

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 **ROCKHILL CAPITAL & INVESTMENTS, LLC**, a Texas Limited Liability Company ("Developer"), herein collectively referred to as ("Party" or "Parties").

WHEREAS, the Developer owns or has under contract approximately 160 acres of land (the "Developer Tract") in the extra territorial jurisdiction of the City that the Developer desires to annex in to the City and develop, as further described in **Exhibit B** hereto; and

WHEREAS, the Parties have determined that funding certain portions of the costs of the public improvements necessary for the development of the Property can be achieved by means of Chapter 311, Texas Tax Code, as amended, entitled the Tax Increment Financing Act ("TIRZ Act"); and

WHEREAS, the Developer desires to develop the Property and the City to consider the creation of a Tax Increment Reinvestment Zone ("TIRZ"), subsequent to annexation into the City pursuant to the TIRZ Act; and

WHEREAS, the Developer and City desire to enter into a development agreement (the "Development Agreement") to govern development of the Property; and

WHEREAS, the Parties hereto recognize that the City will continue to incur reasonable and necessary expenses through the entire Development Agreement and TIRZ 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 \$25,000.00 (the "Initial Deposit") for payment of City Expenses necessary to conduct the review and proposed creation of the TIRZ documents, the Development Agreement, 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 of 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 as they may contain privileged information, 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 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 TIRZ proceeds.
- (e) The Developer may be reimbursed for City Consultant fees paid in accordance with this Agreement and the TIRZ Act.
- (f) 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.
- (g) 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.
- (h) 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 TIRZ.
- (i) Failure of Developer to meet its obligations above may result in the suspension or revocation of work on the agreements, the TIRZ and any active development permits.

2. **No Obligation to Establish TIRZ.** The Developer acknowledges that the City has no obligation to establish the TIRZ 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 TIRZ 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.

32. **Termination.**

- (a) Either City or Owner may, in their respective sole judgment, terminate this Agreement upon delivery of written notice to the other party, subject to Owner's continuing obligation to pay outstanding unpaid invoices for Professional Services as set forth in Section 2(b) below.
- (b) Upon any termination of this agreement pursuant to Section 2(a), City shall request final invoices for all Professional Services rendered pursuant to this agreement and may pay said invoices from the escrow funds. To the extent necessary, Owner shall be obligated to pay (i) all remaining invoices for Professional Services that are outstanding and unpaid as of the date notice of termination is delivered to the City, provided that such Professional Services were incurred and performed in accordance with the terms of this Agreement, and (ii) all invoices for Professional Services incurred and performed in accordance with the Agreement prior to the date of termination where invoices are delivered to the City after the date of termination

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

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

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

6. **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

With a copy to:

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

To the Developer:

Attn: Brent Libby
Rockhill Capital & Investments, LLC
9550 John W Elliott, Suite 106 _____
Frisco, Texas 75033

With a copy to:

Attn: Mindy L. Koehne
Coats Rose, P.C.
14755 Preston Road, Suite 600
Dallas, Texas 75254

7. **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.

8. **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.

9. **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.

10. **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

DEVELOPER:

ROCKHILL CAPITAL & INVESTMENTS, LLC,
a Texas limited liability company

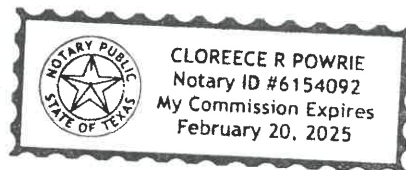
By: *Ryan Griffin*
Name: *RYAN GRIFFIN*
Title: *MANAGER*

STATE OF TEXAS
COUNTY OF *Collin*

BEFORE ME, the undersigned authority, on this day personally appeared *Ryan Griffin*, *MANAGER* of Rockhill Capital & Investments, LLC, a Texas limited liability company, 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 *9th* day of *November*, 2022.

SEAL



Cloreese R. Powrie
Notary Public State of Texas

Exhibit “A”

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

Exhibit "B"

TRACT I:

All that certain lot, tract or parcel of land lying and being situated in Denton County, Texas and being a part of the William Mason Survey, Abstract Number 801, Denton County, Texas and also being a part of that called 159.19 acre tract of land described in deed to Mevilo Properties, LLC recorded in Instrument Number 2020-89427, Real Property Records, Denton County, Texas and being more fully described by metes and bounds as follows:

BEGINNING at a P.K. Nail found in Lois Road, at the Southeast corner of said 159.19 acre tract, same being the Southwest corner of a tract of land described in deed to Dorwin Lee Sargent and Patsy Ann Sargent, recorded in Volume 749, Page 986, Deed Records, Denton County, Texas;

THENCE North 89 degrees 36 minutes 12 seconds West, along the South line of said 159.19 acre tract, a distance of 177.16 feet to a P.K. Nail set;

THENCE North 01 degree 59 minutes 40 seconds East, a distance of 2111.12 feet to a capped iron rod set stamped "KAZ";

THENCE North 87 degrees 54 minutes 38 seconds West, a distance of 287.44 feet to a capped iron rod set stamped "KAZ";

THENCE North 00 degrees 01 minutes 58 seconds West, a distance of 638.08 feet to a capped iron rod set stamped "KAZ" in the North line of said 159.19 acre tract on the South side of View Road;

THENCE South 89 degrees 39 minutes 24 seconds East, along said North line, and said South side of View Road, a distance of 419.95 feet to a found iron rod, at the Northeast corner of said 159.19 acre tract;

THENCE South 00 degrees 35 minutes 43 seconds West, along the East line of said 159.19 acre tract, a distance of 2757.27 feet to the POINT OF BEGINNING and containing 13.49 acres of land, more or less.

TRACT II:

All that certain lot, tract or parcel of land lying and being situated in Denton County, Texas and being a part of the William Mason Survey, Abstract Number 801, Denton County, Texas and also being a part of that called 159.19 acre tract of land described in deed to Mevilo Properties, LLC recorded in Instrument Number 2020-89427, Real Property Records, Denton County, Texas and being more fully described by metes and bounds as follows:

BEGINNING at a P.K. Nail found in the intersection of the centerline of Metz Road and the centerline of Lois Road, at the Southwest corner of said 159.19 acre tract, same being the Northwest corner of a tract of land described in deed to Fred Scott Hopkins, recorded in Instrument Number 2017-118882, Real Property Records, Denton County, Texas;

THENCE North 00 degrees 23 minutes 47 seconds East, along the centerline of said Metz Road, a distance of 2511.65 feet to a 1/2 inch iron rod found;

THENCE South 89 degrees 48 minutes 41 seconds East, a distance of 208.43 feet to a T-Post;

THENCE North 01 degree 03 minutes 06 seconds East, a distance of 242.70 feet to a 1/2 inch iron rod found in the centerline of View Road;

THENCE South 89 degrees 39 minutes 24 seconds East, along said centerline, a distance of 1909.96 feet to a capped iron rod set stamped "KAZ";

THENCE South 00 degrees 01 minute 58 seconds East, a distance of 638.08 feet to a capped iron rod set stamped "KAZ";

THENCE South 87 degrees 54 minutes 38 seconds East, a distance of 287.44 feet to a capped iron rod set stamped "KAZ";

THENCE South 01 degree 59 minutes 40 seconds West, a distance of 2111.12 feet to a P.K. Nail set in the centerline of Lois Road;

THENCE North 89 degrees 36 minutes 12 seconds West, along said centerline, passing a P.K. Nail set at a distance of 1093.55 feet, and continuing for a total distance of 2352.39 feet to the POINT OF BEGINNING and containing 145.70 acres of land, more or less.