

PROFESSIONAL SERVICES REIMBURSEMENT AGREEMENT

This Professional Services Reimbursement Agreement (this "Agreement"), effective as of the ___ day of _____, 2023 (the "Effective Date"), is made and entered into by and between The **CITY OF SANGER, TEXAS** (the "City") and **HWY 377 PARTNERS LTD. and TRIPLE T FARMS LTD.** (the "Developer"), herein collectively referred to as ("Party" or "Parties").

WHEREAS, the Developer owns approximately 356 acres of land (the "Property") in the extraterritorial jurisdiction of the City that the Developer desires to develop, further described in **Exhibit A** hereto; and

WHEREAS, the Parties have determined that the financing of a portion of the costs of the public improvements necessary for the development of the Property, can be achieved by means of Chapter 372, Texas Local Government Code, as amended, entitled the Public Improvement District Assessment Act ("PID Act"); and

WHEREAS, the Developer desires to develop the Property in the City's corporate limits pursuant to a development agreement authorized by Section 212.172, Texas Local Government Code, and intends to file a petition with the City for creation of a Public Improvement District encompassing the Property ("PID") under the PID Act; and

WHEREAS, the Parties desire to enter into an ETJ development agreement pursuant to Section 212.172, Texas Local Government Code that addresses the creation of the PID and levy of assessments on the Property, the release of certain ETJ land by City of Denton, and the annexation and zoning of the Property, and the Parties recognize that the City will incur reasonable and necessary consultant expenses through this entitlement process until the development agreement has been approved and collection of the first annual installment of PID assessments associated with the Property ("City Expenses") including but not limited to: professional services, legal publications, notices, reproduction of materials, public hearing expenses, recording of documents, engineering fees, attorney fees, and special consultant fees; and

WHEREAS, the Developer hereby agrees to pay for reasonable and necessary professional services provided by the consultants listed on **Exhibit B** and by additional consultants approved in writing by the Developer (collectively, the "City Consultants").

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Payment for Professional Services.** The Developer shall deposit with the City \$50,000.00 (the "Initial Deposit") for payment of City Expenses, which may include the review and creation of the PID documents, proposed development submittals, alternative development financing options, municipal service, and entitlement matters within fifteen (15) days of Effective Date.

- (a) The City agrees to hold all Developer's contributions in a separate fund, or as a separate line item, maintained by the City which may only be used for reasonable and necessary City Expenses, as defined herein.
- (b) The City will pay City Expenses out of the amount deposited with the City and keep accounting of all charges for City Expenses, which shall be available for review by Developer, and any unused contributions shall be returned to the Developer.
- (c) The City will submit copies of all monthly invoices, except for legal invoices that may include redactions for privileged information, to the Developer showing amounts paid for reasonable and necessary City Expenses for any City Consultant fees via regular or electronic mail. Legal invoices will contain redactions for privileged information. If the Developer objects to any portion of an invoice, the City staff, the Developer, and the City Consultant shall attempt to resolve the dispute within a reasonable period of time; however, if the dispute cannot be timely resolved, the payment of the disputed amounts shall be resolved by the City Manager of the City.
- (d) After any monthly City Consultant fees have been paid for reasonable and necessary City Expenses, the City Consultants shall not be paid for the same City Expenses through any additional invoices or through PID bond proceeds.
- (e) The Developer may be reimbursed for City Consultant fees paid in accordance with this Agreement and the PID Act.
- (f) Developer agrees that in the event the Initial Deposit for City Expenses balance falls below \$5,000.00 and upon notice by regular or electronic mail from the City, then Developer shall remit an additional amount of not less than \$10,000.00 within 10 days of receipt of such notice.
- (g) In the event the balance for City Expenses is exhausted, upon notice by regular or electronic mail from the City, Developer shall pay the balance owed in full within 10 days in addition to the remittance of the additional funds as provided above.
- (h) In the instance that deposits of additional funds are not timely made, the City has no obligation to incur any additional City Expenses.
- (i) Failure of Developer to meet its obligations above may result in the suspension or revocation of work on the agreements, the PID and any active development permits.

2. **No Obligation to Establish PID.** The Developer acknowledges that the City has no obligation to approve a development agreement, establish the PID or to issue any bonds or other indebtedness with respect thereto, and nothing contained within this Agreement shall create any such obligation. The Developer's obligation to pay the City Expenses shall exist and continue independent of whether the PID or bonds or other indebtedness are approved.

This Agreement shall confer no vested rights or development rights on the Property or to the Developer. Further, this Agreement shall provide no assurances, promises, or covenants to approve any development in the Property.

3. **Termination.** Either Party may terminate this Agreement for any reason or for no reason upon providing ninety days (90) written notice of termination to the other Party. Termination of this Agreement shall be the sole and exclusive remedy for the Developer. The City shall be entitled to pay for the City Expenses incurred through the date of termination; however, any excess funds remaining after such payments have been made shall be promptly (and in no case more than 30 days following the date of termination) refunded to the Developer. Notwithstanding any other provision of this Agreement to the contrary, the obligation to repay such excess funds to the Developer in the event of a termination shall survive any termination of this Agreement, and the Developer does not release or discharge its right to such excess funds. Notwithstanding the foregoing, this Agreement shall automatically terminate upon the collection of the first annual installment of PID assessments associated with the Property if this Agreement is still in effect at such time.

4.E **Entire Agreement.** This Agreement contains the entire agreement between the Parties with respect to the transactions contemplated herein.

5. **Amendment.** This Agreement may only be amended, altered or revoked by written instrument executed by the Parties.

6. **Successors and Assigns.** Neither City nor Developer may assign or transfer their interest in the Agreement without prior written consent of the other Party.

7. **Notice.** Any notice and/or statement regarding the termination of this agreement is required and permitted to be delivered shall be deemed delivered by depositing same in the United States Mail, Certified, with Return Receipt Requested, postage prepaid, addressed to the appropriate party at the following addresses, or at such other addresses provided by the parties in writing:

To the City:

Attn: John Noblitt, City Manager
City of Sanger, Texas
502 Elm Street
Sanger, Texas 76266

To the Developer:

Triple T Farms
Clint Baker
Westwood Real Estate Development
1000 Texan Trail, Suite 200
Grapevine, TX 76051

With a copy to:

Hugh Coleman, City Attorney
City of Sanger, Texas

502 Elm Street
Sanger, Texas 76266

Melissa Lindelow
Shupe Ventura
9406 Biscayne Blvd.
Dallas, TX 75218

8. **Interpretation.** Regardless of the actual drafter of this Agreement, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably and neither more strongly for or against either party.

9. **Applicable Law.** This Agreement is made and shall be construed in accordance with the laws of the State of Texas and venue shall lie in Denton County, Texas.

10. **Severability.** In the event any portion or provision of this Agreement is illegal, invalid, or unenforceable under present or future law, then and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

11. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

EXECUTED the _____ day of _____, 2023.

CITY OF SANGER, TEXAS

CITY OF SANGER, TEXAS

John Noblitt, City Manager

Thomas E. Muir, Mayor

CITY OF SANGER, TEXAS

Hugh Coleman, City Attorney

DEVELOPER:

HWY 377 PARTNERS LTD.

By: [Signature]

Name: Gary Hazlewood

Title: Owner

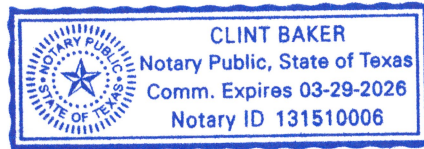
STATE OF TEXAS

COUNTY OF DENTON

BEFORE ME, the undersigned authority, on this day personally appeared Gary Hazlewood of Hwy 377 Partners, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and considerations therein expressed, in the capacity therein stated and as the act and deed of said limited liability company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 26th day of May, 2023.

SEAL



[Signature]
Notary Public State of _____

DEVELOPER:

TRIPLE T FARMS LTD. By:

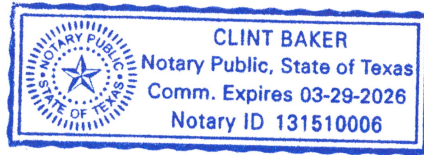
By: [Signature]
Name: Gary Hazlewood
Title: owner

STATE OF TEXAS
COUNTY OF DENTON

BEFORE ME, the undersigned authority, on this day personally appeared Gary Hazlewood of Triple T Farms, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and considerations therein expressed, in the capacity therein stated and as the act and deed of said limited liability company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 26th day of May, 2023.

SEAL



[Signature]
Notary Public State of _____

Exhibit "A"
Legal Description of the Property

FIELD NOTES DESCRIPTION:

BEING all of that certain lot, tract or parcel of land situated in the J. Morton Survey, Abstract No. 792, the R. Beebee Survey, Abstract No. 29 and the E. Rogers Survey, Abstract No. 1100, in Denton County, Texas, and being all of that certain called "TRACT 3" of four tracts of land described in a deed to Sandfield Limited Partnership, as recorded in County Clerk's File No. 94-R0050984, of the Real Property Records of Denton County, Texas (R.P.R.D.C.T.), and being all of that certain tract of land described in a deed to Triple "T" Farms, Ltd., as recorded in Instrument No. 2007-57890, R.P.R.D.C.T., and being a part of that certain tract of land described in a deed to HWY 377 Partners, Ltd., as recorded in Instrument No. 2005-128287, R.P.R.D.C.T., and being more particularly described as follows:

COMMENCING at a MAG nail found in asphalt for the easternmost southeast corner of said HWY 377 Partners, Ltd. tract, same being within a north-south running public road commonly known as "Jones Road", same being the northeast corner of a tract of land described in a deed to Mary Phyllis Monk as recorded in Instrument No. 2016-163779, R.P.R.D.C.T.;

THENCE North 88 degrees 27 minutes 34 seconds West, with the line common to said HWY 377 Partners, Ltd. and Monk tracts, passing the northernmost northeast corner of a tract of land described in a deed to Ross McNeill and Janet Hollingsworth, as recorded in Instrument No. 2020-212555, R.P.R.D.C.T., continuing on said course for a total distance of 466.92 feet to a capped 1/2 inch iron rod, stamped "RPLS 4857", found for corner;

THENCE North 88 degrees 27 minutes 46 seconds West, continuing with the south line of said HWY 377 Partners, Ltd. and the north line of said McNeill and Hollingsworth tract, passing the northeast corner of tracts of land described in deeds to Joe Don Pirkle, as recorded in Instrument No. 2020-134888, R.P.R.D.C.T., Miracle 6, LLC, as recorded in Instrument No. 2020-134890, R.P.R.D.C.T and BITS1986, LLC, as recorded in Instrument No. 2021-162634, R.P.R.D.C.T., and continuing on said course for a total distance of 2495.64 feet to a capped 1/2 inch iron rod, stamped "KAZ", found for the easternmost southeast corner and POINT OF BEGINNING of the herein described tract;

THENCE North 88 degrees 17 minutes 44 seconds West, continuing with the south line of said HWY 377 Partners, Ltd. tract and the north line of said BITS1986, LLC tract, passing the northeast corner of a tract of land described in a deed to Won-Young Kim and Young Soo Lee, as recorded in Instrument No. 2021-158059, R.P.R.D.C.T., continuing on said course for a total distance of 1272.98 feet to a 5/8 inch iron rod found for corner;

THENCE South 00 degrees 29 minutes 43 seconds West, continuing with the line common to said HWY 377 Partners, Ltd. and Kim and Lee tracts, a distance of 231.69 feet to a 10

inch wood post found for corner, same being the northeast corner of said Sandfield Limited Partnership TRACT 3;

THENCE South 00 degrees 59 minutes 34 seconds West, with the line common to said TRACT 3 and Kim and Lee tracts, a distance of 1427.24 feet to a 3/8 inch iron rod found for corner, same being the northeast corner of said Triple "T" Farms, Ltd. tract;

THENCE South 01 degrees 13 minutes 13 seconds West, with the line common to said Triple "T" Farms, Ltd. and Kim and Lee tracts, passing the northwest corner of a tract of land described in a deed to Jose Garcia and Norma Mancilla, as recorded in Instrument No. 2020-206399, R.P.R.D.C.T., continuing on said course for a total distance of 1102.97 feet to a 1/2 inch iron rod with cap found in the apparent northwest line of Farm to Market Road 1190;

THENCE South 65 degrees 58 minutes 33 seconds West, with the line common to said Triple "T" Farms, Ltd. and Farm to Market Road 1190, a distance of 856.08 feet to a 1/2 inch iron rod with cap found for corner, same being the southeast corner of a tract of land described in a deed to David E. Duran, as recorded in Instrument No. 2007-29497, R.P.R.D.C.T.;

THENCE North 01 degrees 05 minutes 02 seconds East, with the line common to said Triple "T" Farms, Ltd. and Duran tracts, a distance of 1512.32 feet to a 2 inch iron pipe found for corner, same being in the south line of said TRACT 3;

THENCE with the line common to said TRACT 3 and Duran tracts, the following six (6) courses and distances:

- 1) North 85 degrees 41 minutes 52 seconds West, a distance of 294.90 feet to a 2 inch iron pipe found for corner;
- 2) South 67 degrees 01 minutes 21 seconds West, a distance of 122.01 feet to a 2 inch iron pipe found for corner;
- 3) South 04 degrees 50 minutes 48 seconds West, a distance of 320.86 feet to a 2 inch iron pipe found for corner;
- 4) South 37 degrees 54 minutes 24 seconds West, a distance of 196.79 feet to a 2 inch iron pipe found for corner;
- 5) South 06 degrees 56 minutes 14 seconds West, a distance of 414.83 feet to a capped 1/2 inch iron rod, stamped "KAZ" set for corner;
- 6) North 86 degrees 09 minutes 32 seconds West, a distance of 129.07 feet to a 3 inch iron pipe found for corner, same being the northeast corner of a tract of land described in a deed to Donald M. Freeman, as recorded in Volume 1985, Page 8440, R.P.R.D.C.T.;

THENCE North 85 degrees 20 minutes 30 seconds West, with the line common to said TRACT 3 and Freeman tracts, passing the northeast corner of the L. L. & T. Addition, an Addition to Denton County, Texas, according to the Plat thereof recorded in Cabinet E, Page 174, of the Plat Records of Denton County, Texas (P.R.D.C.T.), continuing on said course for a total distance of 488.60 feet to a 1/2 inch iron rod found for corner, same being the northeast corner of a tract of land described in a deed to Barry Harkin and Lorraine Harkin, as recorded in Instrument No. 2020-58486, R.P.R.D.C.T.;

THENCE North 85 degrees 22 minutes 24 seconds West, with the line common to said TRACT 3 and Harkin tracts, a distance of 106.06 feet to a 3/8 inch iron rod found for corner, same being the northeast corner of a tract of land described in a deed to J. Young Land and Cattle, Ltd., as recorded in Instrument No. 2013-1410, R.P.R.D.C.T.;

Thence North 85 degrees 48 minutes 37 seconds West, with the line common to said TRACT 3 and J. Young Land and Cattle, Ltd. tracts, a distance of 346.24 feet to a 2 inch iron pipe found for corner, same being the northeast corner of a tract of land described in a deed to Lonnie Pennington and wife, Mary Pennington, as recorded in Volume 1390, Page 228, R.P.R.D.C.T.;

THENCE North 85 degrees 25 minutes 27 seconds West, with the line common to said TRACT 3 and Pennington tracts, a distance of 690.49 feet to a MAG nail set in asphalt for corner within a north-south running road commonly known as "Union Hill Road";

THENCE North 00 degrees 49 minutes 34 seconds East, with the west line of said TRACT 3 and within said Union Hill Road, a distance of 2239.76 feet to a MAG nail set in asphalt for corner, same being the southwest corner of a tract of land described in a deed to Marvin Perkins and wife, Jackie Perkins, as recorded in Volume 972, Page 875, R.P.R.D.C.T.;

THENCE South 88 degrees 10 minutes 48 seconds East, with the line common to said TRACT 3 and Perkins tracts, passing the southwest corner of Block One of Muir Switzer Addition, an Addition to Denton County, Texas, according to the Plat thereof recorded in Cabinet M, Page 75, P.R.D.C.T., continuing on said course for a total distance of 1563.81 feet to a 5/8 inch iron rod found for corner, same being the southwest corner of said HWY 377 Partners, Ltd. tract;

THENCE North 00 degrees 27 minutes 19 seconds East, with the line common to said HWY 377 Partners, Ltd. tract and Block One of Muir Switzer Addition, a distance of 1261.09 feet to a 1/2 inch iron rod found for corner, same being the southeast corner of the Peterson View Addition, an Addition to Denton County, Texas, according to the Plat thereof recorded in Cabinet O, Page 79, P.R.D.C.T.;

THENCE North 00 degrees 23 minutes 36 seconds East, with the line common to said HWY 377 Partners, Ltd. tract and Peterson View Addition, a distance of 704.22 feet to a MAG nail found in asphalt for corner, same being within an east-west running public road commonly known as "Lake Ray Roberts Drive" (a variable width right-of-way);

THENCE South 88 degrees 05 minutes 22 seconds East, with the north line of said HWY 377 Partners, Ltd. tract and within said Lake Ray Roberts Drive, passing the southernmost southwest corner of that certain called "Tract 520-2" as described in a deed to USA Corps of Engineers, as recorded in Volume 1517, Page 107, R.P.R.D.C.T. (also known as "Lake Ray Roberts"), continuing on said course for a total distance of 493.46 feet to a 1/2 inch iron rod found for corner;

THENCE with the line common to said HWY 377 Partners, Ltd. tract and USA Tract 520-2, the following six (6) courses and distances:

- 1) North 30 degrees 43 minutes 15 seconds East, a distance of 465.79 feet to a 100d nail found for corner;
- 2) North 05 degrees 28 minutes 21 seconds East, a distance of 219.11 feet to a 100d nail found for corner;
- 3) North 41 degrees 35 minutes 55 seconds East, a distance of 780.49 feet to a 10 inch wood post found for corner;
- 4) North 21 degrees 44 minutes 33 seconds East, a distance of 425.53 feet to a 100d nail found for corner;
- 5) North 77 degrees 00 minutes 33 seconds East, a distance of 511.18 feet to a 10 inch wood post found for corner;
- 6) North 40 degrees 38 minutes 02 seconds East, a distance of 1044.47 feet to a 100d nail set for corner in the south line of a tract of land under apparent ownership of USA Corps of Engineers;

THENCE South 88 degrees 49 minutes 43 seconds East, with the line common to said HWY 377 Partners, Ltd. and USA Corps of Engineers tracts, a distance of 304.44 feet to a 5/8 inch iron rod found for corner in the west line of that certain called "Tract 520-1" of said deed to USA Corps of Engineers, recorded in Volume 1517, Page 107;

THENCE with the line common to said HWY 377 Partners, Ltd. tract and USA Tract 520-1, the following twelve (12) courses and distances:

- 1) South 10 degrees 46 minutes 36 seconds East, a distance of 739.70 feet to a 5/8 inch iron rod found for corner;
- 2) South 34 degrees 54 minutes 07 seconds West, a distance of 821.51 feet to a 6 inch wood post found for corner;
- 3) South 77 degrees 38 minutes 08 seconds East, a distance of 468.68 feet to a 5/8 inch iron rod found for corner;

- 4) South 31 degrees 28 minutes 01 seconds East, a distance of 332.49 feet to a 5/8 inch iron rod found for corner;
- 5) South 41 degrees 11 minutes 07 seconds West, a distance of 690.01 feet to a 5/8 inch iron rod found for corner;
- 6) South 77 degrees 15 minutes 25 seconds West, a distance of 825.16 feet to a 5/8 inch iron rod found for corner;
- 7) South 00 degrees 58 minutes 45 seconds West, a distance of 316.51 feet to a 5/8 inch iron rod found for corner;
- 8) South 87 degrees 43 minutes 56 seconds East, a distance of 240.48 feet to a 6 inch wood post found for corner;
- 9) South 45 degrees 59 minutes 07 seconds East, a distance of 467.57 feet to a capped 1/2 inch iron rod, stamped "KAZ", set for corner;
- 10) South 18 degrees 09 minutes 12 seconds East, a distance of 468.36 feet to a capped 1/2 inch iron rod, stamped "KAZ", set for corner;
- 11) South 23 degrees 32 minutes 54 seconds West, a distance of 329.23 feet to a 6 inch wood post found for corner;
- 12) South 77 degrees 08 minutes 32 seconds East, a distance of 446.40 feet to a 4 inch wood post found for corner, same being a reentrant corner of said HWY 377 Partners, Ltd. tract;
- THENCE South 29 degrees 46 minutes 36 seconds West, traversing over and across said HWY 377 Partners, Ltd. tract, a distance of 291.16 feet to a 1/2 inch iron rod with cap found for corner;
- THENCE South 01 degrees 26 minutes 06 seconds West, continuing across said HWY 377 Partners, Ltd. tract, a distance of 66.96 feet to the POINT OF BEGINNING and containing a total of 356.51 acres of land, more or less.

Exhibit "B"
City Consultants

1. Government Capital Securities Corporation: Financial Advisor
2. Orrick Herrington & Sutcliff, LLP: Bond Counsel
3. P3Works, LLC: PID Consultant
4. Halff Associates, Inc: Engineering Services
5. Messer, Fort & McDonald, PLLC: City Legal Services