

PROFESSIONAL SERVICES REIMBURSEMENT AGREEMENT

This Professional Services Reimbursement Agreement (this “Agreement”), effective as of the _____ day of _____, 2022 (the “Effective Date”), is made and entered into by and between The **CITY OF SANGER, TEXAS** (the “City”) and **SANTERRA PARTNERS, LLC**, a Texas Limited Liability Company (“Developer”), herein collectively referred to as (“Party” or “Parties”).

WHEREAS, the Developer owns or has under contract approximately 705 (seven hundred five) acres of land (the “Developer Tract”) in the City that the Developer desires to develop, further described in **Exhibit B** 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 and will cause a petition to be filed with the City for a Public Improvement Districts (“PID”) under the PID Act; and

WHEREAS, the Parties hereto recognize that the City will continue to incur reasonable and necessary expenses through the entire PID review process until final completion of the development (“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 A** 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 necessary to conduct the review and creation of the PID request within fifteen (15) days of Effective Date:

- (a) The City agrees to hold all Developer's contributions in a separate fund maintained by the City which may only be used for reasonable and necessary City Expenses related to the PID.
- (b) The City will pay City Expenses out of the amount deposited with the City and keep accounting of all charges for City Expenses incurred for the PID and any unused contributions shall be returned to the Developer within five (5) business days of the City's payment of the final invoice.
- (c) The City will submit copies of all monthly invoices to the Developer showing amounts paid for reasonable and necessary City Expenses for any City Consultant fees. 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 Council 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) Notwithstanding anything to the contrary, City Expenses invoiced and due within thirty (30) days prior to the closing of PID bonds may be paid to City Consultants, at Developer's option, through PID bond proceeds upon the closing of PID bonds.
- (f) The Developer may be reimbursed for City Consultant fees paid in accordance with this Agreement and the PID Act.
- (g) Developer agrees that in the event the Initial Deposit for City Expenses balance falls below \$5,000.00 and upon notice from the City, then Developer shall remit an additional amount of not less than \$10,000.00 within ten (10) business days of receipt of such notice.
- (h) In the event the balance for City Expenses is exhausted, upon notice, Developer shall pay the balance owed in full within ten (10) days in addition to the remittance of the additional funds as provided above.
- (i) In the instance that deposits of additional funds are not timely made, the City has no obligation to incur any additional City Expenses in connection with the PID.

2. **No Obligation to Establish PID.** The Developer acknowledges that the City has no obligation to 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.** This Agreement shall terminate upon the closing of the PID bonds for all phases of the development on the Property.

4. **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 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:

Santerra Partners, LLC
161 W. 3rd Street, #110
Prosper, Texas 75078

With a copy to:

Hugh Coleman, City Attorney
City of Sanger, Texas
502 Elm Street
Sanger, Texas 76266

Prabha Cinclair, Miklos Cinclair, PLLC, Attorney for the Developer
1755 Wittington Place, 3rd Floor
Farmers Branch, Texas 75234

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 _____, 2022.

CITY OF SANGER, TEXAS

Thomas E. Muir, Mayor

APPROVED AS TO FORM:

Hugh Coleman, City Attorney

DEVELOPER:

Santerra Partners, LLC, a Texas
limited liability company

By: Granite Industries, LLC, a Nevada
limited liability company, its Managing Member
registered in Texas as a foreign limited liability company

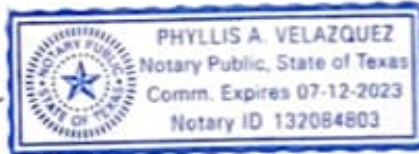
By: *m J T*
Michael G. Todd, Managing Member

STATE OF Texas
COUNTY OF Collin

BEFORE ME, the undersigned authority, on this day personally appeared Michael Todd of Granite Industries, 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 22 day of June, 2022.

SEAL



Phyllis A. Velazquez
Notary Public State of Texas