it in Section 1.03 hereof.

"Annual Installment" shall have the meaning ascribed to it in the SAP.

"Assessed Property" shall have the meaning ascribed to it in Section 1.05 hereof.

"Assessment Ordinance" shall mean any ordinance adopted by the City Council approving the SAP and levying PID Assessments.

"Assessment Revenue" shall have the meaning ascribed to it in Section 1.05 hereof.

"City Representative" means any officer, employee or other designated representative specifically authorized by the City Council to undertake the actions referenced herein.

"Closing Disbursement Request" means a request for payment of PID Costs from PID Bond Proceeds, submitted by the Developer in connection with the closing of a series of PID Bonds, in a form approved by the City and the Developer.

"Developer Advances" mean advances made by the Developer to pay Actual Costs.

"Developer Improvement Account" means an account of the PID Project Fund which may be created and established under the applicable PID Bond Indenture (and segregated from all other funds contained in the PID Project Fund) into which the City deposits or directs the applicable trustee to deposit any funds received from the Developer as required under such PID Bond Indenture.

"Maturity Date" is the date one year after the last Annual Installment is collected.

"Payment Request" shall have the meaning ascribed to it in Section 2.01 hereof.

"PID Pledged Revenue Fund" means, collectively, the fund established by the City under each applicable PID Bond Indenture (and segregated from all other funds of the City) into which the City deposits Assessment Revenue in accordance with each applicable PID Bond Indenture related to a series of PID Bonds issued and still outstanding.

"PID Project Fund" means, collectively, the fund and all accounts created within such fund, established by the City under each applicable PID Bond Indenture (and segregated from all other

funds of the City), into which the City deposits PID Bond Proceeds in the amounts and as described in the applicable PID Bond Indenture.

"PID Bond Reimbursement Fund" means a fund which may be established by the City under the applicable PID Bond Indenture (and segregated from all other funds of the City) into which the City transfers Assessment Revenues from the applicable PID Pledged Revenue Fund for the purpose of paying amounts due to the Developer under this Agreement or a separate reimbursement agreement and/or Actual Costs of Authorized Improvements that are not paid from PID Bond Proceeds deposited in the applicable account of the PID Project Fund in accordance with each applicable PID Bond Indenture related to a series of PID Bonds issued and still outstanding.

"Prepayment" means the payment of all or a portion of an Assessment before the due date thereof.

"Reimbursement Agreement Balance" shall have the meaning ascribed to it in Section 2.05 hereof.

ARTICLE I
Construction of the Authorized Improvements

1.01. Design of the Authorized Improvements. All physical facilities to be constructed or acquired as a part of the Authorized Improvements shall be approved by the governmental entity having authority over such Authorized Improvements.

1.02. Construction and Acquisition of Authorized Improvements.

(a) The Authorized Improvements shall be constructed or caused to be constructed and all easements, equipment, materials, and supplies required in connection therewith may be acquired in the name of the City, the retail service provider, or the Developer; provided, however, all construction contracts, easements and other agreements shall contain provisions, in a form reasonably satisfactory to the City's attorneys, to be compliant with the Development Agreement. Prior to or at the time of reimbursement of the Developer with funds from the Assessment Fund, the PID Bond Reimbursement Fund, the Developer Improvement Account or PID Bonds, as applicable, the Developer shall convey the Authorized Improvements to the City, third-party retail provider or other entity approved by the City Council, as applicable, in accordance with Section 3.02 below.

(b) Construction of the Authorized Improvements shall not require competitive bidding pursuant to Section 252.022(a)(9) of the Texas Local Government Code, as amended. All plans and specifications for Authorized Improvements to be owned by the City, but not construction contracts, shall be reviewed and approved, in accordance with applicable City Regulations (as defined in the Development Agreement), by the City prior to Developer commencing construction.

(c) The Authorized Improvements shall be constructed in the manner described in the Development Agreement. In performing this Agreement, the Developer is not the agent or employee of the City.

(d) Upon completion of construction of Authorized Improvements to be owned by the City or an authorized third-party constructed in the name of the Developer, the Developer shall provide the City or such third-party with final "record" drawings of the Authorized Improvements approved by the City's or such third-party's engineers.

(e) Upon completion of the Authorized Improvements, the Developer shall present to a City Representative invoices or other evidences of payment of costs of the Authorized Improvements for review and approval. The City agrees, subject to the provisions of Sections 1.05 and 2.01 hereof, to pay the Developer, and the Developer shall be entitled to receive from the City, the amount equal to the PID Costs paid by the Developer, or overrun costs, allowed hereunder and as described in the SAP, that were paid by the Developer, plus interest, as provided in Article II hereof.

(f) All Authorized Improvements shall be constructed by or at the direction of the Developer in accordance with the plans, the Development Agreement, applicable City ordinances and regulations, including regulations of a third-party receiving any of the Authorized Improvements, and this Agreement and any other agreement between the parties related to property in the PID and/or the Authorized Improvements. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Authorized Improvements in accordance with the manner described in the Development Agreement. The Developer shall employ at all times adequate staff or consultants with the requisite experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of all Authorized Improvements to be acquired and accepted by the City or authorized third-party from the Developer. If any Authorized Improvements are or will be on land owned by the City, the City hereby grants to the Developer a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Authorized Improvements. Inspection and acceptance of Authorized Improvements will be in accordance with applicable City ordinances and regulations, including regulations of a third-party receiving any of the Authorized Improvements.

1.03. Cost of Authorized Improvements. To the extent that the City has not issued PID Bonds, the Developer shall promptly pay the undisputed costs of the Authorized Improvements as the same become due, subject to statutory retainage, including, without limitation, all costs of design, engineering, materials, labor, construction, and inspection arising in connection with the Authorized Improvements; all payments arising under any contracts entered into for the construction of the Authorized Improvements; all costs incurred in connection with obtaining governmental approvals, certificates, permits, easements, rights-of-way, or sites required as a part of the construction of the Authorized Improvements, including, without limitation, any on-site or off-site mitigation costs; and all expenses incurred in connection with the construction of the Authorized Improvements (the "Actual Costs"). The City shall not be liable to any contractor, engineer, attorney, materialman or other party employed or contracted with in connection with the construction of the Authorized Improvements, but shall only be obligated to acquire the Authorized Improvements designated in the Development Agreement as to be owned by the City and/or reimburse the Developer in the manner and to the extent provided in Article II of this Agreement, and for the avoidance of any doubt, solely from PID Assessments or PID Bond Proceeds, if issued.

1.04 Timing of Authorized Improvements. Notwithstanding anything herein to the contrary, the Developer may advance funds or cause funds to be advanced and/or construct and install or cause to be constructed and installed Authorized Improvements as Developer deems appropriate in its sole and absolute discretion, including the construction and installation of Authorized Improvements to serve portions of the Property and in different phases and sections over a period of time. The Developer may exercise its sole discretion on all aspects of the phasing and timing of development and shall not be obligated to advance funds and/or construct and install the Authorized Improvements for the entire Property at one time.

1.05 City's Obligation Limited. The Parties agree the City's obligations to reimburse the Developer for costs paid related to the Authorized Improvements constructed for the benefit of an Improvement Area shall only be paid from (A) PID Bonds, if issued and/or (B) the PID Assessments and/or Annual Installments collected from the portion of an Improvement Area subject to the PID Assessments (the "Assessed Property") (such PID Assessments and Annual Installments thereof collected on such Assessed Property, the "Assessment Revenue"), and such obligation (i) is contingent upon the City levying such PID Assessments related to the Authorized Improvements constructed for the benefit of that Improvement Area, and (ii) will not be due and owing unless and until: (a) the City actually levies such PID Assessments related to the Authorized Improvements constructed for the benefit of that Improvement Area, and (b) the Developer has actually constructed the Authorized Improvements for the benefit of such Improvement Area. The Parties agree that until a PID Assessment has been levied to pay for PID Costs, this Agreement does not create an obligation of the City.

ARTICLE II
Reimbursement for Funds Advanced; Funding of Authorized Improvements

2.01. Obligation to Reimburse; Obligations Limited. The City and Developer agree that the City shall levy PID Assessments and may, at the discretion of the City issue and sell, from time to time, PID Bonds to fund the PID Costs. It is the mutual intent and agreement of the City and Developer to provide for future reimbursement of funds advanced for PID Costs, including Actual Costs, by the Developer through the levy of PID Assessments and/or issuance of PID Bonds and use of Assessment Revenues and/or PID Bond Proceeds. The City is obligated, subject to the provisions of Section 1.05 hereof, to reimburse the Developer and its designees and assigns for all funds advanced or caused to be advanced by the Developer for the PID Costs authorized under the PID Act and in accordance with the provisions of the SAP. If the Developer is in substantial compliance with its obligations under the Development Agreement and this Agreement, then following the inspection and approval of any portion of Authorized Improvements to be owned by the City or an authorized third-party pursuant to the provisions of the PID Act for which Developer seeks reimbursement or payment of the PID Costs by submission of a request for reimbursement or payment (a "Payment Request"), the obligations of the City under this Agreement to pay from Assessment Revenue or the net PID Bond Proceeds, as applicable, disbursements (whether to the Developer or to any person designated by the Developer) identified in any approved Payment Request and to pay debt service on PID Bonds are unconditional and not subject to any defenses or rights of offset except as may be provided by law or in any PID Bond Indenture; provided, in no event shall the City Representative be authorized to approve a Payment Request if the City has not previously levied PID Assessments against Assessed Property within the development related to the Authorized Improvements for which such Payment Request has been submitted. To the extent that the City levies PID Assessments but does not issue PID Bonds, and subject to the

provisions of Section 1.05, the City agrees to reimburse the Developer with interest as provided herein or in a separate reimbursement agreement from monies available in the Assessment Fund until the Maturity Date, and the Developer shall be entitled to receive payments from the City, from such source for amounts shown on a Payment Request.

Upon the levy of the PID Assessments, the Reimbursement Agreement Balance shall bear simple interest per annum, from the date specified in the separate reimbursement agreement, not to exceed the rates permitted under subsections (e)(1) and (e)(2) of Section 372.023 of the PID Act, as further identified in a separate reimbursement agreement and/or the SAP, or if PID Bonds are issued, then the interest rate on such PID Bonds, and as identified with respect to each Improvement Area in the SAP. The PID Assessments shall accrue interest in accordance with the SAP. Interest shall continue on the unpaid principal amount of the PID Assessments for a lot or parcel for 30 years or as otherwise set forth in the SAP and until the PID Assessments are paid in full, unless otherwise provided in the SAP and/or Assessment Ordinance.

For the avoidance of doubt, the City's obligation to reimburse shall be solely from funds in the Assessment Fund, the PID Bond Reimbursement Fund, the Developer Improvement Account and/or from the PID Bond Proceeds, and the Developer agrees to look solely to such sources for reimbursement. The obligations of the City under this Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or a debt or other obligation of the City payable from any source other than the Assessment Fund, the PID Bond Reimbursement Fund, the Developer Improvement Account or the PID Bond Proceeds if applicable. Unless approved by the City, no other City funds, revenues, taxes, or income of any kind shall be used to pay: (1) the PID Costs; (2) amounts due and owing under this Agreement or a separate related reimbursement agreement; or (3) debt service on any PID Bonds. None of the City or any of its elected or appointed officials or any of its officers, employees, consultants or representatives shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

2.02. Time and Amount of Reimbursement. The City shall reimburse the Developer for payment of Actual Costs related to the construction of Authorized Improvements solely from (i) the proceeds of PID Bonds and/or (ii) Assessment Revenue collected pursuant to PID Assessments levied on an Improvement Area.

In regards to reimbursement from PID Bonds, the City shall reimburse the Developer and its designees for those Actual Costs that have been paid or advanced or caused to be paid or advanced by the Developer pursuant to Sections 1.03, 1.05, and 2.01 hereof and in accordance with the terms of the applicable PID Bond Indenture.

Additionally, the Developer may request reimbursements directly from Assessment Revenue levied against property within an Improvement Area. The invoices included with the Payment Request shall identify the payee, the goods, services and/or materials provided by such payee and the total amount paid with respect to such goods, services and/or materials. If the City timely disapproves of the Payment Request (for a reason other than for a failure to levy PID Assessments from which the Payment Request is to be paid, in accordance with the provisions hereof) by delivering a detailed notice to the Developer, then payment with respect to the disputed portion(s) of the Payment Request shall not be made until the Developer and the City settle the

dispute. The Parties agree to meet promptly and resolve any dispute within 60 days from the date of the initial submittal of the Payment Request. Any unresolved disputes may be appealed to City Council.

With respect to any Payment Request by the Developer, in no event shall the City Representative be authorized to approve such request if the City has not previously levied PID Assessments against the Assessed Property.

2.03. Fund Deposits. Until PID Bonds payable from Assessment Revenues collected from each Improvement Area are issued, the City shall bill, collect, and immediately deposit into the Assessment Fund all Assessment Revenue consisting of: (1) revenue collected from the payment of PID Assessments (including Prepayments and amounts received from the foreclosure of liens but excluding costs and expenses related to collection); and (2) any additional revenue collected from the payment of Annual Installments (excluding Annual Collection Costs and Delinquent Collection Costs, each as defined in the SAP). Funds in the Assessment Fund shall only be used to pay Actual Costs of the Authorized Improvements or all or any portion of the Reimbursement Agreement Balance in accordance with this Agreement and/or a separate reimbursement agreement. Once PID Bonds payable from Assessment Revenue are issued, the City shall bill, collect, and immediately deposit all Assessment Revenue securing such series of PID Bonds in the manner set forth in the applicable PID Bond Indenture.

Once PID Bonds payable from Assessment Revenue are issued, the City shall also deposit PID Bond Proceeds and any other funds authorized or required by the applicable PID Bond Indenture into the funds established by the applicable PID Bond Indenture in the manner set forth in the applicable PID Bond Indenture. Annual Installments shall be billed and collected by the City (or by any person, entity, or governmental agency permitted by law) in the same manner and at the same time as City ad valorem taxes are billed and collected. Funds in the PID Project Fund shall only be used in accordance with the applicable PID Bond Indenture; provided that funds disbursed from the applicable PID Project Fund shall be made first from PID Bond Proceeds held in the applicable accounts within such PID Project Fund until such accounts are fully depleted and then from the Developer Improvement Account of the applicable PID Project Fund, if applicable. Funds in the PID Bond Reimbursement Fund shall only be used to pay Actual Costs of the Authorized Improvements not paid from the PID Project Fund in accordance with the applicable PID Bond Indenture.

Notwithstanding any other provision in this Agreement, the Actual Costs of Authorized Improvements shall be paid from: (1) the Assessment Revenue, or (2) net PID Bond Proceeds or other amounts deposited in an account of the PID Project Fund created under a PID Bond Indenture related to PID Bonds secured by the Assessment Revenue. The City will take and pursue all actions permissible under applicable laws to cause the PID Assessments to be collected and the liens related to such PID Assessments to be enforced continuously, in the manner and to the maximum extent permitted by the applicable laws, and, to the extent permitted by applicable laws, to cause no reduction, abatement or exemption in the PID Assessments for so long as any PID Bonds are outstanding or a Reimbursement Agreement Balance remains outstanding. The City shall determine or cause to be determined, no later than March 1 of each year, whether any Annual Installment is delinquent. If delinquencies exist, then the City will order and cause to be commenced as soon as practicable any and all appropriate and legally permissible actions to obtain such Annual Installment, and any delinquent charges and interest thereon, including diligently

prosecuting an action to foreclose the currently delinquent Annual Installment. Notwithstanding the foregoing, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent PID Assessment or the corresponding Assessed Property or to use any City funds, revenues, taxes, income, or property other than moneys collected from the PID Assessments. Once PID Bonds are issued, the applicable PID Bond Indenture shall control in the event of any conflict with this Agreement.

2.04. Payment of Actual Costs. The Developer shall make Developer Advances for the Actual Costs of the Authorized Improvements. If PID Bonds are issued, the PID Bond Proceeds shall be used in the manner provided in the applicable PID Bond Indenture. The Developer shall also make Developer Advances to pay for cost overruns (after applying cost savings). The lack of PID Bond Proceeds or other funds in the PID Project Fund shall not diminish the obligation of the Developer to pay Actual Costs of the Authorized Improvements.

2.05. Payment of Reimbursement Agreement Balance. The City agrees to pay to the Developer, and the Developer shall be entitled to receive payments from the City (subject to the provisions of Sections 1.05 and 2.01 hereof), until the Maturity Date, for amounts shown on each approved Payment Request (which amounts include all Actual Costs paid by or at the direction of the Developer) plus simple interest on the unpaid principal balance at the rate identified in a separate reimbursement agreement and/or the SAP approved at the time the City levies the PID Assessments, as described in Section 2.01 hereof (the amount owed to the Developer for all approved Payment Requests is referred to as the "Reimbursement Agreement Balance"); provided, however, upon the issuance of PID Bonds, the interest rate due and unpaid on amounts shown on each Payment Request to be paid to the Developer shall be the lower of: (1) the interest rate on the applicable series of PID Bonds issued to finance the costs of the Authorized Improvements for which the Payment Request was filed, or (2) the interest rate approved by the City Council at the time the City levies the PID Assessments from which such PID Bonds shall be paid. The interest rates contemplated in (1) and (2) above have been approved by the City Council and are authorized by the PID Act. The principal amount of each portion of the Reimbursement Agreement Balance to be paid under each Assessment Ordinance shall be set forth in the SAP and/or a separate reimbursement agreement. The City's obligations to pay the Reimbursement Agreement Balance related to the Authorized Improvements constructed for the benefit of the PID shall (i) only be paid from the PID Assessments and/or Annual Installments collected from property within an Improvement Area, once such PID Assessments are levied, or PID Bond Proceeds, (ii) are contingent upon the City levying such PID Assessments, and (iii) will not be due and owing unless and until the City actually levies such PID Assessments and the Developer has constructed the Authorized Improvements for such Improvement Area in which the City levies such PID Assessments. Interest will not accrue on Payment Requests until such time as they have been approved pursuant to the terms of this Agreement.

The Reimbursement Agreement Balance is payable solely from: (1) the Assessment Fund if no PID Bonds are issued for the purpose of paying the Authorized Improvements related to such Reimbursement Agreement Balance, or (2) from PID Bond Proceeds, the Developer Improvement Account and the PID Bond Reimbursement Fund, if applicable, if PID Bonds are issued for the purpose of reimbursing the Developer for Developer Advances related to the construction of the Authorized Improvements related to such Reimbursement Agreement Balance. No other City funds, revenues, taxes, income, or property shall be used even if the Reimbursement Agreement Balance is not paid in full by the Maturity Date. Payments made from PID Bond Proceeds

deposited in the PID Project Fund and payments made from the Developer Improvement Account and PID Bond Reimbursement Fund, if applicable, shall be made in the manner set forth in the applicable PID Bond Indenture.

So long as no PID Bonds are issued and the City has received and approved a Payment Request, the City shall make a payment to the Developer from the Assessment Fund for an amount of the Reimbursement Agreement Balance at least annually, and no later than 60 days after the date payment of the Annual Installments are due, not to exceed the Assessment Revenue collected by and payable to the City. In the event that a Prepayment of an Assessment is made prior to the issuance of PID Bonds, the City shall remit payment to the Developer of an amount of the Reimbursement Agreement Balance then due and payable not to exceed the Assessment Revenue related to such Prepayment from the Assessment Revenue deposited into the Assessment Fund within 60 days after the Prepayment is made. Payments made from the Assessment Fund toward any outstanding Reimbursement Agreement Balance shall first be applied to unpaid interest on such Reimbursement Agreement Balance owed to the Developer, and second to unpaid principal of the Reimbursement Agreement Balance owed to the Developer. Each payment from the Assessment Fund shall be accompanied by an accounting that certifies the Reimbursement Agreement Balance as of the date of the payment and that itemizes all deposits to and disbursements from the fund since the last payment.

2.06. Disbursements and Transfers at and after Bond Closing. The City and the Developer agree that from the proceeds of the PID Bonds, and upon the presentation of evidence satisfactory to the City Representative, the City will cause the trustee under the applicable PID Bond Indenture to pay at closing of the PID Bonds approved amounts from the appropriate account to the persons entitled to payment for costs of issuance and payment of costs incurred in the establishment, administration, and operation of the PID and any other eligible costs incurred by the Developer and the City as of the time of the delivery of the PID Bonds as described in the SAP. In order to receive disbursement, the Developer shall execute a Closing Disbursement Request to be delivered to the City no less than fifteen (15) business days prior to the scheduled closing date for the applicable series of PID Bonds for payment in accordance with the provisions of the PID Bond Indenture. In order to receive additional disbursements from any applicable fund under a PID Bond Indenture, the Developer shall execute a Payment Request, no more frequently than monthly, to be delivered to the City for payment in accordance with the provisions of the applicable PID Bond Indenture and this Agreement. Upon receipt of a Payment Request (along with all accompanying documentation required by the City) from the Developer, the City shall conduct a review in order to confirm that such request is complete, to confirm that the work for which payment is requested was performed in accordance with all applicable laws and applicable plans and specifications therefore and with the terms of this Agreement and any other agreement between the parties related to property in the PID, and to verify and approve the Actual Costs of such work specified in such Payment Request. The City shall also conduct such review as is required in its discretion to confirm the matters certified in the Payment Request. The Developer agrees to cooperate with the City in conducting each such review and to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review. The Developer further agrees that if the City provides to the Developer a sales tax exemption certificate then sales tax will not be approved for payment under a Payment Request. Within fifteen (15) business days following receipt of any Payment Request after the issuance of a series of PID Bonds, the City shall either: (1) approve the Payment Request and forward it to the trustee for payment, or (2) provide the Developer with written notification of disapproval of all or

part of a Payment Request, specifying the basis for any such disapproval. Any disputes shall be resolved as required herein. The City shall deliver the approved or partially approved Payment Request to the trustee for payment, and the trustee shall make the disbursements as quickly as practicable thereafter.

ARTICLE III
Acquisition of Authorized Improvements

3.01. Acquisition of Authorized Improvements. At or prior to the time of reimbursement of the Developer for the Actual Costs or a portion of the Actual Costs, the City will acquire or cause to be acquired such Authorized Improvements that are to be owned by the City, as set forth in the SAP, from the Developer as have been constructed or caused to be constructed by the Developer for the benefit of the City, including off-site Authorized Improvements. At or prior to the time of reimbursement of the Developer for the Actual Costs or a portion of the Actual Costs related to Authorized Improvements to be owned by an authorized third-party pursuant to the provisions of the PID Act, such entity will acquire or cause to be acquired such Authorized Improvements from the Developer as have been constructed or caused to be constructed by the Developer for the benefit of such entity, including off-site Authorized Improvements.

3.02. Conveyance Requirements. The Developer shall convey the Authorized Improvements to be owned by the City to the City by deed or other appropriate instrument of conveyance, with full warranties, free and clear of any liens, claims, encumbrances, options, charges, assessments, restrictions, laminations or reservations, including liens for ad valorem taxes for past and current years, and payments due to construction contractors, laborers, or materialmen, unless otherwise waived by the City. The Developer may also convey the Authorized Improvements to be owned by the City to the City by plat or other instrument on behalf of or benefiting the City. The Developer shall convey the Authorized Improvements to be owned by an authorized third-party pursuant to the provisions of the PID Act to such entity by deed or other appropriate instrument of conveyance, with full warranties, free and clear of any liens, claims, encumbrances, options, charges, assessments, restrictions, laminations or reservations, including liens for ad valorem taxes for past and current years, and payments due to construction contractors, laborers, or materialmen, unless otherwise waived by such entity. The Developer shall provide reasonable proof of title and proof of no liens, claims, or encumbrances. Conveyance of any Authorized Improvements to be owned by the City at any time shall be subject to the reimbursement obligations created in this Agreement. Each conveyance shall include all easements within which the Authorized Improvements are located, unless such easements have been dedicated to the public, and all easements necessary to own, operate and maintain the Authorized Improvements. Each conveyance shall additionally include sufficient title to any and all plant sites, together with necessary rights of way where such site or sites are not directly accessible by a dedicated public street, and all licenses, franchises and permits for the Authorized Improvements. The Developer shall also assign, in writing, all of its contractors' and materialmen's warranties, if any, relating to the Authorized Improvements to be owned by the City. All documents or instruments of conveyance, transfer, or assignment hereunder of Authorized Improvements to be owned by the City shall be in a form and content acceptable to the City's attorneys, subject to commercially reasonable standards. The Developer, at the time of reimbursement by the City for Authorized Improvements to be owned by the City, shall deliver to the City a release of all liens upon the bonded Authorized Improvements securing the costs of construction of the bonded Authorized Improvements advanced by a third-party lender. Any

conveyance of Authorized Improvements to the City by plat shall not be considered effective until the City has provided a letter of acceptance or other evidence of City acceptance for such Authorized Improvements. Any conveyance of Authorized Improvements to the City by deed or similar instrument shall not be considered effective until such deed or other instrument is recorded in the property records of Johnson County.

Prior to completion and conveyance to the City of any Authorized Improvements to be owned by the City, the Developer shall cause to be provided to the City a maintenance bond in the amount required by the City's subdivision regulations for applicable Authorized Improvements, which maintenance bond shall be for a term of two years from the date of final acceptance of the applicable Authorized Improvements. Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien and/or judgment nor limit the remedies available to the Developer or the City with respect thereto so long as such delay in performance shall not subject the Authorized Improvements to foreclosure, forfeiture, or sale. In the event that any such lien and/or judgment with respect to the Authorized Improvements is contested, the Developer shall be required to post or cause the delivery of a surety bond or letter of credit, whichever is preferred by the City, in an amount reasonably determined by the City, not to exceed 100 percent of the disputed amount, in order for the City to accept the Authorized Improvements, or as otherwise described in the Development Agreement.

3.03. Correction of Defects. Conveyance of any Authorized Improvements to the City shall not relieve the Developer of liability for the correction of any existing engineering or construction defects then existing in the Authorized Improvements to be owned by the City or for satisfaction of any unpaid claim for materials or labor. The City shall be under no obligation to contest or challenge any claim for labor or materials; provided, however, that in the event the Developer fails to promptly correct any such defect or satisfy any such claim, the City may elect to do so and, in such event, shall have full rights of subrogation. Subject to any applicable statutes of limitation, the Developer shall pay the City for the City's costs in correcting any defect or satisfying any claim including, but not limited to, construction costs, engineering fees, attorneys' fees, building or construction permits, filing fees or court costs.

3.04. Survival or Representations. All representations, warranties and agreements of the City and the Developer hereunder shall survive the conveyance of the Authorized Improvements to the City.

ARTICLE IV
Representations

4.01. Representations by the Developer. The Developer hereby represents to the City that:

(a) The execution and delivery of this Agreement and the transactions contemplated hereby have been duly authorized by the Developer;

(b) This Agreement, the representations and covenants contained herein, and the consummation of the transactions contemplated hereby shall not violate or constitute a breach of any contract or other agreement to which the Developer is a

party;

(c) The Developer has made financial arrangements or the ability to obtain sufficient financial resources to assure its ability to perform its obligations hereunder; and

(d) The Developer will make commercially reasonable efforts to send a representative to all meetings of the City Council of the City related to this Agreement or the Authorized Improvements and at which such presence may be requested.

4.02. Representations by the City. The City hereby represents and covenants to the Developer that:

(a) The City has the authority to enter into and perform its obligations under this Agreement;

(b) It shall use its good faith efforts to, if decided by the City, issue PID Bonds pursuant to the PID Act and other applicable law; and

(c) It shall use its good faith efforts to levy and collect the PID Assessments, approve the Payment Requests, and pay the Reimbursement Obligation Balance.

ARTICLE V
Remedies

5.01. Default by the Developer. In the event of an uncured default by the Developer hereunder and after written notice from the City and a reasonable opportunity to cure, which opportunity shall be no less than thirty (30) days, the City shall have the right:

(a) To pursue all legal or equitable remedies; and

(b) To recover from the Developer all expenses incurred in pursuing its legal rights hereunder, including reasonable attorneys' fees.

If a default cannot reasonably be cured within 30 days and Developer has diligently pursued a cure within such 30-day period and has provided written notice to the City that additional time is needed, then the cure period provided herein shall be extended for an additional 30 day period so long as the Developer is diligently pursuing a cure. The additional 30 day period shall begin on the date of receipt of the written notice by the City.

No default by the Developer shall entitle the City to terminate this Agreement, cease collection of the PID Assessments previously levied and deposit of the Assessment Revenues, or to withhold properly due payments to the Developer from the Assessment Fund or PID Bond Reimbursement Fund in accordance with this Agreement and the PID Bond Indenture or on deposit in the PID Project Fund.

An event of default by the Developer does not release the City from the obligation to reimburse the Developer for Actual Costs advanced or incurred by the Developer on behalf of the City prior to the date of default by the Developer or to reimburse the Developer for Authorized

Improvements previously acquired by or conveyed to the City or applicable retail provider.

5.02. Default by City. In the event of default by the City hereunder, the Developer shall be entitled to pursue all remedies at law or in equity, including, seeking a writ of mandamus from a court of competent jurisdiction compelling and requiring the City and its officers to observe and perform the covenants, obligations and conditions hereof; provided, however, that no default by the City shall entitle the Developer to terminate this Agreement and that any financial obligation of the City will only be payable from Assessment Revenues. Any amounts or remedies due pursuant to this Agreement are not subject to acceleration.

5.03. Future Performance. The failure of either party hereto to insist, in any one or more instances, upon performance of any of the terms, covenants, and conditions of this Agreement, shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant, or condition by the other party hereto, but the obligation of such other party with respect to such future performance shall continue in full force and effect.

ARTICLE VI
Miscellaneous

6.01. Severability. In case any one or more provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

6.02. Modification. This Agreement may be modified or varied only by a written instrument subscribed by both of the parties hereto including a reimbursement agreement entered into for a phase of development or issuance of PID Bonds.

6.03 Assignability. The Developer has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with written notice to) the City, the Developer's right, title, or interest under this Agreement (any of the foregoing, a "Transfer"). Notwithstanding the foregoing, however, no Transfer shall be effective until five days after notice of the Transfer is received by the City; provided, however, that no such Transfer shall be made without prior written consent of the City if such Transfer would result in (1) the issuance of municipal securities, and/or (2) the City being viewed as an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission (the "SEC"), (3) the City being subjected to additional reporting or recordkeeping duties, (4) and/or for the purpose of or relating to the issuance of bonds or other obligations or other structured financing obligations. Notwithstanding the foregoing, the City hereby authorizes the Developer to grant a security interest in the Developer's rights hereunder and to all sums to be paid to the Developer by the City pursuant to this Agreement to any bank, lender, or financial institution without City consent and to the extent permitted by State law.

6.04. Captions. The captions used in connection with the paragraphs of this Agreement are for convenience only and shall not be deemed to construe or limit the meaning of the language contained in this Agreement, or used as interpreting the meanings and provisions hereof.

6.05. Applicable Law. This Agreement shall be construed and interpreted under the laws

of the State of Texas and all obligations of the parties created hereunder are performable in Johnson County, Texas.

6.06. Parties at Interest. This Agreement shall be for the sole and exclusive benefit of the parties hereto and shall never be construed to confer any benefit on any third party. This Agreement shall be binding upon each party, its successors and assigns.

6.07. Term. The term of this Agreement shall begin on the Effective Date and shall continue until the earlier to occur of (i) the last Maturity Date relating to any Improvement Area or (ii) the date on which the Reimbursement Agreement Balance for all Improvement Areas is paid in full. Upon termination of this Agreement with respect to an Improvement Area, the amount of the Reimbursement Agreement Balance, if any, for that Improvement Area that has not been paid, plus the accrued and unpaid interest thereon (collectively, the "Unpaid Balance") shall be canceled and for all purposes of this Agreement shall be deemed to have been conclusively and irrevocably PAID IN FULL, and such Unpaid Balance shall no longer be deemed to be payable. Notwithstanding the foregoing, upon the issuance of PID Bonds secured by PID Assessments levied against property within a specific Improvement Area, the Assessment Revenues collected in connection with such PID Bonds shall be used as set forth under the applicable PID Bond Indenture and related agreements governing the use of PID Assessments and the proceeds of such series of PID Bonds.

6.08. Force Majeure. If the City or the Developer is rendered unable, in whole or in part, by force majeure to carry out any of its obligations under this Agreement, then the obligations of such party, to the extent affected by such force majeure and to the extent that due diligence is being used to remedy such inability to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. The term "force majeure", as used herein, shall include, without limitation, acts of God; strikes, lockouts, or other industrial disturbances; acts of public enemy; order of any kind of the Government of the United States or the State of Texas or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accidents to machinery; pipelines or canals; partial or total failure of water supply and inability to provide water necessary for operation of the sewer system, or to receive waste; and any other inabilities of the party, whether similar to those enumerated or otherwise, which are not within the control of the party, which the party could not have avoided by the exercise of due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of such party, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demand of the opposing party or parties when such settlement is unfavorable to it in the judgment of such party.

6.09 Non-Waiver. The failure by a party to insist upon the strict performance of any provision of this Agreement by the other party, or the failure by a party to exercise its rights upon a default by the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by such other party with the provisions of this Agreement.

6.10 Third Party Beneficiaries. Nothing in this Agreement is intended to or shall be construed to confer upon any person or entity other than the City and the Developer any rights

under or by reason of this Agreement. All provisions of this Agreement shall be for the sole and exclusive benefit of the City and the Developer.

6.11 Counterparts. This Agreement may be executed in multiple counterparts, which, when taken together, shall be deemed one original.

6.12 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 incentives 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.

6.13. Verifications of Statutory Representations and Covenants. The Developer makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Developer within the meaning of Securities and Exchange Commission Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) No Boycott of Israel. 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. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(b) Not a Sanctioned Company. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(c) No Boycott of Energy Companies. 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. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

(d) No Discrimination Against Firearm Entities. 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. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

6.14 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.

6.15 Notice. Any notice referenced in this Agreement must be in writing and shall be deemed given at the addresses shown below: (i) when delivered by a nationally recognized delivery service such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person is the named addressee; or (ii) 72 hours after deposit with the United States Postal Service, Certified Mail, Return Receipt Requested.

To the City:	City of Alvarado, Texas Attn: City Manager 104 West College Alvarado, Texas 76009
To the Developer:	Avalon Development Group, LLC Attn: Jonathan Murphy and Ted Murphy PO Box 671201 Dallas, Texas 75367
With a copy to:	Winstead PC Attn: Ross Martin 2728 N. Harwood Street, Suite 500 Dallas, Texas 75201

[Signatures to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple counterparts, each of equal dignity, to be effective as of the date first written above.

CITY:
CITY OF ALVARADO, TEXAS

By: _____
Mayor

ATTEST:

_____
City Secretary

DEVELOPER:

AVALON DEVELOPMENT GROUP, LLC
a Texas limited liability company

By: _____, LLC,
a _____ limited liability company
Its _____

By: _____
Name: _____
Its: _____

STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2026, by _____, _____ of _____, LLC, a ____ limited liability company, as _____ of Avalon Development Group, LLC, a Texas limited liability company on behalf of said company.

_____
Notary Public, State of Texas

City Council Management Report
Meeting Date: 4/6/2026
Contact: Paul DeBuff, City Manager

AGENDA ITEM:
Discuss and consider Resolution No. R2026-0019 of the City Council of the City of Alvarado, Texas, setting a public hearing under section 311.003 of the Texas tax code for the creation of a Tax Increment Reinvestment Zone within the Corporate Limits and the Extraterritorial Jurisdiction of the City of Alvarado, Texas; authorizing the issuance of notice by the City Secretary of Alvarado, Texas regarding the public hearing; directing the City to prepare a Preliminary Reinvestment Zone Financing Plan; and providing an effective date. (DeBuff, French)

BACKGROUND & FINDINGS:
The City of Alvarado is authorized under Chapter 311 of the Texas Tax Code to create a tax increment reinvestment zone within its corporate limits and extraterritorial jurisdiction. The Council is required to hold a public hearing in accordance with Section 311.003 of the Act in order to establish the tax increment reinvestment zone. Staff will publish notice no later than the 7th day before the date of the hearing in accordance with Section 311.003 of the Act.

FINANCIAL IMPACT:

RECOMMENDATION:
Staff recommend approval.

MANAGEMENT REVIEW:
Paul DeBuff, City Manager

ATTACHMENTS:
1. (AVALON) CHAMBERS CREEK TIRZ -- Resolution Calling Public Hearing 4924-9896-6423 1

CITY OF ALVARADO, TEXAS

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALVARADO, TEXAS, SETTING A PUBLIC HEARING UNDER SECTION 311.003 OF THE TEXAS TAX CODE FOR THE CREATION OF A TAX INCREMENT REINVESTMENT ZONE WITHIN THE CORPORATE LIMITS AND THE EXTRATERRITORIAL JURISDICTION OF THE CITY OF ALVARADO, TEXAS; AUTHORIZING THE ISSUANCE OF NOTICE BY THE CITY SECRETARY OF ALVARADO, TEXAS REGARDING THE PUBLIC HEARING; DIRECTING THE CITY TO PREPARE A PRELIMINARY REINVESTMENT ZONE FINANCING PLAN; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Alvarado, Texas (the "City"), is authorized under Chapter 311 of the Texas Tax Code, as amended (the "Act"), to create a tax increment reinvestment zone within its corporate limits and extraterritorial jurisdiction;

WHEREAS, the City Council of the City (the "City Council") wishes to hold a public hearing in accordance with Section 311.003 of the Act regarding the establishment of a tax increment reinvestment zone in the City (the "Zone") with the boundaries being described in the metes and bounds and depiction attached as **Exhibit A**; and

WHEREAS, in order to hold a public hearing for the creation of the Zone, notice must be published in a newspaper of general circulation in the City no later than the 7th day before the date of the hearing in accordance with Section 311.003 of the Act; and

WHEREAS, the City Council has determined to hold a public hearing on April 20, 2026 on the creation of the Zone and its benefits to the City and to property in the proposed Zone.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL:

Section 1. That a public hearing is hereby called for April 20, 2026 on or after 6:30 p.m. at Alvarado City Hall, City Council Chambers, 104 W. College Street, Alvarado, Texas 76009, for the purpose of hearing any interested person speak for or against the inclusion of property in the proposed Zone, the creation of the Zone, its boundaries, or the concept of tax increment financing with respect to the creation of the Zone.

Section 2. At such time and place the City Council will hear testimony regarding the creation of the Zone and will provide a reasonable opportunity for the owner of any property within the proposed Zone to protest the inclusion of their property within the Zone. Upon closing the public hearing, the City Council may consider the adoption of an ordinance authorizing the creation of the Zone.

Section 3. Attached hereto as **Exhibit B** is a form of the notice of public hearing (the "Notice"), the form and substance of which is hereby adopted and approved.

Section 4. The City Secretary is hereby authorized and directed to cause said Notice to be published in substantially the form attached hereto in a newspaper of general circulation in the City on or before April 10, 2026.

Section 5. Before the April 20, 2026 public hearing concerning the Zone, and before the adoption of any ordinance authorizing the creation of the Zone, the City shall prepare a preliminary reinvestment zone financing plan.

Section 6. This resolution shall be in full force and effect from and after its passage and it is accordingly so resolved.

PASSED AND APPROVED ON THIS THE *6th DAY OF APRIL, 2026*.

CITY OF ALVARADO, TEXAS

_____
Jacob Wheat, Mayor

ATTEST:

_____
Bobbie Jo Taylor, City Secretary

EXHIBIT A

Metes and Bounds for the Zone

BEING 228.322 acres or (9,945,688 square feet) of land in the A. G. Kimbell Survey, Abstract Number 479, Robert Bell Survey, Abstract Number 44, Joseph Bell Survey, Abstract Number 46, Ambrose Powers Survey, Abstract Number 686, John Dixon Survey, Abstract Number 215, Johnson County, Texas; said 228.322 acres or (9,945,688 square feet) of land being all of that certain tract of land described in a Warranty Deed to Alvarado Willow Springs Ranch Limited Family Partnership, described as Tract I (hereinafter referred to as Tract I), as recorded in Book 2376, Page 145, Deed Records, Johnson County, Texas (D.RJ.C.T.); said 228.322 acres or (9,945,688 square feet) of land being all of that certain tract of land described in a Warranty Deed to Alvarado Willow Springs Ranch Limited Family Partnership, described as Tract II (hereinafter referred to as Tract 1I), as recorded in Book 2376, Page 145, D.RJ.C.T., said 228.322 acres or (9,945,688 square feet) of land being a portion of that certain tract of land described in an Assumption Warranty Deed to Alvarado Willow Springs Ranch Limited Family Partnership (hereinafter referred to as Alvarado Willow Springs Ranch tract), recorded in Book 2354, Page 740, D.RJ.C.T., and said 228.322 acres or (9,945,688 square feet) of land being more particularly described, by metes and bounds, as follows:
BEGINNING at a five-eighths inch iron rod with plastic cap stamped "RPLS 4838" set for the Southwest corner of said Tract II, same being the existing Northeasterly right-of-way line of Interstate Highway Number 35-W (350' right-of-way), as recorded in Volume 434, Page 451, D.RJ.C.T., same being the Northwest corner of that certain tract -of land described in a Warranty Deed to Julianan Cowden (hereinafter referred to as Julianan Cowden tract), as recorded In Book 462, Page 295, D.RJ.C.T., from whence a five-eighths inch iron rod found bears North 78 degrees 20 minutes 40 seconds East, a distance of 0.35 feet;

THENCE North 16 degrees 31 minutes 34 seconds West with the common line between said Tract II and the existing Northeasterly right-of-way line of said Interstate Highway Number 35-W and generally along a wire fence line, passing at a distance of 756.73 feet, the Northwest corner of said Tract II, same being the Southwest corner of said Tract I and continue with said course and with the common line between said Tract I and the existing Northeasterly right-of-way line of said Interstate Highway Number 35-W and generally with a wire fence for a total distance of 824,43 feet to a one inch smooth iron rod found In concrete for the beginning of a curve to the left, whose long chord bears North 17 degrees 50 minutes 56 seconds West, a distance of 272.63 feet;

THENCE Northerly continue with the common line between said Tract I and the existing Northeasterly right-of-way line of said Interstate Highway Number 35-W and generally along a wire fence line and with said curve to the left, having a radius of 5904.58 feet, through a central angle of 2 degrees 38 minutes 45 seconds, for an arc distance of 272.65 feet to a five-eighths inch iron rod with plastic cap stamped "RPLS 4838" set for the Northwest corner of said Tract I, same being the Southwest corner of that certain tract of land described in a Warranty Deed to Alvarado Independent School District, described as First Tract (hereinafter referred to as First Tract), as recorded in Book 1839, Page 598, D.R.J.C.T., whence a 60D Nail in a wood post in concrete bears North 87 degrees 59 minutes 18 seconds East, a distance of 2.38 feet;

THENCE North 87 degrees 59 minutes 18 seconds East, departing the existing Northeasterly right-of-way line of said Interstate Highway Number 35-W and with the common line between said Tract I and said First Tract, a distance of 733.11 feet to a one-half inch iron rod found for the Northeast corner of said Tract I, same being the Southeast corner of said First Tract, same being the Southwest corner of that certain tract of land described in a Warranty Deed to Alvarado Independent School District, described as Second Tract (hereinafter referred to as Second Tract), as recorded in Book 1839, Page 598, D.RJ.C.T., same being in the West line of the aforesaid Alvarado Willow Springs Ranch tract, same also being the common survey line of said Joseph Bell Survey and said A. G. Kim bell Survey;

THENCE North 88 degrees 02 minutes 48 seconds East, departing the West line of said Alvarado Willow

Springs Ranch tract and crossing said Alvarado Willow Springs Ranch tract and with the common line between the remainder of said Alvarado Willow Springs Ranch tract and said Second Tract and generally along a wire fence line, a distance of 362.87 feet to a 60D Nail found in a post for an angle point in the Northline of the remainder of said Alvarado Willow Springs Ranch tract, same being the Southeast corner of said Second Tract, same also being the Southwest corner of that certain tract of land described in a General Warranty Deed to The Boards of Trustees of the Alvarado Independent School District (hereinafter referred toas Alvarado Independent School District tract), as recorded in Book 3307, Page 905, D.RJ.C.T.;

THENCE North 89 degrees 48 minutes 29 seconds East continue crossing said Alvarado Willow Springs Ranch tract and with the common line between the remainder of said Alvarado Willow Springs Ranch tract and said Alvarado Independent School District tract and generally along a wire fence, a distance of 199.83feet to a five-eighths inch iron rod with plastic cap stamped "FORT WORTH SURVEYING" found for the Southeast corner of said Alvarado Independent School District tract, same being an inner-ell of the remainder of said Alvarado Willow Springs Ranch tract;

THENCE North 01 degree 01 minute 00 seconds East continue with the common line between the remainder of said Alvarado Willow Springs Ranch tract and said Alvarado Independent School District tract and generally along a wire fence, a distance of 2128.68 feet to a five-eighths inch iron rod with plastic cap stamped "DANNENBAUM" found for the Northeast corner of said Alvarado Independent School District tract, same being the occupied South line of County Road Number 108-C, whence a one-half inch iron rod found bears South 09 degrees 69 minutes 09 seconds East, a distance of 0.45 feet;

THENCE South 89 degrees 42 minutes 08 seconds West continue with the common line between the remainder of said Alvarado Willow Springs Ranch tract and said Alvarado Independent School District tract and also with the occupied South line of said County Road Number 108-C, a distance of 199.96 feet to a one-half inch iron rod found for the East line of the aforesaid Second Tract;

THENCE North 01 degree 07 minutes 09 seconds East with the East line of said Second Tract and crossing said County Road Number 108-C, a distance of 20.89 feet to a PK Nail set in asphalt pavement in the Northline of said Alvarado Willow Springs Ranch tract, same being the South line of that certain tract of land described in a Warranty Deed to Marion J. Moore and wife, Dawn Jo Anne Moore (hereinafter referred to as Moore tract), as recorded in Book 515, Page 327, D.R.J.C.T.;

THENCE North 89 degrees 45 minutes 38 seconds East with the common line between said Alvarado Willow Springs Ranch tract and said Moore tract and along said County Road Number 108-C, a distance of 1669.99 feet to a five-eighths inch iron rod with plastic cap stamped "RPLS 4838" set for an angle point in the Northline of said Alvarado Willow Springs Ranch tract;

THENCE North 62 degrees 48 minutes 24 seconds East continue with the common line between said Alvarado Willow Springs Ranch tract and said Moore tract and along said County Road Number 108-C, a distance of 147.84 feet to a PK nail set in asphalt pavement;

THENCE South 25 degrees 14 minutes 07 seconds East, departing said County Road Number 108-C and crossing said Alvarado Willow Springs Ranch tract, a distance of 2002.48 feet to a one-half inch iron rod found for an angle point In a Southerly line of said Alvarado Willow Springs Ranch tract, same being the Northwest corner of that certain tract of land described in a Warranty Deed to Julianan Cowden, described as Second Tract (hereinafter referred to as Cowden Second Tract), as recorded in Book 526, Page 544, D.RJ.C.T., same also being the common survey line between said Joseph Bell Survey and said John Dixon Survey;

THENCE South 01 degree 35 minutes 36 seconds West with the common line between said Alvarado Willow Springs Ranch tract and said Cowden Second Tract and said survey line, a distance of 314.23 feet to a Fence Post found for corner;

THENCE South 89 degrees 04 minutes 01 second East continue with the common line between said

Alvarado Willow Springs Ranch tract and said Cowden Second Tract, a distance of 676.53 feet to a wooden post found for corner;

THENCE South 00 degrees 12 minutes 50 seconds East continue with the common line between said Alvarado Willow Springs Ranch tract and said Cowden Second Tract, a distance of 1429.50 feet to a one half inch iron rod found for an angle point in the Southerly line of said Alvarado Willow Springs Ranch tract, same being the Northeast corner of that certain tract of land described in a Warranty Deed to Julianan Cowden, described as Fourth Tract (hereinafter referred to as Cowden Fourth Tract), as recorded in Book 526, page 544, D.RJ.C.T.;

THENCE South 82 degrees 22 minutes 11 seconds West, departing a Westerly line of said Cowden Second Tract and with the common line between said Alvarado Willow Springs Ranch tract and said Cowden Fourth Tract, a distance of 160.00 feet to a five-eighths inch iron rod with plastic cap stamped "RPLS 4838" set for corner;

THENCE North 84 degrees 12 minutes 49 seconds West continue with the common line between said Alvarado Willow Springs Ranch tract and said Cowden Fourth Tract, a distance of 557.70 feet to the center of North Fork Chambers Creek;

THENCE continue with the common line between said Alvarado Willow Springs Ranch tract and said Cowden Fourth Tract and along the center of said North Fork Chambers Creek for the following 22 courses:
1. North 78 degrees 10 minutes 49 seconds West, a distance of 75.80 feet;
2. North 36 degrees 27 minutes 49 seconds West, a distance of 12.7.40 feet;
3. South 75 degrees 03 minutes 11 seconds West, a distance of 101.10 feet;
4. South 60 degrees 59 minutes 11 seconds West, a distance of 175.40 feet;
5. South 77 degrees 39 minutes 11 seconds West, a distance of 70.60 feet;
6. South 77 degrees 54 minutes 11 seconds West, a distance of 104.40 feet;
7. South 56 degrees 31 minutes 11 seconds West, a distance of 172.60 feet;
8. North 86 degrees 36 minutes 49 seconds West, a distance of 202.00 feet;
9. North 55 degrees 58 minutes 49 seconds West, a distance of 54.80 feet;
10. North 45 degrees 41 minutes 49 seconds West, a distance of 143.80 feet;
11. North 35 degrees 42 minutes 49 seconds West, a distance of 100.00 feet;
12. North 21 degrees 53 minutes 49 seconds West, a distance of 58.20 feet;
13. North 78 degrees 47 minutes 49 seconds West, a distance of 186.90 feet;
14. North 80 degrees 48 minutes 49 seconds West, a distance of 120.90 feet;
15. South 84 degrees 38 minutes 11 seconds West, a distance of 367.50 feet;
16. South 76 degrees 52 minutes 11 seconds West, a distance of 203.00 feet;
17. South 85 degrees 22 minutes 11 seconds West, a distance of 200.10 feet;
18. North 86 degrees 15 minutes 49 seconds West, a distance of 178.50 feet;
19. South 75 degrees 40 minutes 11 seconds West, a distance of 300.00 feet;
20. South 79 degrees 28 minutes 11 seconds West, a distance of 200.60 feet;
21. North 60 degrees 35 minutes 18 seconds West, a distance of 113.10 feet;
22. North 26 degrees 53 minutes 58 seconds West, a distance of 139.50 feet to the Southwest corner of said Alvarado Willow Springs Ranch tract, same being the Northwest corner of said Cowden Fourth Tract, same being the East line of the aforesaid Julianan Cowden tract, same also being the common survey line between said Joseph Bell Survey and said Albert G. Kimbell Survey;

THENCE North 01 degree 04 minutes 52 seconds East, departing the center of said Chambers Creek and with the common line between said Alvarado Willow Springs Ranch tract and said Julianan Cowden tract and with said survey line and generally along a wire fence line, a distance of 113.85 feet to a fence post found for the Southeast corner of the aforesaid Tract II, same being the Northeast corner of said Julianan Cowden tract;

THENCE South 77 degrees 33 minutes 00 seconds West, departing the West line of said Alvarado Willow Springs Ranch tract and with the common line between said Tract I and said Julianan Cowden

tract, a distance of 402.31 feet to the PLACE OF BEGINNING, and containing a calculated area of 228.322 acres or (9,945,688 square feet) of land more or less.

EXHIBIT B

City of Alvarado City Council
Notice of Public Hearing
On Creation of Reinvestment Zone

THE ALVARADO CITY COUNCIL WILL HOLD A PUBLIC HEARING ON TUESDAY APRIL 20, 2026 ON OR AFTER 6:30 P.M. AT ALVARADO CITY HALL, CITY COUNCIL CHAMBERS, 104 WEST COLLEGE STREET, ALVARADO, TEXAS 76009, ON THE CREATION OF A REINVESTMENT ZONE AND ITS BENEFITS TO THE CITY OF ALVARADO AND TO PROVIDE A REASONABLE OPPORTUNITY FOR ANY OWNER OF PROPERTY WITHIN THE PROPOSED REINVESTMENT ZONE TO PROTEST THE INCLUSION OF THEIR PROPERTY WITHIN THE PROPOSED REINVESTMENT ZONE, WHICH PROPOSED ZONE CONSISTS OF APPROXIMATELY 228.322 ACRES OF PROPERTY GENERALLY LOCATED EAST OF INTERSTATE 35-W AND SOUTH OF MAPLE STREET (COUNTY ROAD 108C) LOCATED WITHIN THE CORPORATE LIMITS AND THE EXTRATERRITORIAL JURISDICTION OF THE CITY, AS MORE PARTICULARLY DESCRIBED BY A METES AND BOUNDS DESCRIPTION AVAILABLE AT ALVARADO CITY HALL AND AVAILABLE FOR PUBLIC INSPECTION. AT THE PUBLIC HEARING, ANY INTERESTED PERSON MAY SPEAK FOR OR AGAINST THE INCLUSION OF PROPERTY WITHIN THE ZONE, THE CREATION OF THE REINVESTMENT ZONE, ITS BOUNDARIES, OR THE CONCEPT OF TAX INCREMENT FINANCING. FOLLOWING THE PUBLIC HEARING, ALVARADO CITY COUNCIL WILL CONSIDER ADOPTION OF AN ORDINANCE CREATING THE REINVESTMENT ZONE.