DEVELOPMENT AGREEMENT

This Development Agreement (this "Agreement") is entered into by and among Meritage Homes of Texas, LLC, an Arizona limited liability company (the "Developer"), PAC Group LTD and Ron Williamson Quarter Horses, Inc. (collectively, the "Owner") and the City of Sanger (the "City"), to be effective on the date upon which the last of all of the Parties has approved and duly executed this Agreement ("Effective Date"). Those terms that are capitalized but not defined shall be given the meaning ascribed to them in Article I herein.

RECITALS

WHEREAS, certain capitalized terms used herein are defined in Article I;

WHEREAS, the City is a home rule municipality of the State of Texas located within Denton County;

WHEREAS, the Developer and the City (which are sometimes individually referred to as a "Party" and collectively as the "Parties") desire to enter into this Agreement;

WHEREAS, on the date the City Council voted to approve this Agreement, Owner owns 306.36 acres of land wholly within the corporate limits of the City, Denton County, Texas, and is described by metes and bounds on **Exhibit A** (the "Property");

WHEREAS, the Developer intends to purchase the Property from the Owner, and Owner intends to sell the Property to Developer, and the Developer intends to develop the Property pursuant to the terms of this Agreement;

WHEREAS, the Developer intends to develop the Property as a planned development with single-family residential uses (the "Development");

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

WHEREAS, the Parties intend for the Property to be developed in a manner consistent with the City's zoning requirements, building material requirements and building code requirements, except as otherwise provided herein;

WHEREAS, the Parties intend that the Property will be developed as a single-family master-planned, amenitized neighborhood in accordance with (i) the development plan attached as Exhibit "B" to the PD Zoning (the "Concept Plan"), (ii) the Open Space Improvements set forth in Exhibit "F" to the PD Zoning, and (iii) the amenities and related improvements in accordance with the Required Amenities improvements set forth in Exhibits "D" and "E" of the PD Zoning;

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

WHEREAS, in consideration of the Developer's agreements contained herein to develop the Property as envisioned by the Parties and to incentivize the development of the Property, the City has agreed to create a PID (defined below) for the development of the Property as specifically set forth in this Agreement;

WHEREAS, the City holds the certificate of convenience and necessity ("CCN") to provide retail wastewater service to the Property, and the Parties intend for the City to provide retail wastewater service to the Property;

WHEREAS, the City does not currently hold, but intends to acquire, the CCN to provide retail water service to the Property, and the Parties intend for the City to provide retail water service to the Property;

WHEREAS, subject to any cost participation undertaken by the City for oversizing water or wastewater facilities serving the Property to also serve surrounding properties, the Development will require Developer to (i) build certain onsite infrastructure, including streets and roads; alleys; stormwater; drainage; water, sanitary sewer, and other utility systems; parks, open space, landscaping, trail systems, and Open Space Improvements generally; and (ii) dedicate land for all of the onsite public improvements (collectively, "Onsite Public Improvements" and together with the offsite Roadway Improvements, Wastewater Improvements, and Water Improvements, the "Public Infrastructure");

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

WHEREAS, the Parties have determined that the financing of the Public Infrastructure necessary for the Development can best be achieved by means of a Public Improvement District (a "PID"), described in Chapter 372, Texas Local Government Code, as amended, entitled the "Public Improvement District Assessment Act" (the "PID Act"); and

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

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, the Parties agree as follows:

ARTICLE I
GENERAL TERMS AND DEFINITIONS

1.1 Definitions. Unless the context requires otherwise, the following terms shall have the meanings hereinafter set forth:

Agreement is defined in the introductory paragraph.

Bank Qualified Debt Fee is defined in Section 7.3(a).

City is defined in the introductory paragraph.

City Assignee is defined in Section 9.2.

City Council means the city council of the City.

City Regulation(s) means any ordinance, rule, regulation, standard, policy, order, guideline, master plans, zoning requirements (including PD Zoning), development standards, or other City-adopted requirement, as amended and adopted by the City for uniform application throughout the corporate limits, and as are applicable to the Development.

Claims is defined in Section 4.2(a).

Concept Plan means the concept plan, with improvement areas/phases depicted, as shown in Exhibit "B" of the PD Zoning.

Developer is defined in the introductory paragraph.

Developer Assignee is defined in Section 9.1(a).

Development is defined in the Recitals.

Effective Date is the date in the introductory paragraph.

Eminent Domain Fees is defined in Section 2.3.

End-Buyer is defined in Section 10.1.

Indemnified Party is defined in Section 4.2(a).

Notice is defined in Section 11.2.

Onsite Public Improvements is defined in the Recitals.

Open Space Improvements means open spaces, trails, trail head parking lot, common areas, right-of-way and any other common improvements or appurtenances that will be open to the public and eligible to be an "authorized improvement" under the PID Act, some of which are depicted on Exhibit "F" to the PD Zoning. Open Space Improvements are PID Projects.

Oversized Costs is defined in Section 2.1(h).

Oversized Public Infrastructure is defined in Section 2.1(h).

Owner is defined in the Recitals.

Parties means the Developer and the City.

Party means the Developer or the City.

PD Zoning means the planned development zoning established over the Property, as set forth in **Exhibit B** attached hereto, but which shall be superseded in its entirety by the zoning approved by the City Council, without necessity of an amendment to this Agreement, subject to Section 6.1 of this Agreement.

PID means a public improvement district created by the City for the benefit of the Property pursuant to the PID Act.

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

PID Bonds means the assessment revenue bonds secured solely by PID assessments.

PID Projects is defined in Section 7.1.

PID Project Costs is defined in Section 7.1(d).

Property is defined in the Recitals.

Public Infrastructure is defined in the Recitals. Public Infrastructure includes the PID Projects.

Required Amenities is defined in Section 3.4.

Roadway Improvements is defined in Section 2.1(c) and depicted in **Exhibit C** as well as the Concept Plan. The portions of Roadway Improvements lying within the Property are considered Onsite Public Improvements, and all Roadway Improvements are PID Projects.

Service and Assessment Plan means the service and assessment plan under the PID Act for the PID and any amendments, supplements or updates thereto, adopted and approved by the City, which identifies and allocates the assessments on benefitted parcels within the PID and sets forth the method of assessment, the parcels assessed, the amount of the assessments, the PID Projects and the method of collection of the assessments.

Wastewater Improvements is defined in Section 2.1(e) and described and depicted in **Exhibit D**. The portions of Wastewater Improvements lying within the Property are considered Onsite Public Improvements, and the Wastewater Improvements are PID Projects.

Water Improvements is defined in Section 2.1(d) and described and depicted on **Exhibit E**. The portions of Water Improvements lying within the Property are considered Onsite Public Improvements, and the Water Improvements are PID Projects.

ARTICLE II

PUBLIC INFRASTRUCTURE

2.1 Public Infrastructure.

(a) Standards. 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. Should such plans contain variations from the design and location of the Public Infrastructure set forth in any exhibit to this Agreement, the approved plans and specifications shall control without the need to amend this Agreement. 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. Proof of such maintenance bonds shall be submitted to the City in writing as soon as reasonably practicable and/or upon written demand from the City. To the extent easements or rights of way are needed within the Property, they shall be dedicated by the Developer to the City at no cost to the City. The Public Infrastructure will be installed within easements granted to the City or in the public right-of-way as required by the City Regulations. The size of the Public Infrastructure shall be 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 its proportionate share of such oversizing costs as they become due and payable under the construction contract in accordance with the terms of this Agreement, and such portion shall not be paid out of any proceeds of PID Bonds or from assessments levied within the PID.

(b) ROW and Easement Dedication. The Developer shall, either by plat or by deed as requested by the City, dedicate the right-of-way for thoroughfares, roads, streets, and alleys lying within the Property. All right-of-way shall be dedicated to the City without costs as provided for in Section 2.1(a) above.

(c) Roadway Improvements by Developer. As required by the City Regulations and in accordance with plans finally approved by the City, which plans shall be in conformance with the plans depicted on **Exhibit C** attached hereto unless changes are otherwise required by the City, in its sole discretion, Developer shall, at its sole cost and expense (but subject to City's payment of one-half of Belz Road and one hundred percent (100%) of the costs of the relocation of any existing utility facilities), design and construct the following (the "Roadway Improvements"):

(1) All portions of the Onsite Public Improvements that are street and roads and are required by the City Regulations and needed to serve the Development; and

(2) *Belz Road*.

(i) Together with the first phase of the development, the Developer shall provide a two-lane overlay of Belz Road, as depicted on **Exhibit G**, which overlay shall be complete prior to the issuance of a certificate of occupancy in Phase 1. To the extent any easements or rights of way are required for the two-lane overlay

that do not lie within the Property, such shall be provided by the Developer at its expense, in accordance with and subject to Section 2.3 herein.

(ii) The Developer shall construct or rebuild the entire 80' cross section of Belz Road, to the extent shown on **Exhibit G**. Such construction shall be substantially complete prior to the issuance of a certificate of occupancy for Phase 3 of the development. The Developer's design and construction of the entire 80' cross section of Belz Road shall be subject to the following:

- Escrow by the City of one-half of the estimated costs of the design and engineering of Belz Road, currently estimated at _____ ; and

- Upon completion of the design of Belz Road and approval of the plans for such by the City, escrow by the City of one-half of the estimated costs of construction of Belz Road, plus the entire cost of any utility relocation that may be required.

(v) Upon final City approval of the plans for Belz Road, the City shall escrow one-half of the estimated costs of completion of construction of one-half of Belz Road. The Developer shall be permitted to draw on such escrowed funds not more often than once every thirty (30) days in conjunction with payments made to the contractor(s) designing and constructing the roadway. On acceptance of the roadway by the City in writing, if cost overruns from the approved budget exist, the City shall pay its proportionate share of such costs to the Developer within thirty (30) days of written request from the Developer; if costs do not exceed the estimated costs in the approved budget and there are funds left in the escrow account, the funds shall be returned to the City immediately upon written demand by the City. Notwithstanding anything herein to the contrary, the City shall not be required to fund its portion of the costs of the design and construction of Belz Road until after the end of the City's current fiscal year ending September 30, 2025.

(d) Water Improvements by Developer. As required by the City Regulations and in accordance with plans finally approved by the City, which plans shall be in conformance with the plans depicted on **Exhibit E** attached hereto unless changes are otherwise required by the City, in its sole discretion , Developer shall, at its sole liability, cost and expense, design and construct the following (the "Water Improvements"):

(1) All Water Improvements required by the City Regulations and needed to serve the Development, which Water Improvements are generally depicted in **Exhibit E** attached hereto; and

(2) *Reserved for any specific water improvements*.

(e) Wastewater Improvements by Developer. As required by the City Regulations and in accordance with plans finally approved by the City, which plans shall be in conformance with the plans depicted on **Exhibit D** attached hereto unless changes are otherwise required by the City,

in its sole discretion, Developer shall, at its sole liability, cost and expense, design and construct the following (the "Wastewater Improvements"):

(1) All Wastewater Improvements required by the City Regulations and needed to serve the Development, which Wastewater Improvements are generally depicted on **Exhibit D** attached hereto; and

(2) *Reserved for any specific wastewater improvements or oversizing*; and

(3) To the extent that wastewater treatment service is required within the Property prior to such time as wastewater transportation facilities or treatment facilities are made available to the Property, the City agrees to allow the Developer to provide, at its sole liability, cost, and expense, "pump and haul" service within the Property, if and in the manner allowed under Applicable Law, including applicable regulations of the Texas Commission on Environmental Quality (the "TCEQ"), or to make such other arrangements as are compatible with Applicable Law and regulations in order to assist Developer in attaining necessary wastewater treatment services as set forth herein. Notwithstanding the foregoing, City's cooperation set forth in this Section 2.1(e)(3) does not imply, and shall not be interpreted to mean, that City automatically approves specific plans for alterative wastewater treatment, that Developer does not need to submit plans and obtain approvals in accordance with the City Regulations, or that cooperation implies City will dedicate funds toward alternative wastewater treatment.

(f) Drainage, Flooding and Escarpment. Engineering plans required by the City Regulations shall include drainage, flooding, and escarpment plans in conformance with plans finally approved by the City, which plans shall be in conformance with the plans depicted on **Exhibit F** attached hereto unless changes are otherwise required by the City, in its sole discretion.

(g) Tree Mitigation/Preservation. The City has not adopted tree mitigation or preservation ordinances. In the event the City adopts such an ordinance after the Effective Date, the ordinance shall not apply to the Property during the term of this Agreement.

(h) Oversized Infrastructure. The Developer shall not be required to construct or fund any Public Infrastructure so that it is oversized to provide a benefit to land outside the Property ("Oversized Public Infrastructure") unless, by the commencement of design of the applicable infrastructure, the City has requested the oversizing and made arrangements to finance from sources other than PID Bonds or PID assessments the City's portion of the costs of design and construction attributable to the oversizing requested by the City (the "Oversized Costs"). Developer shall provide a ninety (90)-day Notice to City containing the date Developer will commence design of any Public Infrastructure for the sole purpose of allowing City to analyze whether oversizing may be necessary. The Developer shall not be required to construct any Oversized Public Infrastructure if such oversizing would lengthen by more than sixty (60) days from the date that is the last day of the 90-day Notice to City or result in additional costs to the Developer. In the event Developer constructs or causes the construction of any Oversized Public Infrastructure on behalf of the City, it is understood that the City shall be solely responsible for all the Oversized Costs of the Oversized Public Infrastructure costs and that the PID shall not be utilized for financing the Oversized Costs. The City shall pay its share of the costs of any

Oversized Public Infrastructure within thirty (30) days of receipt of an invoice from Developer illustrating the City's costs, such invoices to be submitted by the Developer not more often than every thirty (30) days. The City shall be required to escrow funds for its share of any Oversized Costs and all such Public Infrastructure must be included within the CCN and owned or to be owned by the City.

2.2 Inspections, Acceptance of Public Infrastructure.

(a) Roadway Improvements and Storm Water Infrastructure. The City shall have the right to inspect, at any time and without necessity of prior Notice, the construction of all Roadway Improvements and storm water Public Infrastructure, and any related Public Infrastructure necessary to support the proposed development within the Property, which shall be inspected, designed, and constructed in compliance with all statutory and regulatory requirements, including design and construction criteria, the City Regulations, and this Agreement.

(b) Water and Wastewater Improvements. The City shall have the right to inspect the construction of all Water and Wastewater Improvements at any time and without necessity of prior Notice, which Water and Wastewater Improvements shall be inspected, designed and constructed in compliance with all statutory and regulatory requirements, including design and construction criteria, the City Regulations, and this Agreement. The timing of construction of the various components of the Water and Wastewater Improvements shall be as required by the City Regulations and/or this Agreement.

(c) City Owned. From and after the inspection and acceptance in writing by the City of the Public Infrastructure and any other dedications contemplated under this Agreement, such improvements and dedications shall be owned by the City, other than those to be owned by a homeowner's association as provided in Section 2.4. City reserves the right to refuse acceptance of any portion of the Public Infrastructure if it determines, in its sole discretion, that the Public Infrastructure does not meet the standards set forth in the City Regulations. Developer agrees to use good faith to resolve as soon as practicable any concerns raised by the City during or after the City's inspection of any portion of the Public Infrastructure.

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

2.3 Eminent Domain. The Developer agrees to use commercially reasonable efforts to obtain all third-party rights of way, consents, or easements, if any, required for the Public Infrastructure, at its sole cost and expense. If, however, the Developer is unable to obtain such third-party rights of way, consents, or easements within ninety (90) days of the Effective Date, the City agrees to take reasonable steps to secure same (subject to City Council authorization after a finding of public necessity) through the use of the City's power of eminent domain. The Developer

shall be responsible for funding all reasonable and necessary costs, expenses, legal proceeding/litigation costs, attorney's fees and related expenses, and appraiser and expert witness fees ("collectively, "Eminent Domain Fees") paid or incurred by the City in the exercise of its eminent domain powers and shall, if requested in writing by the City, escrow with a mutually agreed upon escrow agent the City's reasonably estimated Eminent Domain Fees both in advance of the initiations of each eminent domain proceeding and as funds are needed by the City. Provided that the escrow fund remains appropriately funded in accordance with this Agreement, in the City's sole discretion, the City will use all reasonable efforts to expedite such condemnation procedures so that the Public Infrastructure can be constructed as soon as reasonably practicable. If the City's Eminent Domain Fees exceed the amount of funds escrowed in accordance with this paragraph, the Developer shall deposit additional funds as requested by the City into the escrow account within ten (10) days after written Notice from the City. City is not required to continue pursuing the eminent domain unless and until the Developer deposits addition Eminent Domain Fees with the escrow agent. Any unused escrow funds will be refunded to the Developer within thirty (30) days after any condemnation award or settlement becomes final and non-appealable. Nothing in this subsection is intended to constitute a delegation of the police powers or governmental authority of the City, and the City reserves the right, at all times, to control its proceedings in eminent domain.

2.4 Operation and Maintenance.

(a) Upon inspection, approval, and acceptance in writing of the Public Infrastructure or any portions thereof, the City shall maintain and operate the accepted Public Infrastructure or any accepted portions thereof, except that the Public Infrastructure identified on Exhibit "E" of the PD Zoning shall be maintained by a homeowners' association.

(b) The Required Amenities and Open Space Improvements that are not open for use by the general public shall be maintained and operated by a homeowner's association in accordance with the City Regulations, unless the City selects to maintain an improvement by written Notice to Developer.

2.5 Water and Wastewater Services.

(a) Upon inspection, approval, and acceptance in writing of the Water Improvements and Wastewater Improvements, respectively, and subject to Section 2.6 herein, the City shall provide adequate, continuous retail water and wastewater treatment services to the Property on the same terms and at the same rates provided to other in-City customers.

(b) As of the Effective Date of this Agreement, the City has, and will continue to hold, sufficient water and wastewater capacity to serve the Property at full buildout, provided the Water and Wastewater Improvements are completed

2.6 Water CCN Matters. The water CCN that includes the a portion of the Property is currently held by Bolivar Water Supply Corporation ("Bolivar WSC"). The Parties agree to cooperate in having the portion of the Property included in the water CCN held by Bolivar WSC released or transferred into the CCN of the City. Should Bolivar WSC refuse to cooperate in the release the of the Property from its CCN, or should the Public Utility Commission refuse to release

the Property from the CCN of Bolivar WSC, the Parties agree and acknowledge that the Developer shall not be entitled to any reimbursements or funding from the PID for Water Improvements that are not dedicated to the City.

ARTICLE III

DEVELOPMENT REGULATIONS

3.1 Full Compliance with City Standards.

(a) Development of the Property shall be subject to the applicable City Regulations. The Parties agree and acknowledge that they have reviewed and are familiar with City Regulations and have negotiated this Agreement to fulfill specific intentions.

(b) The Parties agree the Concept Plan was created by the Developer for illustrating the boundary, lot mix and general layout of the Development. Final boundaries, lot mixes and general layouts shall be determined by plat in conformance with the zoning that applies to the Property.

3.2 Plat. A preliminary plat application for the entire Property shall be submitted by Developer to the City for consideration. Following approval of the preliminary plat, the Developer may submit final plat(s) in phases for all or any portion of the Property, so long as all of the Property will be platted when the last final plat is approved. Any plat shall be in general conformance with the zoning that applies to the Property. The processing and content of all plats must adhere to the City Regulations, as they may be expressly altered by this Agreement.

3.3 Vested Rights. Upon submittal of an administratively complete application for a final plat for any portion of the Property and except as otherwise specifically set forth herein, Developer may claim vested rights as to the portion of the Property contained in the final plat based upon ordinances in effect at the time of final plat application, except to the extent such claim would cause the City's building material regulations in the zoning ordinance or in other City ordinances to be inapplicable.

3.4 Amenities. Developer shall construct the amenity center(s), irrigation systems, right-of-way landscaping, screening walls, detention ponds, entry monuments, security cameras, and any other improvements to be owned and maintained by a homeowners' association, described in the PD Zoning (the "Required Amenities"), at its sole liability, cost and expense.

3.5 Dedications for Public Parks and Open Space. The Parties agree and acknowledge that upon development of the Property consistent with the PD Zoning, the Developer will have

fulfilled all parkland dedication and development requirements of the City and that no fees in lieu of such dedication will be owed.

ARTICLE IV
CAPITAL RECOVERY FEES; INDEMNIFICATION

4.1 Capital Recovery Fees. The Property shall be subject to those fees and charges due and payable to the City in connection with the Development that are charged pursuant to City Regulations to other developments located within the corporate limits of the City. Impact fees for (a) water and (B) wastewater shall be credited dollar for dollar against any reimbursement owed, as required by Chapter 395, Texas Local Government Code, for Developer's costs to construct Public Infrastructure that are part of the City's Capital Improvement Plan and not reimbursed with PID Bonds or PID assessments. The City has not adopted a master thoroughfare plan, however named, or roadway impact fees. In the event the City adopts such plan or fees after the Effective Date, such shall not apply to the Property during the term of this Agreement.

4.2 INDEMNIFICATION AND HOLD HARMLESS.

(a) THE DEVELOPER AND THE OWNER, AND THEIR 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 OR OWNER; (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, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION AND/OR CONSTRUCTION OF THE PUBLIC INFRASTRUCTURE; (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT THE PUBLIC INFRASTRUCTURE; OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER'S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEES, AND/OR TRUSTEES, REGARDING OR RELATED TO THE PUBLIC INFRASTRUCTURE OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE PUBLIC INFRASTRUCTURE, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY (THE "CLAIMS"). NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OR NEGLIGENCE (INCLUDING COMPARATIVE OR CONTRIBUTORY) OF ANY INDEMNIFIED PARTY. DEVELOPER AND OWNER, JOINTLY AND SEVERALLY, ARE EXPRESSLY REQUIRED TO DEFEND THE INDEMNIFIED PARTY AGAINST ALL SUCH CLAIMS, AND THE INDEMNIFIED PARTY IS REQUIRED TO REASONABLY COOPERATE AND ASSIST THE DEVELOPER AND/OR OWNER IN PROVIDING SUCH DEFENSE.

(b) **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 THE DEVELOPER'S AND/OR OWNER'S OBLIGATION TO DEFEND INDEMNIFIED PARTIES OR AS A WAIVER OF DEVELOPER'S AND/OR OWNER'S OBLIGATION TO INDEMNIFY INDEMNIFIED PARTIES PURSUANT TO THIS AGREEMENT. THE DEVELOPER AND/OR OWNER SHALL RETAIN DEFENSE COUNSEL WITHIN TEN BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF DEVELOPER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON THEIR OWN BEHALF, AND DEVELOPER SHALL BE LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES. THE CITY AGREES, UNLESS ADVISED BY DEFENSE COUNSEL TO THE CONTRARY, TO ASSERT ITS IMMUNITY FROM LIABILITY AND IMMUNITY FROM SUIT AND/OR OTHER AVAILABLE AFFIRMATIVE DEFENSES.

(c) **THIS SECTION 4.2 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.**

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

(a) THE DEVELOPER ACKNOWLEDGES AND AGREES THAT, PROVIDED THERE ARE NO CITY DEFAULTS UNDER THIS AGREEMENT:

(I) SUBJECT TO THE CREATION OF THE PID, LEVY OF PID ASSESSMENTS, AND ISSUANCE OF PID BONDS, THE PUBLIC INFRASTRUCTURE EXPRESSLY SET FORTH IN THIS AGREEMENT TO BE CONSTRUCTED UNDER THIS AGREEMENT, AND THE FEES TO BE IMPOSED BY THE CITY PURSUANT TO THIS AGREEMENT, REGARDING THE PROPERTY, IN WHOLE OR IN PART, DO NOT CONSTITUTE A:

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

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

(C) NUISANCE.

(II) SUBJECT TO THE CREATION OF THE PID, LEVY OF PID ASSESSMENTS, AND ISSUANCE OF PID BONDS BY THE CITY, THE AMOUNT OF THE DEVELOPER'S FINANCIAL AND INFRASTRUCTURE CONTRIBUTION FOR THE PUBLIC INFRASTRUCTURE EXPRESSLY SET FORTH IN THIS AGREEMENT IS ROUGHLY PROPORTIONAL TO THE DEMAND THAT THE DEVELOPER'S ANTICIPATED IMPROVEMENTS AND DEVELOPER'S DEVELOPMENT OF THE PROPERTY PLACES ON THE CITY'S INFRASTRUCTURE.

(III) SUBJECT TO THE CREATION OF THE PID, LEVY OF PID ASSESSMENTS, AND ISSUANCE OF PID BONDS BY THE CITY, THE DEVELOPER HEREBY AGREES, STIPULATES AND ACKNOWLEDGES 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. 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 4.3 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

ARTICLE V
TERM

The term of this Agreement shall be for a period of twenty (20) years after the Effective Date. The Parties may extend the term of this Agreement if they execute an agreement in writing.

ARTICLE VI
ZONING AND LAND USE MATTERS

6.1 Zoning. The Owner shall apply for zoning of the Property as a planned development prior to this Agreement such that it is an item on a City Council agenda for consideration, which application shall be consistent with the PD Zoning attached hereto as **Exhibit B**. To the extent not already done as of the Effective Date, the City shall consider the zoning application for the Property as a planned development immediately before the consideration of this Agreement and after public notices are provided and public hearings conducted as required by law. Should the zoning of the Property not be established prior to the execution of this Agreement and/or should the zoning established over the Property after the execution of this Agreement be in any way more restrictive than that included in the PD Zoning, then prior to the levy of any PID assessments, the Developer may request the less restrictive zoning, from the City. If the zoning is not granted the Developer may have the right but not the obligation, to terminate this Agreement upon thirty days (30) written Notice to the City. If the PID has been created, Developer must include a valid petition for dissolution of the PID to the City in order for Developer's Notice of termination of this Agreement to be effective. Developer and Owner each agree to execute and file in the land records the consent to allow enforcement of building material regulations contained in a planned development zoning ordinance.

ARTICLE VII
INFRASTRUCTURE FINANCING

7.1 PID Financing. The City proposes to create the PID, to fund, in part, the Public Infrastructure that will confer a special benefit upon the Property (the "PID Projects"), including those projects allowable by Chapter 372, Texas Local Government Code, and including, but not limited to, water, wastewater, roadway, drainage (including storm water), open space, park, and trail improvements. As soon as reasonably practicable following a written request by the Developer, as the owner of an applicable phase of the Property, and provided the City's financial advisor confirms the bonds meet the below requirements and are marketable to third party institutional investors, the City agrees to issue PID Bonds in phases as development occurs, subject to City Council approval and in its sole discretion. The process to create the PID and finance the PID Projects shall be as follows, in compliance with the PID Act:

(a) A PID creation petition for the Property shall be submitted by the Owner to the City. A PID dissolution petition shall be submitted by the Owner for the Property at the same time as the PID creation petition. The City shall hold the PID dissolution petition and only take action to dissolve the PID if the Developer notifies the City in writing it is not buying any of the Property from the Owner.

(b) PID funding of the PID Projects as authorized by the PID Act and approved by the City will include, to the maximum extent authorized by State law, and only as requested by the Developer, one or more of the following: (i) annual payments by the City to the Developer consisting of only collected PID assessments not pledged to the repayment of PID Bonds related to costs of improvements constructed by the Developer and accepted by the City pursuant to a reimbursement agreement; (ii) the issuance by the City of PID Bonds secured by PID assessments and/or other security, with a total overall minimum value to lien ratio of 2 to 1 (unless the City, in its sole discretion approves a lower value to lien ratio); or (iii) any other method approved by the Parties. The total amount of PID Bonds secured by assessments from the Property shall not exceed the amount stated in the PID creation petition, which amount shall not exceed $80,000,000.

(c) The PID Projects will be described in the Service and Assessment Plan. The Parties agree that the Service and Assessment Plan shall provide that the City’s cost to administer the PID shall be paid as part of the administrative expenses collected in connection with the assessments levied against the property within the PID.

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

(e) The City and Developer shall jointly determine the PID Project Costs, and the City will prepare or direct the preparation of a Service and Assessment Plan for the PID. After the City approves the final PID Project Costs, prepares a proposed assessment roll based thereon, and files the Service and Assessment Plan and proposed assessment roll with the Secretary for the City for public inspection, and complies with the requirements of the PID Act, the City will consider an ordinance to levy special assessments against the Property or applicable portion thereof.

(f) The City shall review and update the Service and Assessment Plan consistent with the requirements of Section 372.013(b) of the PID Act. As needed for consistency with the updated Service and Assessment Plan and consistent with the requirements of Sections 372.019 and 372.020 of the PID Act, the City may consider supplemental assessments, reassessments, or new assessments such that assessments are solely consistent with the requirements set forth in the PID Act. Concurrent with the levy of PID assessments and as needed to implement the Service and Assessment Plan, the City and the Developer will enter into a PID reimbursement agreement that provides for the Developer's construction of certain PID Projects and the City's reimbursement to the Developer of certain PID Project Costs.

(g) The City will consider issuance of one or more series of PID Bonds secured, in whole or in part, by assessments levied against benefited property within the PID and approved by the Texas Attorney General. PID Bonds may also be secured by any other revenue authorized by the PID Act or other State law and approved by the City Council of the City. The net proceeds from the sale of PID Bonds (i.e., net of costs and expenses of issuance and amounts for debt service reserves and capitalized interest) will be used to pay PID Project Costs. Notwithstanding the foregoing, the obligation of the City to consider ordinances which issue PID Bonds is conditioned upon there being a total overall minimum value to lien ratio of 2 to 1 (unless the City, in its sole discretion approves a lower value to lien ratio but subject to the other requirements of this subsection) assuming that the PID Projects as well as other infrastructure for which completion guarantees have been provided, if any, are in place as of the date of the fair market valuation as determined by an appraisal and the adequacy of the bond security and the financial obligation of the Developer to pay the amount, if any, by which PID Project Costs exceed the net proceeds from the sale of PID Bonds and the amount, if any, of cost overruns. The City will require the Developer to secure its obligation to pay such deficit by providing a hold back of a portion of the PID Bond proceeds not supported by the total overall 2 to 1 value to lien ratio and/or the deposit of cash to the trust estate for the shortfall. The net proceeds from the sale of the PID Bonds will be deposited in and disbursed from a construction fund created and administered pursuant to the indenture under which the PID Bonds are issued.

(h) The maximum maturity for any sales of PID Bonds shall not exceed 30 years from the date of delivery thereof and PID assessments to be utilized to secure PID Bonds shall not be levied for any period exceeding 45 years from the Effective Date of this Agreement.

(i) The PID Bonds shall be offered and sold and may be transferred or assigned only (A) upon compliance with applicable securities laws; and (B) unless otherwise agreed to by the City, (i) to qualified institutional buyers, investors or accredited investors as such buyers/investors are defined in compliance with applicable securities laws, and (ii) in minimum denominations of $100,000 or integral multiples of $1,000 in excess thereof.

(j) In selecting a bond index for the determination of interest rates on unpaid amounts due under a PID reimbursement agreement as set forth in Section 372.023 of the PID Act, the City shall obtain guidance from the underwriter marketing the PID Bonds.

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

(l) Developer agrees to provide periodic information and notices of certain events regarding Developer and Developer's development of the Property within the PID in accordance with Securities and Exchange Commission Rule 15c2-12 and any Developer continuing disclosure agreement related to PID Bonds.

(m) Developer shall be solely responsible for all costs, including but not limited to PID Project Costs, even if the costs exceed the reimbursements available for PID assessments or PID Bonds. A cash deposit in the amount necessary to complete the Public Infrastructure and, for each phase, the Required Amenities and Open Space Improvements for such phase, shall be deposited into an account established by the indenture.

(n) The City shall use its highest and best efforts to levy PID assessments and, provided the Developer is in compliance with all material terms of this Agreement set forth in this Section 7.1, issue PID Bonds. The Developer and City acknowledge that the Developer has relied on the creation of the PID, levy of PID Assessments, and issuance of PID Bonds in entering into this Agreement, and that but-for the levy of PID Assessments and issuance of PID Bonds, the Developer would not enter into this Agreement. Should the Developer be in compliance with this Section 7.1, and the City fail to issue PID Bonds within 120 days of a written request from the Developer, the Developer may pursue all remedies, legal and equitable, available to Developer.

7.2 Costs for Non-Bank Qualified Bonds.

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

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

(b) To the extent any developer(s) or owner(s) (including the Developer, as applicable) has (have) paid the Bank Qualified Debt Fee for any particular calendar year, any such Bank Qualified Debt Fee paid subsequently by a developer or owner (including the Developer, as

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

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

7.3 PID Notices. When selling any of the Property after the 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 anyone who purchases property within the PID and shall notify the purchaser in compliance with such portion of the Property Code. For the purposes of PID notices required under this Agreement, the Developer and any subsequent seller within the Property shall be entitled to rely on the disclosures attached to the Service and Assessment Plan or any amendment or update thereto.

ARTICLE VIII
EVENTS OF DEFAULT; REMEDIES

8.1 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) on or before 30 days from the alleged default 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 120 days after written Notice of the alleged failure has been given). Notwithstanding the foregoing, no Party shall be in default under this Agreement if, within the applicable cure period, the Party to whom the Notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured and within such 30-day period gives written Notice to the non-defaulting Party of the details of why the cure will take longer than 30 days with a statement of how many days are needed to cure.

8.2 Remedies. If a Party is in default, the aggrieved Party may, at its option and without prejudice to any other right or remedy under this Agreement, seek any **relief** available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act, or actions for specific performance, mandamus, or injunctive relief. NOTWITHSTANDING THE FOREGOING, HOWEVER, NO DEFAULT UNDER THIS AGREEMENT SHALL ENTITLE THE AGGRIEVED PARTY TO TERMINATE THIS AGREEMENT OR LIMIT THE TERM OF THIS AGREEMENT**.**

ARTICLE IX

ASSIGNMENT AND ENCUMBRANCE

9.1 Assignment by Developer to Successors.

(a) The Developer and/or Owner each have the right (from time to time with the prior, written consent of the City), to assign this Agreement with the consent of the City to another party with the financial ability and experience to complete the Development as reflected in the Agreement, in whole or in part, and including any obligation, right, title, or interest of the Developer or Owner, respectively, under this Agreement, to any person or entity (an "Developer Assignee") that (i) is or will become an owner of any portion of the Property or (ii) is controlled by or under common control by the Developer and becomes an owner of any portion of the Property, provided that the Developer is not in breach of this Agreement at the time of such assignment. The Developer shall have the right to transfer its rights and obligations under this Agreement without the City's consent to a third party to effectuate a land banking arrangement pursuant to which such third party acquires (directly or indirectly) all or any portion of the Property, and the Developer or an affiliate of the Developer has the right to reacquire the Property, also without the prior written consent of the City, provided the Developer will remain liable for the obligations under this Agreement. A Developer Assignee is considered the "Developer" and a "Party," under this Agreement for purposes of the obligations, rights, title, and interest assigned to the Developer Assignee. In addition to requirements set forth in Section 9.3 hereof, Notice of each proposed assignment to a Developer Assignee shall be provided to the City at least thirty (30) days prior to the effective date of the assignment, which Notice shall include a copy of the proposed assignment document together with the name, address, telephone number, and e-mail address (if available) of a contact person representing the Developer Assignee.

(b) Each assignment shall be in writing executed by the Developer and the Developer Assignee and shall obligate the Developer Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each fully executed assignment to a Developer Assignee shall be provided to all Parties within fifteen (15) days after execution. From and after such assignment, the City agrees to look solely to the Developer Assignee for the performance of all obligations assigned to the Developer Assignee and agrees that the Developer shall be released from subsequently performing the assigned obligations and from any liability that results from the Developer Assignee's failure to perform the assigned obligations; provided, however, if a copy of the assignment is not received by the City within 15 days after execution, Developer shall not be released until the City receives such copy of the assignment.

(c) No assignment by Developer shall release 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.

(d) The Developer shall maintain written records of all assignments made to Developer Assignees, including a copy of each executed assignment and the Developer Assignee's Notice information as required by this Agreement, and, upon written request from another Party, shall provide a copy of such records to the requesting person or entity.

9.2 Assignment by the City. The City has the right (from time to time without the consent of another Party, but upon prior written Notice to each other Party) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of the City under this Agreement, to any agency, authority, or political subdivision of the State of Texas (a "City Assignee"). Notice of each proposed assignment to a City Assignee shall be provided to each other Party at least 15 days prior to the effective date of the assignment, which Notice shall include a copy of the proposed assignment document together with the name, address, telephone number, and e-mail address of a contact person representing the City Assignee whom the other Party may contact for additional information. Each assignment shall be in writing executed by the City and the City Assignee and shall obligate the City Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each fully executed assignment to a City Assignee shall be provided to all Parties within 15 days after execution. From and after such assignment, all Parties agree to look solely to the City Assignee for the performance of all obligations assigned to the City Assignee and agree that the City shall be released from subsequently performing the assigned obligations and from any liability that results from the City Assignee's failure to perform the assigned obligations; provided, however, if a copy of the assignment is not received by the other Parties within 15 days after execution, the City shall not be released until the other Parties receive such copy of the assignment. No assignment by the City shall release the City from any liability that resulted from an act or omission by the City that occurred prior to the effective date of the assignment unless the other Parties approve the release in writing. The City shall maintain written records of all assignments made by the City to City Assignees, including a copy of each executed assignment and the City Assignee's Notice information as required by this Agreement, and, upon written request from another Party, shall provide a copy of such records to the requesting person or entity.

9.3 Collateral Assignments. The Developer and Developer Assignees have the right, from time to time, to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of their respective rights, title, or interest under this Agreement for the benefit of their respective lenders without the consent of, but with prompt written Notice to, the City; provided, however, the Developer shall be limited to a maximum of six (6) such assignments and any additional assignments after the sixth such assignment shall require the prior, written consent of the City; and provided further, however, that no such assignment shall be made without the 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, and/or (3) the City being subjected to additional reporting or recordkeeping duties. The collateral assignment, pledge, grant of lien or security interest, or other encumbrance shall not, however, obligate any lender to perform any obligations or incur any liability under this Agreement unless the lender agrees in writing to perform such obligations or incur such liability. Provided the City has been given a copy of the documents creating the lender's interest, including Notice information for the lender, then that lender shall have the right, but not the obligation, to cure any default under this Agreement and shall be given a reasonable time to do so in addition to the cure periods otherwise provided to the defaulting Party by this Agreement; and the City agrees to reasonably consider a cure offered by the lender as if offered by the defaulting Party. A lender is not a Party to this Agreement unless this Agreement is amended, with the consent of the lender, to add the lender as a Party. Notwithstanding the foregoing, however, this Agreement shall continue to bind the Property and

shall survive any transfer, conveyance, or assignment occasioned by the exercise of foreclosure or other rights by a lender, whether judicial or non-judicial. Any purchaser from or successor owner through a lender of any portion of the Property shall be bound by this Agreement 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.

9.4 Transfer of Warranties. Any Public Infrastructure that is transferred to the City shall be accompanied by all applicable third-party bonds and warranties related to construction and maintenance of such Public Infrastructure and shall be transferred free of all liens. Developer agrees to record or cause contractors and/or subcontractors to record a release of liens in form acceptable to the City in the Official Public Records of Denton County, Texas, prior to transfer of any portion of the Public Infrastructure.

9.5 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. With the exception of the End-Buyer (defined below) of a lot within the Property, any person or entity upon becoming an owner of land or upon obtaining an ownership interest in any part of the Property shall be deemed to be a "Developer" and 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.

9.6 No Third-Party Beneficiaries. This Agreement only inures to the benefit of, and may only be enforced by, the Parties. No other person or entity shall have any right, title, or interest under this Agreement or otherwise be deemed to be a third-party beneficiary of this Agreement.

ARTICLE X
RECORDATION AND ESTOPPEL CERTIFICATES

10.1 Binding Obligations. This Agreement and all amendments hereto (including amendments to the Concept Plan as allowed in this Agreement) and assignments hereof shall be recorded in the deed records of each county within which the Property is located. 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 on or after the Effective Date, shall be binding upon the Parties and their successors and assigns as permitted by this Agreement and upon the Property; however, except the obligations of Developer, its successors and assigns, for annexation and compliance with City Regulations, including but not limited to zoning ordinances, as they currently exist or may be amended, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any end-buyer/homebuyer of a fully developed and improved lot (an "End-Buyer").

10.2 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 $1,000 at the time of the Developer's request for an estoppel certificate for each request in excess of one per calendar year. The Developer shall request by written Notice an estoppel certificate at least thirty (30) days in advance of the Developer's deadline to obtain such estoppel certificate.

ARTICLE XI
ADDITIONAL PROVISIONS

11.1 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.

11.2 Notices. Any notice, 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 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, return receipt requested, addressed as follows ("Notice"):

To the City:	Attn: Ramie Hammonds P. O. Box 1729 Sanger, Texas 76266
With a copy to:	Attn: Todd Brewer Jackson Walker LLP 1401 McKinney Street, Suite 1900 Houston, Texas 77010
To the Developer:	Attn: Frank Su Meritage Homes of Texas, LLC 8840 Cypress Waters Blvd, Suite 100 Coppell, Texas 75019 frank.su@meritagehomes.com
With a copy to:	Attn: Sarah Landiak Winstead PC 2728 N. Harwood St., Ste. 500 Dallas, Texas 75201
To the Owner:	

With a copy to:

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.

11.3 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.

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

11.5 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.

11.6 Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by the Parties.

11.7 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.

11.8 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 each county in which the Property is located. Exclusive venue for any action to enforce or construe this Agreement shall be in the County District Court in which any of the Property is located.

11.9 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.

11.10 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.

11.11 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.

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

Exhibit A	Legal Description of the Property
Exhibit B	PD Zoning
Exhibit C	Roadway Improvements
Exhibit D	Wastewater Improvements
Exhibit E	Water Improvements
Exhibit F	Drainage, Flooding, and Escarpment Improvements
Exhibit G	Belz Road Improvements

11.13 Governmental Powers; Waivers of Immunity. By its execution of this Agreement, the City does not waive or surrender any of its respective governmental powers, immunities, or rights except as provided in this section. The Parties acknowledge that the City waives its sovereign immunity as to suit solely for the purpose of adjudicating a claim under this Agreement. This is an agreement for the provision of goods or services to the City under Section 271.151 et seq. of the Texas Local Government Code.

11.14 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 three (3) business days after the occurrence of a force majeure event, 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. A Party that fails to provide timely notice of an event of force majeure will be deemed to be able to resume full performance within thirty (30) days of such event. The term "force majeure" shall include events or circumstances that are not within the reasonable control of Party whose performance is suspended and that could not have been avoided by such Party with the good faith exercise of good faith, due diligence and reasonable care.

11.15 Amendments. This Agreement cannot be modified, amended, or otherwise varied, except in writing signed by the City and the Developer expressly amending the terms of this Agreement.

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

11.17 Form 1295 Certificate. The Parties acknowledge that the Developer is a publicly-traded entity, and as such, completion of a Form 1295 is not required pursuant to Section 2252.908(c)(4), Texas Government Code.

11.18 Verifications of Statutory Representations and Covenants. The Developer and the Owner makes the following representations and verifications to enable to City to comply with 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 Owner, respectively within the meaning of SEC 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. Each of the Developer and the Owner 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 each of the Developer and the Owner 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.

(b) No Boycott of Israel. Each of the Developer and the Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. Each of the Developer and the Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. 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. Each of the Developer and the Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates,

if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

[signatures on following pages]

EXECUTED by the City and the Developer on the respective dates stated below after approval of the City Council of the City on _____, 20__.

Date: _____ **CITY OF SANGER**

By: _____
_____, Mayor

ATTEST:

_____
_____, City Secretary

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on the ____ day of _____, 20__, by_____, the Mayor of the City of Sanger, Texas, on behalf of said City.

_____
Notary Public in and for the State of Texas

(SEAL)

DEVELOPER:

MERITAGE HOMES OF TEXAS, LLC
an Arizona limited liability company

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
§
COUNTY OF___ §

BEFORE ME, a Notary Public in and for the State of Texas, duly authorized to take acknowledgments, on _____, 20__, personally appeared _____, _____ of Meritage Homes of Texas, LLC, an Arizona limited liability company and acknowledged that he executed the foregoing document on behalf of said limited liability company.

_____
Notary Public in and for the State of Texas

OWNER:

PAC GROUP LTD
a _____ limited liability company

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
§
COUNTY OF___ §

BEFORE ME, a Notary Public in and for the State of Texas, duly authorized to take acknowledgments, on _____, 20__, personally appeared _____, _____ of PAC Group LTD, a _____ limited liability company, and acknowledged that he executed the foregoing document on behalf of said limited liability company.

_____
Notary Public in and for the State of Texas

RON WILLIAMSON QUARTER HORSES, INC.
a _____ corporation

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
§
COUNTY OF___ §

BEFORE ME, a Notary Public in and for the State of Texas, duly authorized to take acknowledgments, on _____, 20__, personally appeared _____, _____ of Ron Williamson Quarter Horses, Inc.,, a _____ corporation, and acknowledged that he executed the foregoing document on behalf of said corporation.

_____
Notary Public in and for the State of Texas

EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

PROPERTY DESCRIPTION
306.356 ACRES

BEING A 306.356 ACRE TRACT OF LAND SITUATED IN THE H. TIERWESTER SURVEY, ABSTRACT NO. 1241, CITY OF SANGER, DENTON COUNTY, TEXAS, AND BEING ALL OF A 246.024 ACRE TRACT OF LAND, CONVEYED TO PAC GROUP, LTD., AS RECORDED IN COUNTY CLERK'S FILE NO. 2004-150425, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS AND PART OF A 91.822 ACRE TRACT OF LAND CONVEYED TO RON WILLIAMSON QUARTER HORSES, INC., AS RECORDED IN COUNTY VOLUME 2040, PAGE 78, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS. SAID 306.356 ACRE TRACT, WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE NAD83, DETERMINED BY GPS OBSERVATIONS UTILIZING THE ALLTERRA RTKNET, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID 246.024 ACRE TRACT. SAID POINT BEING AT THE APPARENT INTERSECTION OF BELZ ROAD, (A PRESCRIPTIVE RIGHT-OF-WAY) AND METZ ROAD, (A PRESCRIPTIVE RIGHT-OF-WAY), AND BEING ON THE NORTH LINE OF A 3.000 ACRE TRACT OF LAND CONVEYED TO TOMMY GARLAND AND CAROLYN GARLAND, AS RECORDED IN VOLUME 1214, PAGE 90, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS, AND THE EAST LINE OF A 5.381 ACRE TRACT OF LAND CONVEYED TO JERRE FRAZIER AND KELLY FRAZIER, AS RECORDED IN COUNTY CLERK'S FILE NO. 2014-77478, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS. SAID POINT ALSO BEING AT THE SOUTHWEST LINE OF A 20' WIDE PUBLIC ROAD RESERVATION, AS RECORDED IN VOLUME 60, PAGE 379, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS. FROM WHICH A NAIL FOUND FOR THE NORTHWEST CORNER OF SAID 3.000 ACRE TRACT BEARS, SOUTH 89 DEGREES 14 MINUTES 59 SECONDS WEST, A DISTANCE OF 37.54 FEET;

THENCE, NORTH 00 DEGREES 47 MINUTES 46 SECONDS EAST, ALONG THE WEST LINE OF SAID 246.024 ACRE TRACT AND SAID 20' WIDE PUBLIC ROAD RESERVATION AND THE COMMON EAST LINE OF SAID 5.381 ACRE TRACT, THE EAST LINE OF A 4.836 ACRE TRACT OF LAND CONVEYED TO STEPHANIE L. DEACON REVOCABLE TRUST, AS RECORDED IN COUNTY CLERK'S FILE NO. 2024-97948, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS, THE EAST LINE OF DUCK CREEK FARMS ADDITION, AN ADDITION TO THE CITY OF SANGER, AS RECORDED IN CABINET G, SLIDE 122, PLAT RECORDS, DENTON COUNTY, TEXAS, THE EAST LINE OF A 0.592 ACRE TRACT OF LAND CONVEYED TO STEVEN R. RICHTER AND JANNIE L. RICHTER, AS RECORDED IN COUNTY CLERK'S FILE NO. 2008-41763, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS, THE EAST LINE OF A 0.562 ACRE TRACT OF LAND CONVEYED TO ELIZABETH G. ROGUE, AS RECORDED IN COUNTY CLERK'S FILE NO. 2016-25647, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS, THE EAST LINE OF A 0.652 ACRE TRACT OF LAND CONVEYED TO KIMMEY KEY, AS RECORDED IN COUNTY CLERK'S FILE NO. 2012-146856, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS, THE EAST LINE OF A TRACT OF LAND CONVEYED AS "TRACT ONE" TO ANTHONY M. BOWLAND AND WIFE GLORIA J. BOWLAND, AS RECORDED IN VOLUME 841, PAGE 340, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS, AND THE EAST LINE OF A 24.45 ACRE TRACT OF LAND CONVEYED AS "PARCEL 1" TO JOE EDWARD SPRATT, AS RECORDED IN COUNTY CLERK'S FILE NO. 2024-44297, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS, ALONG SAID METZ ROAD, A DISTANCE OF 1891.40 FEET TO A 1/2" SQUARE PIPE FOUND FOR AN EXTERIOR ELL CORNER OF SAID 246.024 ACRE TRACT AND THE NORTHWEST CORNER OF SAID 20' WIDE PUBLIC ROAD RESERVATION, AND THE COMMON SOUTHWEST CORNER OF A 10.00 ACRE TRACT OF LAND CONVEYED TO GEROMINO POLANCO JR. AND ROSEMARIE POLANCO, AS RECORDED IN COUNTY CLERK'S FILE NO. 2015-127213, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS;

THENCE, SOUTH 89 DEGREES 04 MINUTES 37 SECONDS EAST, ALONG A NORTH LINE OF SAID 246.024 ACRE TRACT AND THE COMMON SOUTH LINE OF SAID 10.00 ACRE TRACT, PASSING AT A DISTANCE OF 29.87 FEET A 1/2" SQUARE PIPE FOUND FOR WITNESS AND CONTINUING, IN ALL, A TOTAL DISTANCE OF 1571.10 FEET TO A POINT FOR AN INTERIOR ELL CORNER OF SAID 246.024 ACRE TRACT AND THE COMMON SOUTHEAST CORNER OF SAID 10.00 ACRE TRACT;

THENCE, NORTH 00 DEGREES 40 MINUTES 58 SECONDS EAST, ALONG A WEST LINE OF SAID 246.024 ACRE TRACT AND THE COMMON EAST LINE OF SAID 10.00 ACRE TRACT, PASSING AT A DISTANCE OF 277.93 FEET A 5/8" IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID 10.00 ACRE TRACT AND THE COMMON SOUTHEAST CORNER OF TRACT OF LAND CONVEYED TO DANIEL JOHNSON, AS RECORDED IN COUNTY CLERK'S FILE NO. 2019-95739, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS, AND CONTINUING ALONG SAID WEST LINE AND THE COMMON EAST LINE OF SAID JOHNSON TRACT, IN ALL, A TOTAL DISTANCE OF 554.99 FEET TO A 5/8" IRON ROD FOUND FOR AN INTERIOR ELL CORNER OF SAID 246.024 ACRE TRACT AND THE COMMON NORTHEAST CORNER OF SAID JOHNSON TRACT;

THENCE, NORTH 89 DEGREES 04 MINUTES 37 SECONDS WEST, ALONG A SOUTH LINE OF SAID 246.024 ACRE TRACT AND THE COMMON NORTH LINE OF SAID JOHNSON TRACT, A DISTANCE OF 1570.00 FEET TO A POINT FOR AN EXTERIOR ELL CORNER OF SAID 246.024 ACRE TRACT AND THE COMMON NORTHWEST CORNER OF SAID JOHNSON TRACT. SAID POINT BEING ON THE EAST LINE OF A 37.58 ACRE TRACT OF LAND CONVEYED AS "PARCEL 3" TO JOE EDWARD SPRATT, AS RECORDED IN COUNTY CLERK'S FILE NO. 2024-44297, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS AND BEING IN THE APPROXIMATE CENTER OF AFORESAID METZ ROAD;

THENCE, NORTH 00 DEGREES 49 MINUTES 48 SECONDS EAST, ALONG THE WEST LINE OF SAID 246.024 ACRE TRACT AND THE COMMON EAST LINE OF SAID 37.58 ACRE TRACT, THE EAST LINE OF A 37.58 ACRE TRACT OF LAND CONVEYED AS "TRACT ONE", A 37.58 ACRE TRACT OF LAND CONVEYED AS "TRACT TWO" TO, JOE EDWARD SPRATT, AS RECORDED IN VOLUME 4917, PAGE 3869, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS, THE EAST LINE OF A 3.492 ACRE TRACT OF LAND CONVEYED TO JOE EDWARD SPRATT AND WIFE JANENE EDGERLEY SPRATT, AS RECORDED IN VOLUME 2039, PAGE 204, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS, THE EAST LINE OF 2.578 ACRE TRACT OF LAND CONVEYED AS "PARCEL 2", TO JOE EDWARD SPRATT, AS RECORDED IN COUNTY CLERK'S FILE NO. 2024-44297, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS, PASSING AT A DISTANCE OF 1496.22 FEET A MAG NAIL FOUND FOR THE NORTHEAST CORNER OF SAID 2.578 ACRE TRACT AND THE COMMON SOUTHEAST CORNER OF LOT 1, BLOCK A OF THE MEADOW GREEN FARM ADDITION, AN ADDITION TO THE CITY OF SANGER, AS RECORDED IN COUNTY CLERK'S FILE NO. 2019-288, PLAT RECORDS, DENTON COUNTY, TEXAS, AND CONTINUING ALONG THE EAST LINE OF SAID LOT 1, BLOCK A, THE EAST LINE OF A 52.247 ACRE TRACT OF LAND CONVEYED TO METZ RANCH, LLC, AS RECORDED IN COUNTY CLERK'S FILE NO. 2021-230979, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS, AND THE EAST LINE OF MEADOW GREEN FARMS ESTATES ADDITION, PHASE 1, AN ADDITION TO THE CITY OF SANGER, AS RECORDED IN COUNTY CLERK'S FILE NO. 2020-340, PLAT RECORDS, DENTON COUNTY, TEXAS, AND ALONG THE APPROXIMATE CENTER OF SAID METZ ROAD, IN ALL, A TOTAL DISTANCE OF 2103.65 FEET TO A MAG NAIL FOUND FOR THE NORTHWEST CORNER OF SAID 246.024 ACRE TRACT AND THE COMMON SOUTHWEST CORNER OF A 37.329 ACRE TRACT OF LAND CONVEYED TO MANGO ESTATES, LLC, AS RECORDED IN COUNTY CLERK'S FILE NO. 2021-142267, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS, FROM WHICH A 5/8" IRON ROD FOUND BEARS NORTH 82 DEGREES 46 MINUTES 58 SECONDS EAST, A DISTANCE OF 17.03 FEET;

THENCE, SOUTH 89 DEGREES 56 MINUTES 29 SECONDS EAST, ALONG THE NORTH LINE OF SAID 246.024 ACRE TRACT AND THE COMMON SOUTH LINE OF SAID 37.329 ACRE TRACT, A DISTANCE OF 1269.67 FEET TO A 1/2" IRON ROD WITH CAP STAMPED “RPLS ?709” FOUND FOR THE SOUTHEAST CORNER OF SAID 37.329 ACRE TRACT AND THE COMMON SOUTHWEST CORNER OF A 79.719 ACRE TRACT OF LAND CONVEYED TO DAGR-1031, LLC, AS RECORDED IN COUNT CLERK’S FILE NO. 2022-47123, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS;

THENCE, SOUTH 89 DEGREES 42 MINUTES 11 SECONDS EAST, CONTINUING ALONG THE NORTH LINE OF SAID 246.024 ACRE TRACT AND THE COMMON SOUTH LINE OF SAID 79.719 ACRE TRACT, A DISTANCE OF 1253.13 FEET TO A POINT FOR THE NORTHEAST CORNER OF SAID 246.024 ACRE TRACT AND THE COMMON SOUTHEAST CORNER OF SAID 79.719 ACRE TRACT. SAID POINT BEING ON THE WEST LINE OF A 103.99 ACRE TRACT OF LAND CONVEYED TO SANGER RANCH, LTD., AS RECORDED IN VOLUME 4330, PAGE 1874, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS. FROM WHICH A 1/2" IRON ROD FOUND BEARS NORTH 70 DEGREES 32 MINUTES 35 SECONDS WEST, A DISTANCE OF 1.22 FEET;

THENCE, SOUTH 00 DEGREES 34 MINUTES 14 SECONDS WEST, ALONG THE EAST LINE OF SAID 246.024 ACRE TRACT AND THE COMMON WEST LINE OF SAID 103.99 ACRE TRACT, A DISTANCE OF 1187.16 FEET TO A 1/2" IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID 103.99 ACRE TRACT AND THE COMMON NORTHWEST CORNER OF AN 83.720 ACRE TRACT OF LAND CONVEYED TO SANGER RANCH, LTD., AS RECORDED IN VOLUME 4269, PAGE 1243, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS;

THENCE, SOUTH 00 DEGREES 29 MINUTES 54 SECONDS WEST, CONTINUING ALONG THE EAST LINE OF SAID 246.024 ACRE TRACT AND THE COMMON WEST LINE OF SAID 83.720 ACRE TRACT, A DISTANCE OF 1579.00 FEET TO A FENCE CORNER POST FOUND FOR THE SOUTHWEST CORNER OF SAID 83.720 ACRE TRACT AND THE COMMON NORTHWEST CORNER OF AFORESAID 91.822 ACRE TRACT, FROM WHICH A 1/2" IRON ROD FOUND BEARS NORTH 62 DEGREES 43 MINUTES 01 SECOND EAST, A DISTANCE OF 28.80 FEET;

THENCE, SOUTH 89 DEGREES 33 MINUTES 38 SECONDS EAST, ALONG THE NORTH LINE OF SAID 91.822 ACRE TRACT AND THE COMMON SOUTH LINE OF SAID 83.720 ACRE TRACT, A DISTANCE OF 1408.32 FEET TO A POINT FOR CORNER;

THENCE, SOUTH 00 DEGREES 49 MINUTES 22 SECONDS WEST, OVER AND ACROSS SAID 91.822 ACRE TRACT A DISTANCE OF 1866.26 FEET TO A POINT FOR CORNER ON THE SOUTH LINE OF SAID 91.822 ACRE TRACT AND THE COMMON NORTH LINE OF A 2.50 ACRE TRACT OF LAND CONVEYED TO JORGE CASTILLO, AS RECORDED IN COUNTY CLERK’S FILE NO. 2022-15072, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS. SAID POINT BEING IN THE APPROXIMATE CENTER OF AFORESAID BELZ ROAD;

THENCE, NORTH 88 DEGREES 42 MINUTES 55 SECONDS WEST, ALONG THE SOUTH LINE OF SAID 91.822 ACRE TRACT AND THE COMMON NORTH LINE OF SAID 2.50 ACRE TRACT, THE NORTH LINE OF A 2.497 ACRE TRACT OF LAND CONVEYED TO JAMES FRANK JONES AND YOLANDA M. JONES, AS RECORDED IN COUNTY CLERK’S FILE NO. 2014-37016, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS, THE NORTH LINE OF A 2.501 ACRE TRACT OF LAND CONVEYED TO DANIEL RAYMOND WOLFE AND BRIANNA LYNNE WOLFE, AS RECORDED IN COUNTY CLERK’S FILE NO. 2021-21494, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS, THE NORTH LINE OF A 50.00 ACRE TRACT OF LAND CONVEYED TO PAC GROUP, LTD., AS RECORDED IN VOLUME 4880, PAGE 2632, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS, ALONG THE APPROXIMATE CENTER OF SAID BELZ ROAD, A DISTANCE OF 1408.33 FEET TO A 1/2" IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID 91.822 ACRE TRACT AND THE COMMON SOUTHEAST CORNER OF AFORESAID 246.024 ACRE TRACT;

THENCE, NORTH 88 DEGREES 25 MINUTES 43 SECONDS WEST, ALONG THE SOUTH LINE OF SAID 246.024 ACRE TRACT AND THE COMMON NORTH LINE OF SAID 50.00 ACRE TRACT, PASSING AT A DISTANCE OF 350.97 FEET A 1/2" IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID 50.00 ACRE TRACT AND THE COMMON NORTHEAST CORNER OF A 30' RIGHT-OF-WAY DEDICATION OF MEADOW LANDS ADDITION, AN ADDITION TO THE CITY OF SANGER, AS RECORDED IN CABINET F, PAGE 80, PLAT RECORDS, DENTON COUNTY, TEXAS, AND CONTINUING ALONG THE NORTH LINE OF SAID MEADOW LANDS ADDITION, PASSING AT A DISTANCE OF 1011.39 FEET A MAG NAIL FOUND FOR THE NORTHWEST CORNER OF SAID 30' RIGHT-OF-WAY DEDICATION OF SAID MEADOW LANDS ADDITION AND THE COMMON NORTHEAST CORNER OF A VARIABLE WIDTH RIGHT-OF-WAY DEDICATION OF INDIAN CREEK ADDITION, LOTS 1-5, BLOCK A, AN ADDITION TO THE CITY OF SANGER, AS RECORDED IN COUNTY CLERK'S FILE NO. 2018-75, PLAT RECORDS, DENTON COUNTY, TEXAS, AND CONTINUING ALONG THE NORTH LINE OF SAID INDIAN CREEK ADDITION, PASSING AT A DISTANCE OF 2062.87 FEET A MAG NAIL FOUND FOR THE NORTHWEST CORNER OF SAID INDIAN CREEK ADDITION AND SAID VARIABLE WIDTH RIGHT-OF-WAY DEDICATION, AND CONTINUING ALONG THE NORTH LINE OF A 3.000 ACRE TRACT OF LAND CONVEYED TO JOSHUA MICHAEL McCLURKAN AND KATIE LAYNE McCLURKAN, AS RECORDED IN COUNTY CLERK'S FILE NO. 2022-64447, OFFICIAL PUBLIC RECORDS, DENTON COUNTY, TEXAS, AND THE NORTH LINE OF AFORESAID 3.000 ACRE GARLAND TRACT, ALONG SAID BELZ ROAD, IN ALL, A TOTAL DISTANCE OF 2536.15 FEET TO THE **POINT OF BEGINNING** AND CONTAINING A CALCULATED AREA OF 13,344,859 SQUARE FEET OR 306.356 ACRES OF LAND.

PRELIMINARY, THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT.

Chris Matteo, R.P.L.S.
Registered Professional Land Surveyor
Texas Registration No. 6501
LJA Surveying, Inc.
6060 North Central Expressway, Suite 400
Dallas, Texas 75206
469-484-0778

T.B.P.E.L.S. Firm No. 10194382

SEPTEMBER 16, 2024

EXHIBIT B
PD ZONING

[SEE ATTACHED]

THE ELADA PD (306.36 ACRES)

Purpose Statement – The purpose of this planned development district ("PD") is to establish a quality master planned residential community for the property described by metes and bounds on Exhibit "A" (the "Property") of this PD Ordinance. Development and use of the Property shall comply with the Sanger Zoning Ordinance as it existed on the date of its adoption on August 3, 1987, as subsequently amended (the "Zoning Ordinance"), as amended by this PD ordinance. In the event of a conflict between the Zoning Ordinance and this PD Ordinance, this PD Ordinance shall control. In the event of a conflict between this PD Ordinance and the Concept Plan/ Development Plan, this PD Ordinance shall control. In the event of a conflict between the Concept Plan/ Development Plan and the Zoning Ordinance, the Concept/ Development Plan shall control.

PROPOSED USES

Single Family (306.36 Acres)

Approximately 234.73 acres are proposed as single family detached uses, and approximately 71.63 acres are proposed to be used for park, open space, detention or retention areas and amenity areas.

CONCEPT PLAN/ DEVELOPMENT PLAN

A conceptual site plan/development plan for the Property is attached as Exhibit "B" ("Concept Plan/ Development Plan") and all development shall generally conform to the Concept Plan/ Development Plan, except as may be modified as provided herein. The Concept Plan/ Development Plan shall satisfy all requirements under the Zoning Ordinance to submit/ approve both a conceptual plan and a development plan for this PD and no further development plan or approvals by the Planning and Zoning Commission or City Council with respect to a concept plan or development plan shall be required.

Changes of detail or amendments to the Concept Plan/ Development Plan, Preliminary Open Space Concept Plan, or any other exhibits attached hereto may be authorized by the Development Services Director or his/her designated representative (the "Development Services Director") so long as such changes or amendments: do not alter the basic relationship of the proposed development to adjacent property and which do not alter the uses permitted, increase the density above 1,100 dwelling units, increase building height above 35 feet, or increase lot coverage for any residential lot above 65% and which do not decrease the required off street parking ratio, or reduce the minimum yards required pursuant to Section I of the Development Standards (below). The applicant may appeal the decision to deny an amendment to the Concept Plan/ Development Plan or any other exhibits attached hereto to the City's Planning and Zoning Commission and City Council. For any amendments that are not authorized to be approved by the Development Services Director herein or in the Zoning Ordinance (or by the Building Official in the Zoning Ordinance), the applicant may apply for an amendment through the same process as a zoning amendment.

The Property may be developed in phases. The property owner or developer may designate the phases in its sole discretion as long as the Amenity Area (defined herein) is included with the first phase developed.

COMMUNITY FEATURES

The hardscape within the community shall include entry monuments, screening walls and community signage constructed of brick or stone. Signs shall not be within the sight visibility triangles.

A mandatory homeowners association shall be established to own and maintain the private open spaces, common areas and greenbelts that are accessible to all residents; landscape improvements within common areas; fencing along the perimeter of the Property or along any open space or common areas; entry monuments and signage. The homeowners' association shall maintain any on-street parking spaces within a street right-of-way and any parking spaces located within a common area lot. Private trails and sidewalks shall be constructed within a pedestrian access easement or within the right-of-way and owned and maintained by the HOA. The Parkland (defined below) will be maintained by the City of Sanger.

DEVELOPMENT STANDARDS

I. **Lot Sizes, Setbacks, etc. for Single Family Detached**. Except as otherwise provided below, detached single family residences shall comply with Section 53, "R-1" RESIDENTIAL DISTRICT -1 of the Zoning Ordinance, subject to the following changes:

A. Minimum Lot Width, Depth, and Size.

The Estate Lots (min. 60' X 115'):

The minimum lot width shall be 60 feet. The minimum lot depth shall be 115 feet. The minimum lot area shall be 6,900 square feet. "Estate Lots" shall be considered any residential lots that are 60 feet in width or greater.

The Manor Lots (min. 50' X 115'):

The minimum lot width shall be 50 feet. The minimum lot depth shall be 115 feet. The minimum lot area shall be 5,750 square feet. "Manor Lots" shall be considered any residential lots that are less than 60 feet in width.

B. Minimum House Size.

The Estate Lots:

The minimum air-conditioned area within each residence shall be 2,000 square feet, except up to 25% of the total number of Estate Lots within the overall Property may be less than 2,000 square feet, but must be at least 1,800 square feet.

The Manor Lots:

The minimum air-conditioned area within each residence shall be 1,800 square feet, except up to 25% of the total number of Manor Lots within the overall Property may be less than 1,800 square feet, but must be at least 1,600 square feet.

C. Maximum Density.

The maximum number of dwelling units that may be developed within the Property is 1,100 dwelling units, which may be a mix of Estate Lots and Manor Lots. Notwithstanding the proposed locations of lots and lot types as shown on the Concept Plan/ Development Plan, the developer may change the location of lots and/or lot types (i.e., Estate Lots and Manor Lots) and relocate lots/ lot types and such amendments to the Concept Plan/ Development Plan will be approved by the Development Services Director so long as: (i) the total number of dwelling units located on the Property is not more than 1,100 dwelling units; (ii) the total number of Estate Lots located on the Property (i.e., the entirety of the Property, not per phase) is not less than 300 lots; and (iii) the total number of Manor Lots located on the Property (i.e., the entirety of the Property, not per phase) is not more than 750 lots.

D. Maximum Height.

The maximum building height shall be 2 stories, up to 35 feet.

E. Front Yard Setback.

The minimum front yard building setback shall be twenty feet (20'). Front porches and architectural features such as stoops, overhangs, courtyard walls, masonry chimneys and bay windows may extend into the front yard a maximum of five feet (5').

F. Side Yard Setback.

The minimum side yard building setback shall be five feet (5') on each interior side. A side yard adjacent to a street on a corner lot shall have a minimum ten-foot (10') side yard building setback.

G. Rear Yard Setback.

The minimum rear yard building setback shall be twenty feet (20') from the rear facade of the residence (excluding porches and projecting architectural features) to the rear lot line. Covered porches and architectural features such as stoops, overhangs, courtyard walls, masonry chimneys and bay windows may extend into the rear yard a maximum of five feet (5'). Uncovered porches may extend into the rear yard beyond the five feet (5') maximum.

H. Maximum Lot Coverage.

The maximum lot coverage will be 65% for any residential lot. Lot coverage is the percentage of the total area of a lot occupied by the base (first story of floor) of buildings located on the lot or the area determined as the maximum cross-sectional area of the building.

I. Garages.

An enclosed parking area of at least four hundred (400) square feet shall be provided for a garage (this does not count towards the minimum house size). The face of a garage door must be located at least 20 feet from the street right-of-way line that the garage door faces. The garage door does not have to be behind the street facing façade of the house, but may not extend more than 10 feet beyond the front façade of the house. Split garage doors with a separate door for each vehicle bay are not required.

J. Misc.

All residential dwellings may be front entry.

K. Design Elements.

Except as provided herein or elsewhere in this PD Ordinance, all residential dwellings will meet the City of Sanger Exterior Façade Design Criteria Manual as adopted on October 7, 2019 (the "Design Manual"). In the event of a conflict between this PD Ordinance (including any provisions herein) and the Design Manual, this PD Ordinance shall control.

1. Except as provided herein, all single family residential dwelling units shall have attached garages with the garage door not occupying more than 40% of the total building frontage. This 40% measurement does not apply to (i) garages facing an alley or courtyard entrance; or (ii) 3-car garage homes. Any garage facing a public street may extend beyond the house front, subject to Article I.I. above.

2. All walls, except gabled roof areas, which face a street other than an alley must contain at least 25% of the wall space in windows and doors. Windows and doors on a garage may count towards the 25% requirement.

3. The Home Variety requirements in Article VIII herein apply in lieu of the home repetition requirements in Number 7 under Single-Family and Duplex Development of the Design Manual. The home repetition requirements in Number 7 under Single-Family and Duplex Development of the Design Manual are not applicable.

II. **General Conditions**.

A. For the purposes of determining compliance with the lot width requirements, lot widths shall be measured at the rear of the required front yard setback as shown on the Final Plats. An example of this measurement is shown in Figure 1 below.

Figure 1.

[insert figure]

B. Sidewalks may be located outside of the public right-of-way if located within an adjacent open space lot or common area lot with a pedestrian access easement to provide for meandering sidewalks and trails that may be located within adjacent common area lots or open space lots or to preserve existing trees along perimeter roads. Any such sidewalks shall be a minimum of four feet in width.

III. **Residential Single Family Detached Landscape Requirements**. Except as otherwise provided below, landscape requirements shall comply with Section 48, Landscape Regulations of the Zoning Ordinance, subject to the following changes:

The following requirements apply to single family residential development:

A. Each single-family residence shall have an irrigation system in the front yard and street corner side yard with a freeze sensor regulator shut off.

B. Each residential lot shall have a minimum of one (1) large tree with a minimum caliper of three (3) inches measured at a height of six (6) inches above the ground planted in the front yard. The required large tree shall be selected from the list of large shade tree species included with Exhibit "C" (the "Approved Tree List"), unless otherwise approved by the Development Services Director.

C. In addition to the large tree required per Section III.B. above, each residential lot shall have at least one (1) ornamental tree with a minimum caliper of two (2) inches measured at a height of six inches above the ground to be placed at the preference of the owner, builder or developer within the residential lot. The required ornamental tree shall be selected from the Approved Tree List, unless otherwise approved by the Development Services Director. If the lot fronts or sides onto a common area lot or open space lot, the ornamental tree requirement may be satisfied by at least one ornamental tree being planted in the adjacent greenspace.

D. No other front yard, side yard, or rear yard tree planting requirement shall apply.

E. The Development Services Director may approve other trees to be planted as required trees in addition to the trees in the Approved Tree List.

F. Each residential lot shall have a minimum of ten (10) shrubs placed in the front yard. Individual shrubs shall be a minimum of three (3) gallons in size when planted.

IV. **Parkland/Trails/Open Space**

A. Parkland. Developer, and its assigns, agree to dedicate approximately 21.14 acres in the aggregate within the Property for parkland (the "Parkland") to the City of Sanger. The general location(s) of the areas for Parkland dedication are shown on Exhibit "D" attached hereto as "parkland dedication areas"; however, the areas/boundaries for Parkland dedication may shift from what is shown on Exhibit "D" through further site design so long as at least 21.14 acres are dedicated in the aggregate. The Parkland may be dedicated in phases or portions (i.e., the total Parkland area is not required to be dedicated at the same time). The Parkland (or portion thereof) is required to be dedicated prior to the issuance of the 200th certificate of occupancy in the phase in which the respective portion(s) of the Parkland is located within. The developer or property owner may designate the phases of the development. The Parkland dedication shall fully satisfy the Park Land Dedication requirement in Section 15.504 of the Zoning Ordinance (i.e., no further Park Land Dedication or fee in lieu thereof will be required for the development of the Property). Prior to dedication of the applicable portion of the Parkland, subject to Section IV.B(1) herein, the developer or property owner shall construct trails within the Parkland area as generally shown on Exhibit "E", except when located in an area construction will be crossing (in which case such portions will be completed prior to the issuance of the last certificate of occupancy in the phase in which the respective portion(s) of the trails are located within). The trails are not strictly bound to the locations shown on Exhibit "E" and may be modified with the final design so long as the trails comply with the requirements herein. By way of clarification, only the portion of the trail within the area of Parkland being dedicated is required to be constructed prior to the dedication. Other than the aforementioned trails, the developer or property owner shall not be required to make any improvements to the Parkland area.

B. Pedestrian Connectivity.

1. Open spaces/ park areas shall be connected with sidewalks, trails or pedestrian pathways to be a comprehensive pedestrian system that affords connectivity to the entire community as generally shown on Exhibit "E" attached hereto. The trails and sidewalks are not strictly bound to the locations shown on Exhibit "E" and may be modified with the final design so long as the trails and sidewalks comply with the requirements herein. In the event of a conflict between the text of these PD development standards and Exhibit "E", the text of these PD development standards controls.

2. The pedestrian circulation system shall include trails that are a minimum of six feet in width. Trails in open space areas and within the Parkland area shall be constructed of concrete. The pedestrian circulation system may be located on private property with a pedestrian access easement or within the right-of-way. Along trails, the pedestrian circulation system shall include items such as benches, landscaping, signage, bike racks, and doggie waste stations. A minimum of five (5) benches, two (2) bike racks and five (5) doggie waste stations shall be provided within the entirety of the Property (i.e., once all trails within the Property have been completed). Any trails, sidewalks (other than those fronting upon the front or corner side of a residential lot), or pedestrian pathways within open space area, greenbelts, detention/retention areas, or common areas may be completed in phases (corresponding with the respective phases of development) and shall be completed prior to the issuance of the 200th certificate of occupancy in the phase in which the respective portion(s) of the trails, sidewalks or pedestrian pathways are located within, except when located in an area construction will be crossing (in which case such portions will be completed prior to the issuance of the last certificate of occupancy in the phase in which the respective portion(s) of the trails, sidewalks or pedestrian pathways are located within).

3. Except as provided in Section II.B. herein, all interior residential street rights-of-way abutting residential lots shall be improved with sidewalks that are a minimum of four feet in width and constructed by the homebuilders at the time of adjacent house construction. Any sidewalks within interior residential street rights-of-way abutting open space and common area lots shall be a minimum of four feet in width. All sidewalks along Collector and Arterial Road frontages are to be five feet in width.

C. Open Space and Amenities.

1. Open space shall be provided generally in the areas shown as "open space" on Exhibit "F" (the Preliminary Open Space Concept Plan"). The open space is not required to conform exactly to the boundaries as shown on Exhibit "F", so long as the areas are generally consistent. Detention and retention may be provided in open space areas.

2. Developer, and its assigns, agree to install the following amenities, which may be installed in open space areas or common areas ("Required Amenities"):

    1. A resident amenity area that includes a swimming pool, at least one shade structure, seating areas, a parking lot, and restroom facilities ("Amenity Area").

    2. A playground area with commercial grade playground equipment.

3. The exact number and location of the Required Amenities may change during the final design process.

4. The Required Amenities may be completed in phases (corresponding with the respective phases of development) and shall be completed prior to the issuance of the 200th certificate of occupancy in the phase in which the respective amenity is located within.

D. The open space, trails, and park requirements in this section shall be the exclusive open space, trails, and park requirements that apply to the development of the Property.

V. Fencing Requirements

A. Screening walls and fence requirements shall be as described in this section and in accordance with the Screening and Fencing Plan attached as Exhibit "G". The screening walls and fence requirements in this section and Exhibit "G" shall apply in lieu of any fencing or screening requirements in the Zoning Ordinance or Design Manual and shall be the exclusive screening and fencing requirements that apply to the development of the Property. In the event of a conflict between the text of these PD standards and Exhibit "G", the text of these PD standards shall control.

B. Developer shall install a perimeter brick or stone screening wall along Belz Road and Metz Road at least 6 feet in height. Floodplain, parks, and open spaces shall be exempt from the screening requirements in this section; however, fencing may be installed in these areas at the developer's option.

C. Side yard and back yard fencing on residential lots installed by the developer or homebuilder shall be a maximum of six feet in height and shall be setback a minimum of five feet from the street right-of-way.

VI. Street Typology

A. All streets and curbs will be designed to City standards unless otherwise approved by the City's engineering department.

B. Streets adjacent to common area lots or residential lots may provide for on-street parking.

C. Developer shall work with City to determine the location and number of stop signs within the subdivision and speed limits to facilitate traffic calming and maximum the benefit from the pedestrian system.

VII. Utilities and Equipment

A. Electrical and gas utility meters and AC condensers should be unobtrusively located beyond the front or side street building facade and screened from view from adjacent streets or common open spaces with landscaping or appropriate fencing. Electric meters shall be located not more than 15 feet from the front façade on the side of the house nearest the accessible power source.

B. Satellite dishes, and solar panels should be located in less conspicuous locations and out of view from adjacent streets or common open spaces when possible.

C. Antennas should be located inside the building when possible.

VIII. **Home Variety**

A. In order to avoid monotonous block patterns the same combination (i) house plan, plus (ii) elevation shall not be repeated within three (3) lots on the same side of the street nor within three (3) lots on opposite sides of a street, as illustrated in Exhibit "H". Homes are considered to have a differing appearance/elevation if at least two of the following items deviate: (1) number of stories; (2) material color; (3) roof type and layout; (4) articulation of the front façade; (5) stone or brick accents (as described in the Design Manual); or (6) at least two architectural elements that differentiate the facade, which may include, but are not limited to: (a) Porch (protruding, recessed, or no porch); (b) Decorative door or window frames; (c) Bay window; (d) Dormers; (e) Balcony (full size or Juliette); or (f) Wing wall. This list is not exhaustive and other items may differentiate building elevations.

Exhibit "A"

Metes and Bounds Description of the Property

TRACT 1

Being a 246.36 acre tract of land out of the H. Tierwester Survey, Abstract No. 1241, situated in the City of Sanger, Denton County, Texas, being all of a called 246.024 acre tract of land conveyed to PAC Group, Ltd. by deed of record in Document Number 2004-150424 of the Official Records of Denton County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod found within Belz Road, being the southwest corner of a called 91.822 acre tract of land conveyed to Ron Williamson Consultants, Ltd. by deed of record in Volume 2040, Page 78 of the Real Property Records of Denton County, Texas, and being the southeast corner of said 246.024 acre tract;

THENCE, N88°25'43"W, along Belz Road and the common south line of said 246.024 acre tract, a distance of 2,536.15 feet to a 1/2 inch iron rod found at the intersection of Belz Road and Metz Road, being the southwest corner of said 246.024 acre tract;

THENCE, N00°47'46"E, along Metz Road and the common west line of said 246.024 acre tract, a distance of 1,891.40 feet to a 1/2 inch iron rod found at the southwest corner of a called 10.00 acre tract of land conveyed to Geromino Polanco Jr. and Rosemarie Polanco by deed of record in Document Number 2015-127213 of said Official Records, being an exterior ell corner of said 246.024 acre tract;

THENCE, S89°04'37"E, leaving Metz Road, along the south line of said 10.00 acre tract and the common interior north line of said 246.024 acre tract, a distance of 1,571.10 feet to a 1/2 inch iron rod with green plastic cap stamped "EAGLE SURVEYING" set at the southeast corner of said 10.00 acre tract, being an interior ell corner of said 246.024 acre tract;

THENCE, N00°40'58"E, along the interior west line of said 246.024 acre tract, in part being the common east line of said 10.00 acre tract, and in part being the common east line of a tract of land conveyed to Daniel Johnson by deed of record in Document Number 2019-95739 of said Official Records, passing at a distance of 277.85 feet a 5/8 inch iron rod found at the northeast corner of said 10.00 acre tract, being the southeast corner of said Johnson tract, and continuing a total distance of 554.99 feet to a 5/8 inch iron rod found at the northeast corner of said Johnson tract, being an interior ell corner of said 246.024 acre tract;

THENCE, N89°04'37"W, along the north line of said Johnson tract and the common interior south line of said 246.024 acre tract, a distance of 1,570.00 feet to a 1/2 inch iron rod found within Metz Road, being the northwest corner of said Johnson tract, and being an exterior ell corner of said 246.024 acre tract;

THENCE, N00°49'48"E, along Metz Road and the common west line of said 246.024 acre tract, a distance of 2,103.65 feet to a mag nail found at the southwest corner of a called 37.329 acre

tract of land conveyed to Mango Estates, LLC by deed of record in Document Number 2021-142267 of said Official Records, being the northwest corner of said 246.024 acre tract;

THENCE, leaving Metz Road, along the north line of said 246.024 acre tract, in part being the common south line of said 37.329 acre tract, and in part being the common south line of a called 79.719 acre tract of land conveyed to DAGR-1031, LLC by deed of record in Document Number 2022-47123 of said Official Records, the following two (2) courses and distances:

1. S89°56'29"E, a distance of 1,269.67 feet to a 1/2 inch iron rod with illegible yellow plastic cap found at the southeast corner of said 37.329 acre tract, being the southwest corner of said 79.719 acre tract;
2. S89°42'11"E, a distance of 1,253.13 feet to a 1 inch iron pipe found at the base of a 5 inch wood fence post in the west line of a called 103.99 acre tract of land conveyed to Sanger Ranch, Ltd. by deed of record in Volume 4330, Page 1874 of said Real Property Records, being the southeast corner of said 79.719 acre tract, and being the northeast corner of said 246.024 acre tract;

THENCE, along the east line of said 246.024 acre tract, in part being the common west line of said 103.99 acre tract, in part being the common west line of a called 83.720 acre tract of land conveyed to Sanger Ranch, Ltd. by deed of record in Volume 4269, Page 1243 of said Real Property Records, and in part being the common west line of said 91.822 acre tract, the following three (3) courses and distances:

1. S00°34'14"W, a distance of 1,187.16 feet to a 1/2 inch iron rod found at the southwest corner of said 103.99 acre tract, being the northwest corner of said 83.720 acre tract;
2. S00°29'54"W, a distance of 1,579.00 feet to a 5 inch wood fence post found at the southwest corner of said 83.720 acre tract, being the northwest corner of said 91.822 acre tract;
3. S00°49'22"W, a distance of 1,845.48 feet to the **POINT OF BEGINNING**, and containing an area of 246.36 acres (10,731,314 square feet) of land.

TRACT 2

Being a 60.00 acre tract of land out of the H. Tierwester Survey, Abstract No. 1241, situated in the City of Sanger, Denton County, Texas, being a portion of a called 91.822 acre tract of land conveyed to Ron Williamson Consultants, Ltd. by deed of record in Volume 2040, Page 78 of the Real Property Records of Denton County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod found within Belz Road, being the southeast corner of a called 246.024 acre tract of land conveyed to PAC Group, Ltd. by deed of record in Document Number 2004-150424 of the Official Records of Denton County, Texas, and being the southwest corner of said 91.822 acre tract;

THENCE, N00°49'22"E, leaving Belz Road, along the east line of said 246.024 acre tract, being the common west line of said 91.822 acre tract, a distance of 1,845.48 feet to a 5 inch wood

fence post found at the southwest corner of a called 83.720 acre tract of land conveyed to Sanger Ranch, Ltd. by deed of record in Volume 4269, Page 1243 of said Real Property Records, being the northwest corner of said 91.822 acre tract;

THENCE, S89°33'38"E, leaving the east line of said 246.024 acre tract, along the south line of said 83.720 acre tract, being the common north line of said 91.822 acre tract, a distance of 1,408.32 feet to a 1/2 inch iron rod with green plastic cap stamped "EAGLE SURVEYING" set, from which a 1/2 inch iron rod with pink plastic cap stamped "TEXAS DEPARTMENT OF TRANSPORTION RIGHT OF WAY MONUMENT" found in the west right-of-way line of Interstate Highway 35 bears S89°33'38"E, a distance of 773.00 feet;

THENCE, S00°49'22"W, leaving the south line of said 83.720 acre tract, over and across said 91.822 acre tract, a distance of 1,866.26 feet to a mag nail set within Belz Road and the common south line of said 91.822 acre tract, from which a mag nail found in the west right-of-way line of Interstate Highway 35 bears S88°42'54"E, a distance of 305.84 feet;

THENCE, N88°42'54"W, along Belz Road and the common south line of said 91.822 acre tract, a distance of 1,408.34 feet to the **POINT OF BEGINNING**, and containing an area of 60.00 acres (2,613,600 square feet) of land.

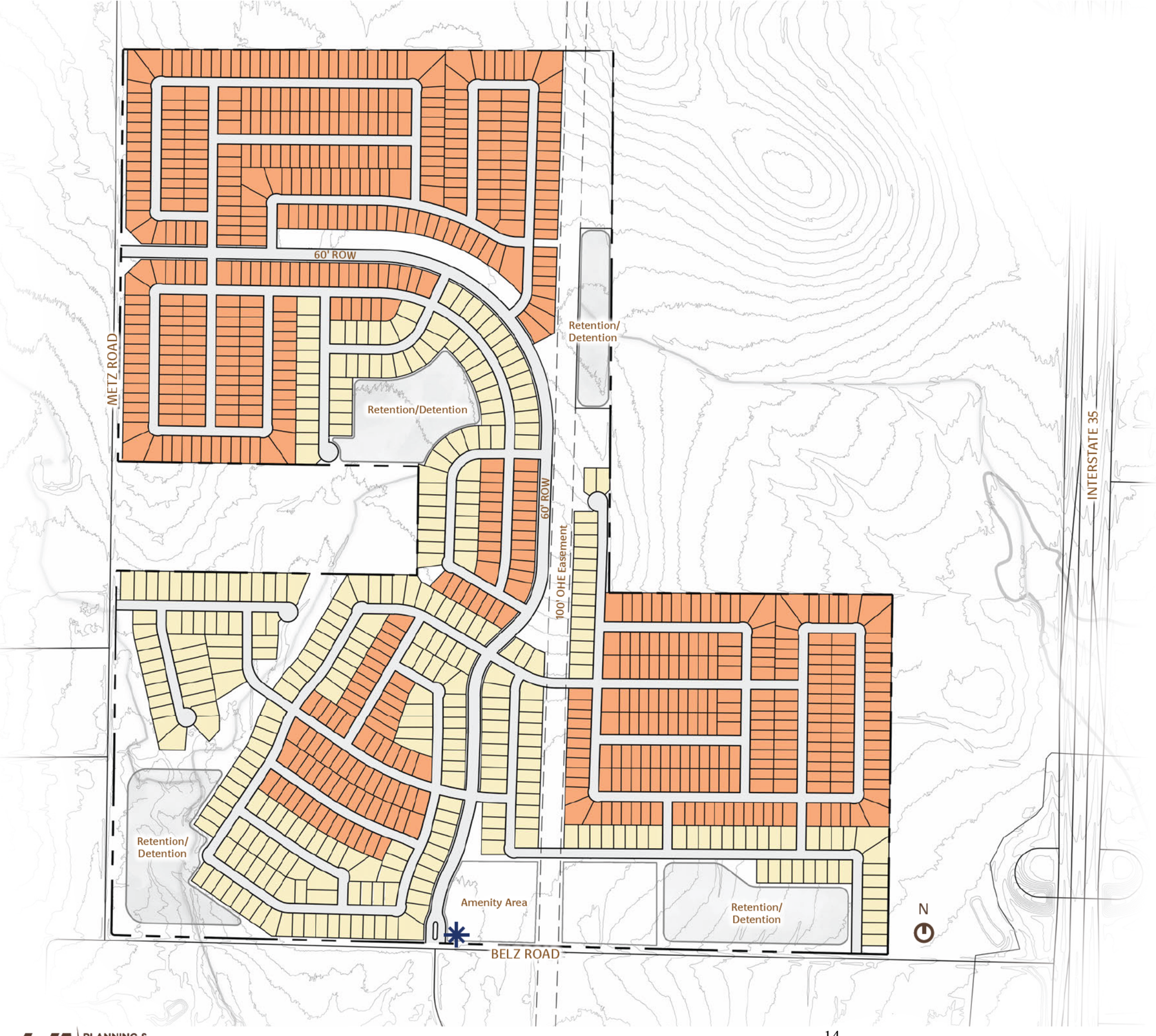
Exhibit "B"

Concept Plan/ Development Plan

(see attached)

EXHIBIT "B"

CONCEPT PLAN/DEVELOPMENT PLAN



LEGEND

- 50' x 115' – 716 Lots (67.7%)
- 60' x 115' – 341 Lots (32.3%)

TOTAL LOT COUNT – 1057 Lots

Main Entry Monument

Exhibit "C"

Approved Tree List

EXHIBIT "C"
APPROVED PLANT LIST

APPROVED TREE LIST					
LARGE SHADE TREES > 35' HEIGHT					
Common Name	Botanical Name	Size	Cal.	Height	Spread
Live Oak	*Quercus virginiana*	65 gal.	3"	13'	6'
Cedar Elm	*Ulmus crassifolia*	65 gal.	3"	13'	6'
Shumard Red Oak	*Quercus shumardii*	65 gal.	3"	13'	6'
Chinquapin Oak	*Quercus muehlenbergii*	65 gal.	3"	13'	6'
Bur Oak	*Quercus macrocarpa*	65 gal.	3"	13'	6'
Post Oak	*Quercus stellata*	65 gal.	3"	13'	6'
Princeton Elm	*Ulmus crassifolia 'Princeton'*	65 gal.	3"	13'	6'
Mexican Sycamore	*Plantanus mexicana*	65 gal.	3"	13'	6'
Urbanite Ash	*Fraxinus peninsylvania "Urbanite"*	65 gal.	3"	13'	6'
Southern Magnolia	*Magnolia grandiflora*	65 gal.	3"	13'	6'
Thornless Honey Locust	*Gleditsia triacanthos inermis*	65 gal.	3"	13'	6'
Pecan	*Carya illinoinensis*	65 gal.	3"	13'	6'
ORNAMENTAL TREES					
Common Name	Botanical Name	Size	Cal.	Height	Spread
Mexican Plum	*Prunus mexicana*	30 gal.	2"	7'	3'
Desert Willow	*Chiopsis linearis*	30 gal.	2"	10'	5'
Vitex	*Vitex agnus-castus*	30 gal.	2" multi.	6'	4'
Redbud	*Cercis canadensis*	30 gal.	2"	7'	4'
Eve's Necklace	*Sophora affinis*	30 gal.	2" multi.	8'	4'
American Smoke Tree	*Cotinus obovatus*	30 gal.	2"	10'	5'
Possumhaw Holly	*Ilex decidua 'Warren's Red'*	30 gal.	2" multi.	6'	4'
Tree Yaupon Holly	*Ilex vomitoria*	30 gal.	2" multi.	6'	4'
Crape Myrtle	*Lagerstroemia indica*	30 gal.	2" multi.	8'	4'
Eagleston Holly	*Ilex x attenuata*	30 gal.	2"	7'	3'

SHRUBS 36"-72" HEIGHT					
Common Name	Botanical Name	Size	Cal.	Height	Spread
Abelia spp.	*Abelia* spp.	5 gal.		18"	18"
Dwarf Yaupon Holly	*Ilex vomitoria 'Nana'*	5 gal.		18"	18"
Texas Sage	*Leucophyllum frutescens spp.*	5 gal.		18"	18"
Rio Bravo Sage	*Leucophyllum langmaniae*	5 gal.		18"	18"
Dwarf Wax Myrtle	*Myrica cerifera pumila*	5 gal.		18"	18"
Coralberry	*Symphoricarpos orbiculatus*	5 gal.		18"	18"
Seagreen Juniper	*Juniperus chinensis 'Sea Green'*	5 gal.		18"	18"
Sunshine Ligustrum	*Ligustrum sinense '* Sunshine'	5 gal.		18"	18"
Dwarf Burford Holly	*Ilex cornuta '* Dwarf Burford*'*	5 gal.		18"	18"
Flame Acanthus	*Anisacanthus quadrifidus var. wrightii*	5 gal.		18"	18"

Notes:

1. The size specifications listed are the minimum requirements for the plant material at the time of planting.
2. Please refer to the PD and the City of Sanger Landscape Ordinance for additional requirements.

Exhibit "D"

Parkland Dedication Area

(see attached)

EXHIBIT "D"

PARKLAND DEDICATION AREA

LEGEND

Parkland Dedication Area

Required	Provided
21.14 Acres	21.14 Acres

Exhibit "E"

Pedestrian Connectivity

(see attached)

EXHIBIT "E"

PEDESTRIAN CONNECTIVITY

LEGEND

6' Concrete Trail*

Notes:

1. Trail within Overhead Powerline Easement pending approval by transmission services.

Exhibit "F"

Preliminary Open Space Concept Plan

(see attached)

EXHIBIT "F"

PRELIMINARY OPEN SPACE CONCEPT PLAN

LEGEND

- Open Space
- 1 Amenity Area
- 2 Future Public Park to Be Built by City *(Land within Parkland Dedication Area)*
- 3 Retention/ Detention Area

PROPOSED USES:

179.99 Acres – Single Family Detached Uses
71.63 Acres – Open Space, Detention or Retention Areas, and Amenity Areas

Notes:

1. These areas are approximate based on the preliminary concept plan.
2. Open Space includes areas that are improved for site, grading, and storm water purposes and unimproved areas. Open Spaces will be restored as required to meet SWPPP standards and may not include trees, shrubs, or other landscape improvements including sod or irrigation.

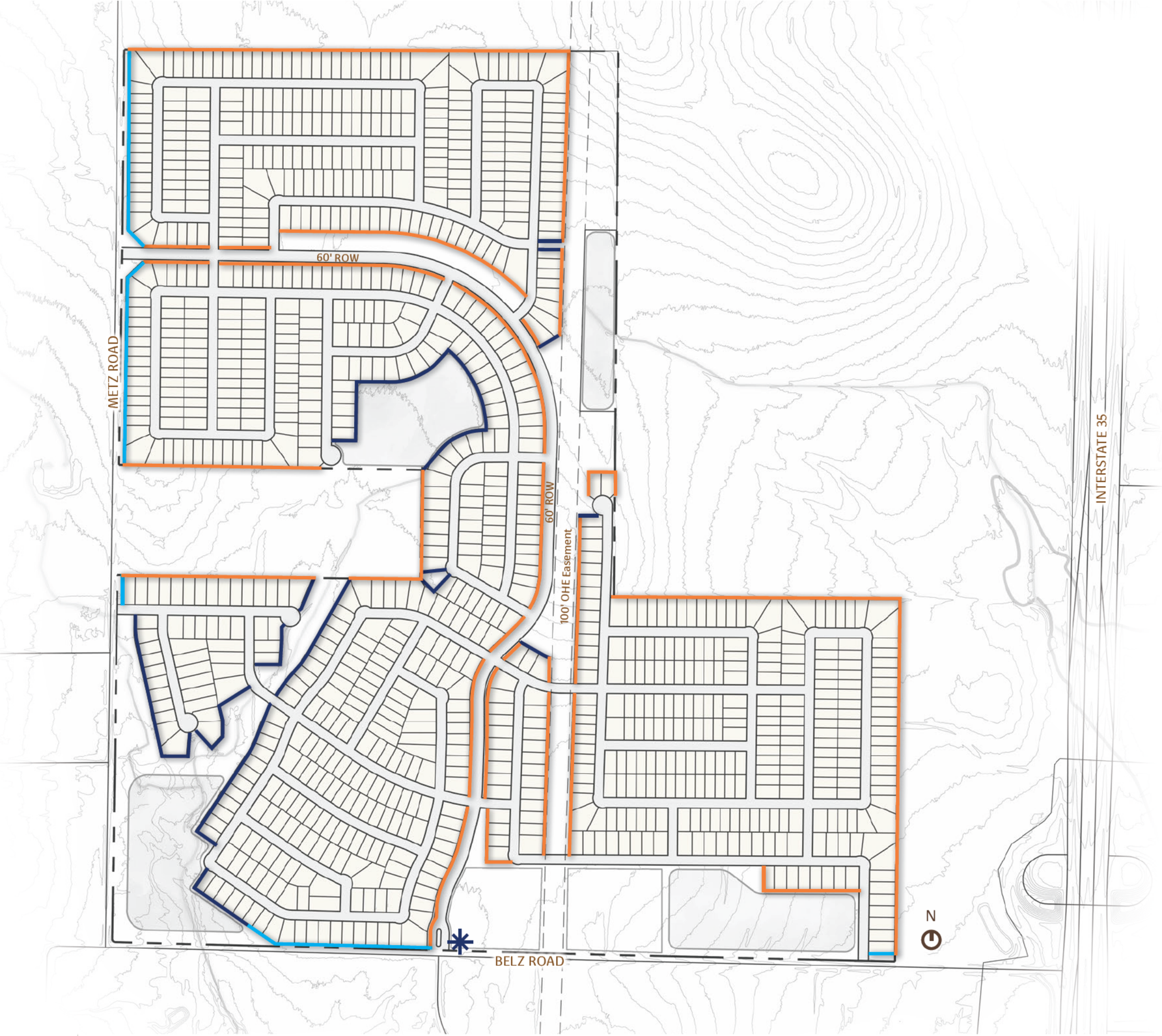
Exhibit "G"

Screening and Fencing Plan

(see attached)

EXHIBIT "G"

SCREENING & FENCING PLAN



LEGEND

- 6' Brick Thinwall
- 6' Wood Fence
- 6' Ornamental Metal Fence
- Main Entry Monument

Exhibit "H"

Home Variety Exhibit

(see attached)

NOTES:
1. SAME COMBINATION OF PLAN AND ELEVATION MAY NOT BE REPEATED WITHIN 3 LOTS ON THE SAME SIDE OF THE STREET NOR WITHIN 3 LOTS ON THE OPPOSITE SIDE OF THE STREET AS SHOWN.
2. PLAN TYPES: 1, 2, 3, 4, 5 ← TOTAL COMBINATIONS = 25 (MIN)
3. ELEVATION STYLES: A, B, C, D, E

EXHIBIT "H"

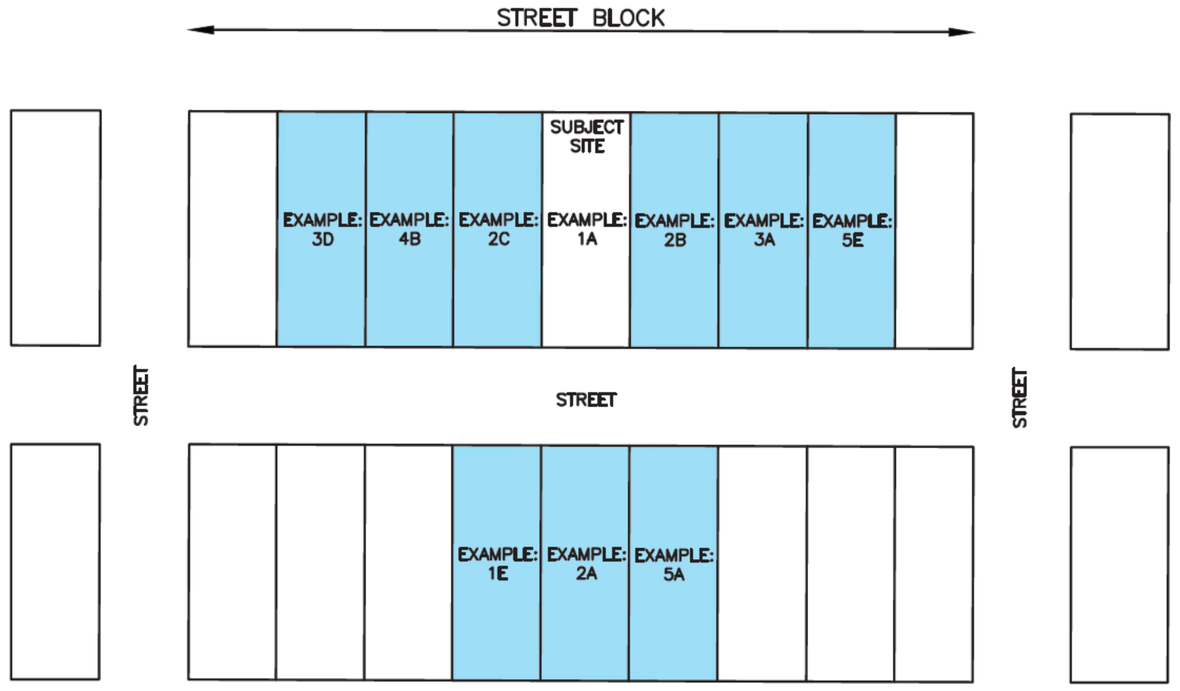
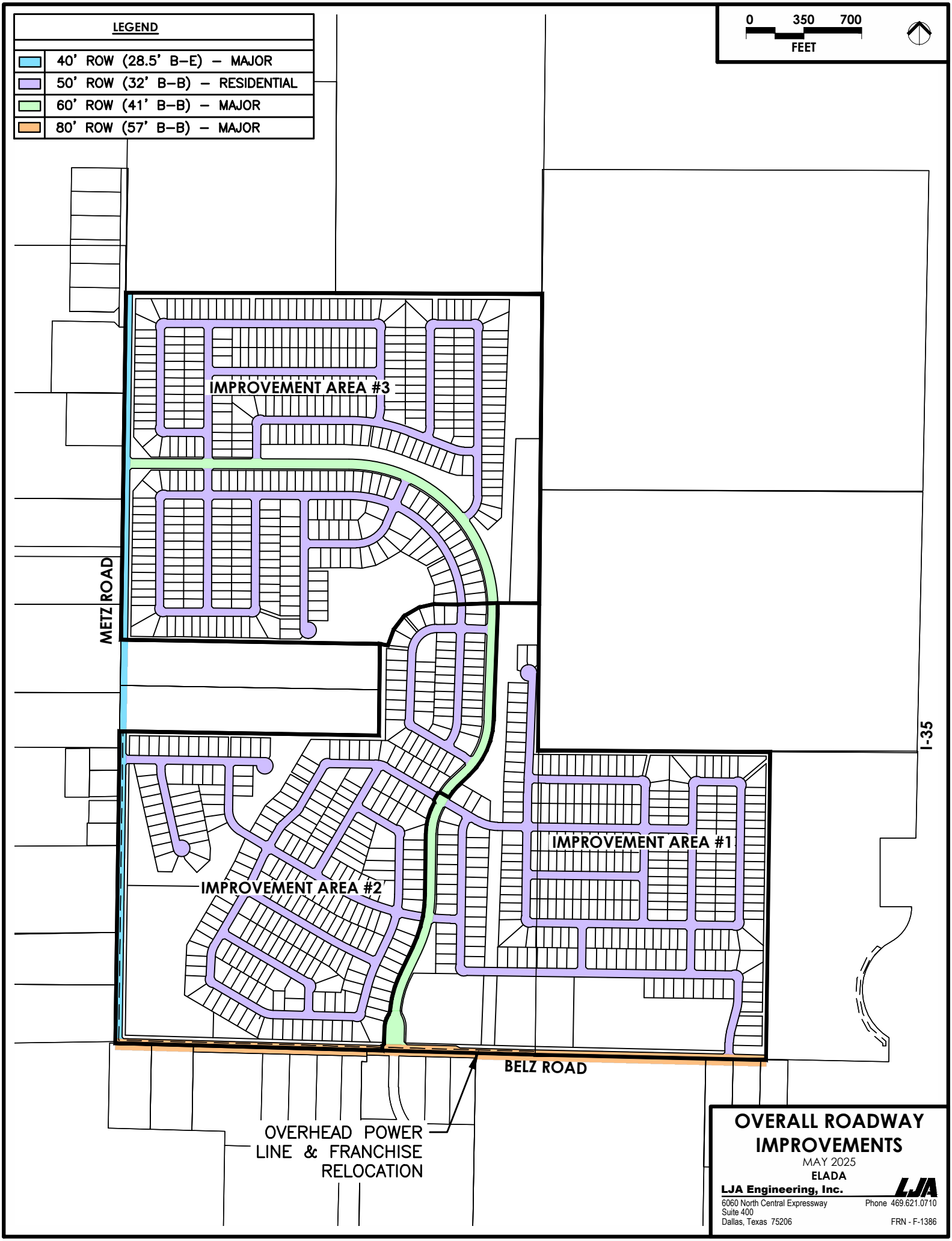


EXHIBIT C
ROADWAY IMPROVEMENTS

[SEE ATTACHED]



OVERALL ROADWAY IMPROVEMENTS

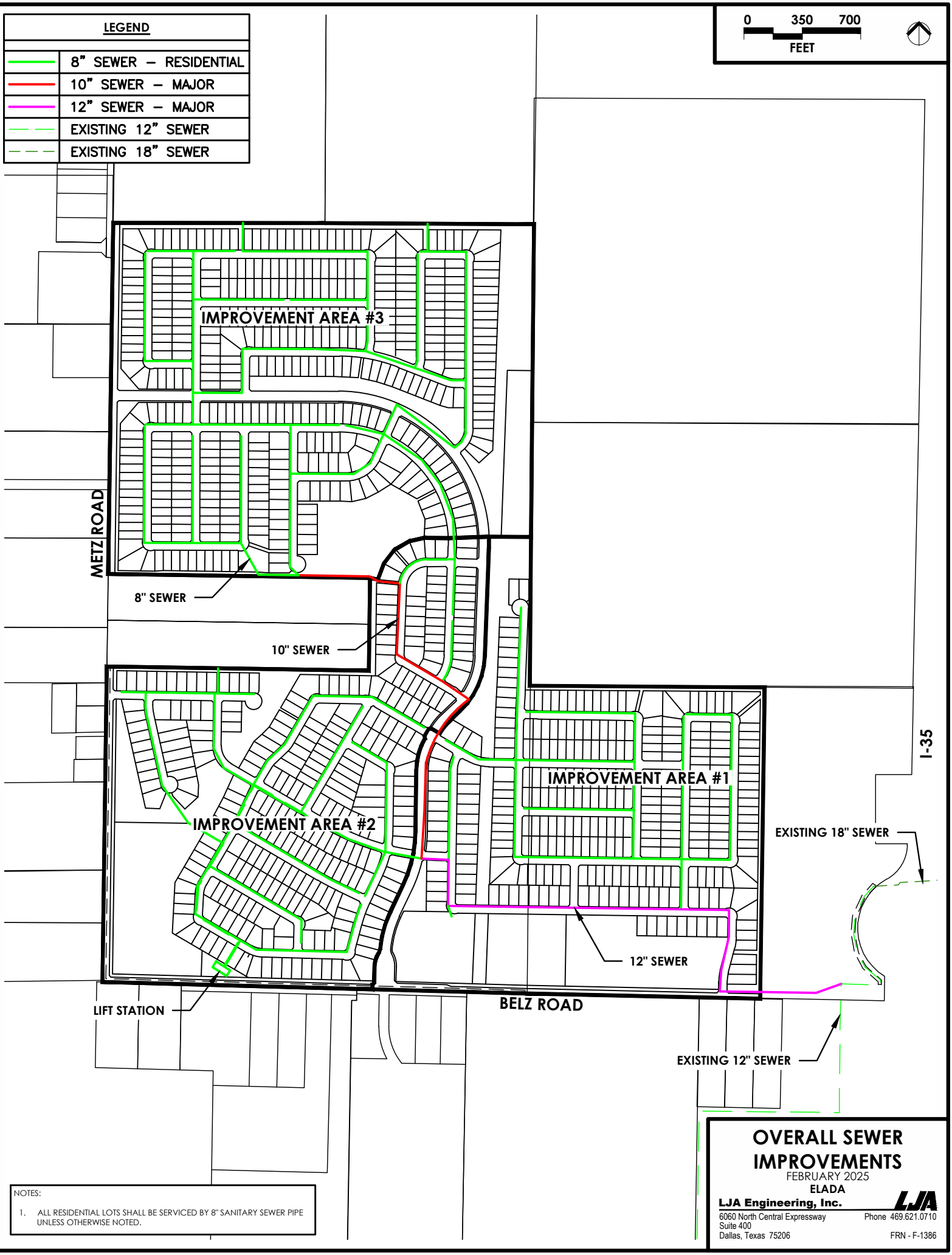
MAY 2025

ELADA

LJA Engineering, Inc.
6060 North Central Expressway
Suite 400
Dallas, Texas 75206
Phone 469.621.0710
FRN - F-1386

EXHIBIT D
WASTEWATER IMPROVEMENTS

[SEE ATTACHED]



NOTES:

1. ALL RESIDENTIAL LOTS SHALL BE SERVICED BY 8" SANITARY SEWER PIPE UNLESS OTHERWISE NOTED.

OVERALL SEWER IMPROVEMENTS

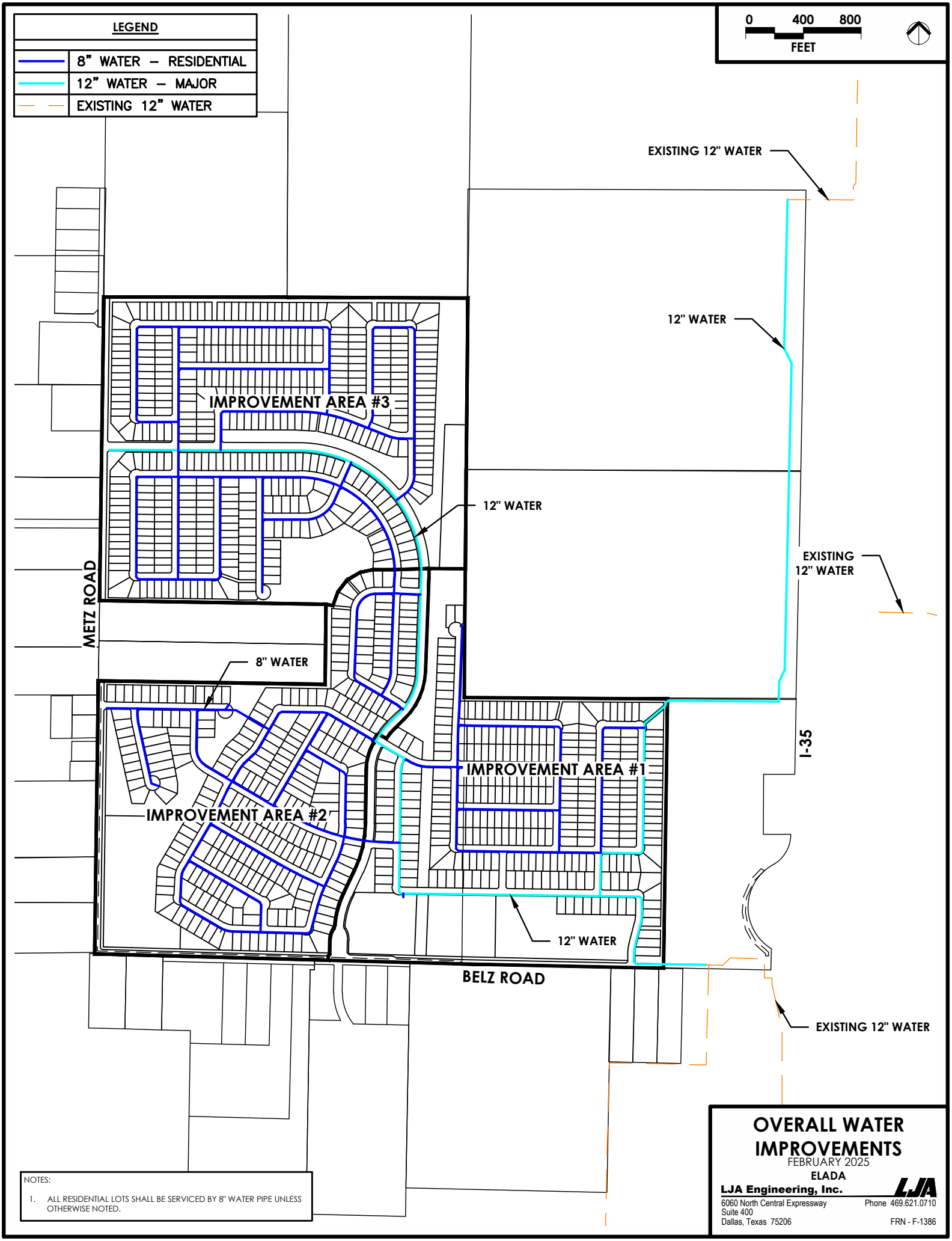
FEBRUARY 2025

ELADA

LJA Engineering, Inc.
6060 North Central Expressway
Suite 400
Dallas, Texas 75206
Phone 469.621.0710
FRN - F-1386

EXHIBIT E
WATER IMPROVEMENTS

[SEE ATTACHED]



NOTES:

1. ALL RESIDENTIAL LOTS SHALL BE SERVICED BY 8" WATER PIPE UNLESS OTHERWISE NOTED.

OVERALL WATER IMPROVEMENTS

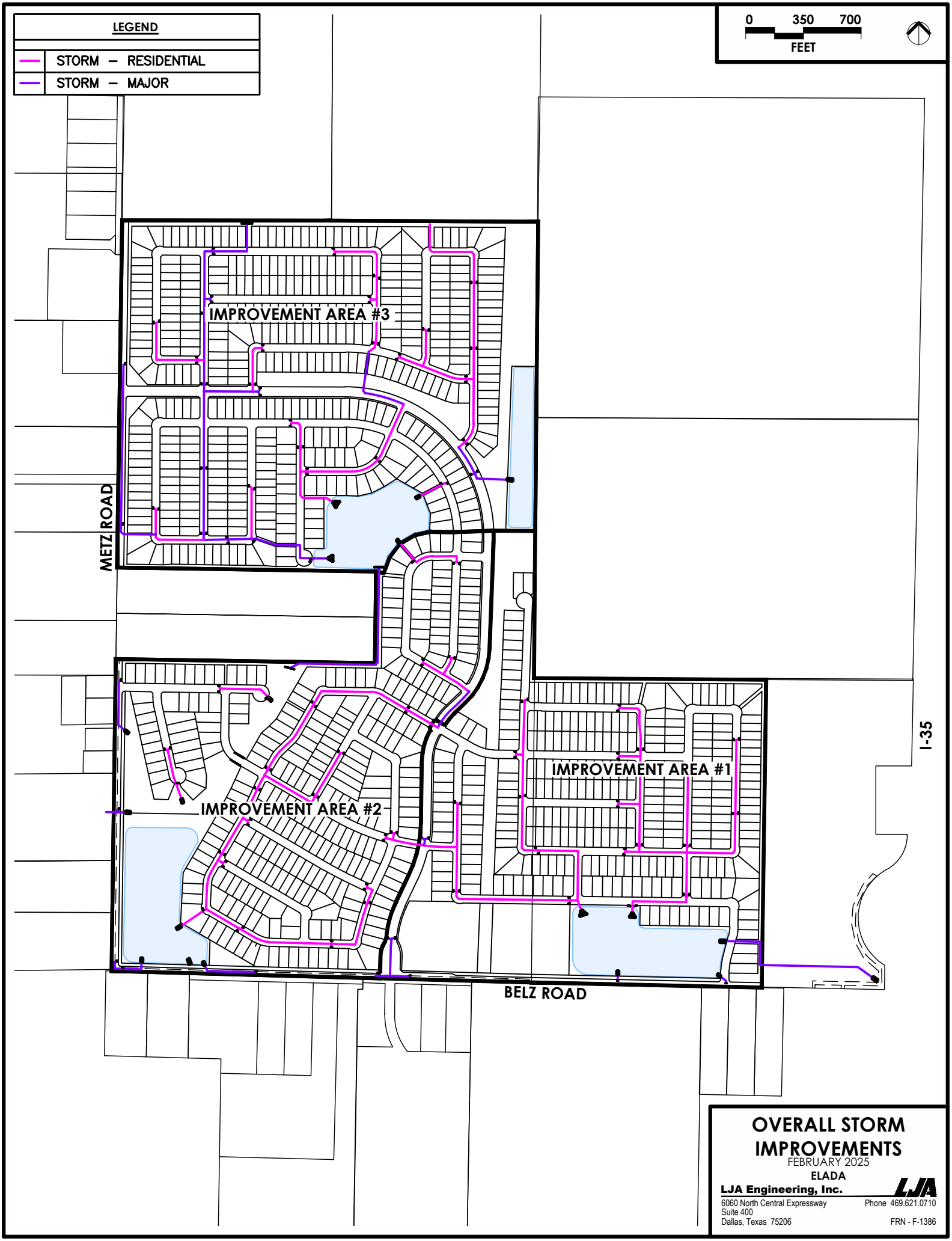
FEBRUARY 2025

ELADA

LJA Engineering, Inc.
6060 North Central Expressway
Suite 400
Dallas, Texas 75206
Phone 469.621.0710
FRN - F-1386

EXHIBIT F
DRAINAGE, FLOODING, AND ESCARPMENT IMPROVEMENTS/PLANS

[SEE ATTACHED]



OVERALL STORM IMPROVEMENTS

FEBRUARY 2025

ELADA

LJA Engineering, Inc.
6060 North Central Expressway
Suite 400
Dallas, Texas 75206
Phone 469.621.0710
FRN - F-1386

EXHIBIT G
BELZ ROAD IMPROVEMENTS

[SEE ATTACHED]