

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON AUTHORIZING THE EXECUTION OF A THIRD AMENDMENT TO HUNTER RANCH PROJECT AGREEMENT CLARIFYING THE BINDING OBLIGATIONS AS IT RELATES TO THE DEVELOPER AND FUTURE DEVELOPERS AND OTHER RELATED MATTERS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, pursuant to Section 59, Article XVI, Texas Constitution, Hunter Ranch Improvement District No. 1 of Denton County, Texas (the "District") has been created during the 86th Regular Session of the Texas Legislature through the passage of H.B. 4683 and codified under Chapter 3980, Special District Local Laws Code (the "District Act"), to include land within the City of Denton, Texas (the "City"), as a special district for the benefit of the public and for public purposes, including the acquisition, construction, improvement, financing, operation, and maintenance of water, wastewater, drainage, road, landscaping, park and recreational facilities; and

WHEREAS, in satisfaction of the requirements of Section 3981.0109(a)(1) of the District Act, the City adopted Resolution No. 20-762, dated April 7, 2020 (the "Consent Resolution"), consenting to the creation of the District and to the inclusion of the land described therein; and

WHEREAS, in satisfaction of the requirements of Section 3980.0109(a)(3) of the District Act, the City and Owner entered into the Project Agreement dated April 7, 2020 and approved by City Ordinance 20-658 (the "Agreement") attached hereto and incorporated herein as **Exhibit "A"** and as amended by the First Amendment to the Hunter Ranch Project Agreement dated May 7, 2024 and approved by City Ordinance 24-988 (the "First Amendment"), attached hereto and incorporated herein as **Exhibit "B"** and as amended by the Second Amendment to the Hunter Ranch Project Agreement dated December 16, 2025 and approved by City Ordinance 25-2101 (the "Second Amendment", together with the Agreement and the First Amendment, the "Original Agreement") attached hereto and incorporated herein as **Exhibit "C"**; and

WHEREAS, all terms with initial capital letters that are not defined in the text of this Ordinance shall have the meanings given to them in the Original Agreement; and

WHEREAS, the Operating Agreement, as amended by the parties thereto on January 12, 2026, redefines the defined term "Developer" to mean, exclusively the following persons or entities: (a) HR 3200, L.P., a Texas limited partnership; (b) HR JV, LP, a Texas limited partnership; (c) an assignee of either HR JV, LP or HR 3200, L.P. under the Project Agreement pursuant to a written assignment document executed by such assignee which expressly assigns to such assignee all or a portion of the "Developer" obligations under the Project Agreement; (d) any person or entity that becomes a "Developer" party to the Project Agreement by executing a Joinder Agreement to the Project Agreement that expressly designates such person or entity as a "Developer" under the Project Agreement; and (e) any person or entity that enters into a project agreement with the City with regard to property within the District Area and that is expressly named a "Developer" party to such agreement; and

WHEREAS, the City and the owner wish to clarify that, other than specific sections, the Original Agreement or this Third Amendment shall not be binding upon any end-buyer, other than an Owner or Developer or an entity affiliated with an Owner or Developer; and

WHEREAS, in order to satisfy the requirements of Section 3980.0109(a)(3) of the District

Act, the City and the Owner desire to enter into the Third Amendment to Hunter Ranch Project Agreement (“Third Amendment”) attached as **Exhibit “D”**; and

WHEREAS, the City intends for the attached Third Amendment to clarify the binding obligation of the developer and future developers; NOW, THEREFORE;

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Manager or her designee is hereby authorized to execute the Third Amendment attached hereto as **Exhibit “D”** to clarify the binding obligations related to the Developer and End-Buyers and other related matters.

SECTION 2. The Third Amendment is attached hereto as **Exhibit “D”** and incorporated herein for all purposes. Minor adjustments to the attached Third Amendment are authorized, such as filling in blanks and minor clarifications or corrections, and any modifications made by City Council in the approval of this ordinance.

SECTION 3. The City Manager, or her designee, is further authorized to carry out all duties and obligations to be performed by the City under the Third Amendment.

SECTION 4. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____ . The ordinance was passed and approved by the following vote [_____-____]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At-Large Place 5	_____	_____	_____	_____
Jill Jester, At-Large Place 6	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

GERARD HUDSPETH, MAYOR

ATTEST:

INGRID REX, CITY SECRETARY

APPROVED AS TO LEGAL FORM:

Mack Reinwand
MACK REINWAND, CITY ATTORNEY

Exhibit “A”
Hunter Ranch Project Agreement

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON AUTHORIZING THE EXECUTION OF A PROJECT AGREEMENT WITH PETRUS INVESTMENT, L.P. RELATIVE TO FUNDING, OWNERSHIP, MAINTENANCE, AND REPAIR OF PUBLIC IMPROVEMENTS SERVING PROPERTY LOCATED WITHIN THE "HUNTER RANCH IMPROVEMENT DISTRICT NO. 1 OF DENTON COUNTY, TEXAS" AND OTHER RELATED MATTERS; AND PROVIDING AN EFFECTIVE DATE (CONTRACT #7330)

WHEREAS, all terms with initial capital letters that are not defined in the text of this Ordinance shall have the meanings given to them in the Project Agreement attached as Exhibit "A" to this Ordinance and incorporated herein for all purposes; and

WHEREAS, pursuant to Section 59, Article XVI, Texas Constitution, Hunter Ranch Improvement District No. 1 of Denton County, Texas (the "District") has been created during the 86th Regular Session of the Texas Legislature through the passage of H.B. 4683 and codified under Chapter 3980, Special District Local Laws Code (the "District Act"), to include the land shown in Exhibit "A" within the City of Denton, Texas (the "City"), as a special district for the benefit of the public and for public purposes, including the acquisition, construction, improvement, financing, operation, and maintenance of water, wastewater, drainage, road, landscaping, park and recreational facilities; and

WHEREAS, the District encompasses approximately 3,167.72 acres of land (the "District Area") in the City of Denton as described by metes and bounds in Exhibit "A" hereto; and

WHEREAS, Petrus Investment, L.P. ("Owner") is the owner of the real property located in the District Area; and

WHEREAS, as of the effective date of this ordinance, the District Area is not served by adequate water, wastewater, drainage, road, landscaping, parks, and recreational facilities, and such facilities are not otherwise available to the District Area; and

WHEREAS, the District and the Owner propose to acquire, construct, improve, and finance for the benefit of the City certain water, wastewater, drainage, road facilities (collectively, the "Improvement Projects") more particularly described and defined as the "Improvement Projects" in that certain Project Agreement, to serve the area within and outside its boundaries and convey such improvements to the City; and

WHEREAS, the Owner proposes to acquire, construct, improve, and finance, and the District proposes to operate and maintain, certain landscaping, parks, and recreational facilities (collectively, the "Park Improvements") more particularly described and defined as the "Park Improvements" in the Project Agreement, to serve the area within and outside its boundaries and convey such improvements to the City; and

WHEREAS, the District will make adequate arrangements so that it will have the financial capability to enable it to acquire, construct, improve, and finance the Improvement Projects and to operate and maintain the Park Improvements and to discharge any obligations incurred in acquiring

and constructing such Improvement Projects and operating and maintaining such Park Improvements; and

WHEREAS, the District plans to proceed at the earliest possible time, in an expeditious manner, with the phased acquisition and construction of the Improvement Projects to serve the District Area and contiguous property; and

WHEREAS, the District may contract with the Owner to advance funds from the Owner to the District for the phased acquisition and construction of the Improvement Projects to serve the District Area and contiguous property; and

WHEREAS, the District Area is located within the corporate limits of the City, and within Water Certificate of Convenience and Necessity No. 10195 and Sewer Certificate of Convenience and Necessity No. 20072, each issued to the City; and

WHEREAS, the City is a municipal corporation and is operating under a home rule charter adopted under the laws of the State of Texas, and City has the power under the laws of the State of Texas to acquire, own, maintain, and operate the Improvement Projects within its boundaries; and

WHEREAS, the City recognizes the positive economic impact that development of the District Area and contiguous property will have through the production of new jobs, the stimulation of commercial activity, and the additional ad valorem and sales and use tax revenue generated by such development; and

WHEREAS, except as otherwise provided in the District Act, before the District may exercise any powers under the District Act (i) the City must adopt an ordinance or resolution consenting to the creation of the District and to the inclusion of land in the District; (ii) the City and the District must negotiate and execute a mutually approved and accepted "operating agreement" as such term is defined in the District Act; and (iii) the City and each developer of property in the District must negotiate and execute a "project agreement" as such term is defined in the District Act; and

WHEREAS, in order to satisfy the requirements of Section 3980.0109(a)(3) of the District Act, the City and the Owner desire to enter into the Project Agreement attached as Exhibit "A"; and

WHEREAS, pursuant to Section 3980.0109(a)(3) of the District Act, the District and the City have the authority to enter into an Operating Agreement with regard to the ownership and maintenance of Improvement Projects, Park Improvements and other public improvements; and

WHEREAS, the City intends for the attached Project Agreement to establish the rights and obligations of the City and the Owner with respect to the financing, ownership and maintenance of certain Improvement Projects and Park Improvements and other public improvements; NOW, THEREFORE;

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Manager or his designee is hereby authorized to execute the Project Agreement attached hereto as Exhibit "A" with Petrus Investment, L.P. relative to funding, construction, ownership, maintenance, and repair of public improvements serving property located within the Hunter Ranch Improvement District No. 1 of Denton County, Texas and other related matters.

SECTION 2. A substantial copy of the Project Agreement is attached hereto as Exhibit "A" and incorporated herein for all purposes. Minor adjustments to the attached Project Agreement are authorized, such as filling in blanks and minor clarifications or corrections, and any modifications made by City Council in the approval of this ordinance.

SECTION 3. The City Manager, or his designee, is further authorized to carry out all duties and obligations to be performed by the City under the Project Agreement, unless otherwise reserved in the Project Agreement for Council approval.

SECTION 4. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____, the ordinance was passed and approved by the following vote [__ - __]:

	Aye	Nay	Abstain	Absent
Chris Watts, Mayor:	_____	_____	_____	_____
Gerard Hudspeth, District 1:	_____	_____	_____	_____
Keely G. Briggs, District 2:	_____	_____	_____	_____
Jesse Davis, District 3:	_____	_____	_____	_____
John Ryan, District 4:	_____	_____	_____	_____
Deb Armintor, At Large Place 5:	_____	_____	_____	_____
Paul Meltzer, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2020.

CHRIS WATTS, MAYOR

ATTEST:
ROSA RIOS, CITY SECRETARY

By: _____

APPROVED AS TO LEGAL FORM:
AARON LEAL, CITY ATTORNEY

By: *Mack Reinwald*

Exhibit “A”
Project Agreement
Petrus Investment, L.P.

HUNTER RANCH PROJECT AGREEMENT

This Hunter Ranch Project Agreement (this “Agreement”) is executed between Petrus Investment, L.P., a Texas limited partnership (the “Owner”) and the City of Denton, Texas, a Texas Home Rule municipality (the “City”), each a “Party” and collectively the “Parties”. This Agreement was signed by the Parties on the dates noted adjacent to each Party’s signature, but is dated to be effective March 17, 2020 (the “Effective Date”).

ARTICLE I **RECITALS**

WHEREAS, Owner is the owner of the real property located in the City of Denton and described by metes and bounds on Exhibit A (the “Property”); and

WHEREAS, the Property is located within the boundaries of the Hunter Ranch Improvement District No. 1 of Denton County (the “District”), a conservation and reclamation district and body politic and a political subdivision of the State of Texas, created under the authority of Article III, Section 52, Article III, Section 52-a, and Article XVI, Section 59 of the Texas Constitution, and operating under and governed by the provisions of Chapter 3980, Special District Local Laws Code, and Chapter 375, Local Government Code; and

WHEREAS, the District was created during the 86th Regular Session of the Texas Legislature through the passage of HB 4683 and codified under the District Act, for the benefit of the public and for the purposes, including but not limited to, the acquisition, construction, improvement, financing, operation, and maintenance of water, wastewater, drainage, road, landscaping, parks, and recreational facilities; and

WHEREAS, as of the Effective Date, the Property is not served by adequate water, wastewater, drainage, road, landscaping, parks, and recreational facilities, and such facilities are not otherwise available to the Property; and

WHEREAS, the District proposes to acquire, construct, improve, and finance for the benefit of the City certain water, wastewater, drainage, road facilities, and other projects (collectively, the “Improvement Projects”) more particularly described and defined as the “Improvement Projects” in that certain Operating Agreement between the City and the District effective March 17, 2020 (the “Operating Agreement”), to serve the area within and outside its boundaries and convey such improvements to the City; and

WHEREAS, the Owner proposes to acquire, construct, improve, and finance, and the District proposes to operate and maintain, certain landscaping, parks, and recreational facilities (collectively, the “Park Improvements”) more particularly described and defined as the “Park Improvements” in the Operating Agreement, to serve the area within and outside its boundaries and convey such improvements to the City; and

WHEREAS, pursuant to the Operating Agreement, the District will make adequate arrangements so that it will have the financial capability to enable it to acquire, construct, improve, and finance the Improvement Projects and to operate and maintain the Park

Improvements and to discharge any obligations incurred in acquiring and constructing such Improvement Projects and operating and maintaining such Park Improvements; and

WHEREAS, pursuant to the Operating Agreement, the District plans to proceed at the earliest possible time, in an expeditious manner, with the phased acquisition and construction of the Improvement Projects to serve the Property and contiguous property; and

WHEREAS, pursuant to the Operating Agreement, the District may contract with a “Developer” (as that term is defined in the Operating Agreement) to advance funds from the Developer to the District for the phased acquisition and construction of the Improvement Projects to serve the Property and contiguous property; and

WHEREAS, the Parties are entering into this Agreement to set forth their understanding regarding issues affecting the development of the Property and matters related to the District.

NOW THEREFORE, for and in consideration of the mutual covenants of the Parties set forth in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are acknowledged and agreed by the Parties, the Parties agree as follows:

ARTICLE II **DEVELOPMENT STANDARDS AND DESIGN GUIDELINES**

2.1 Compliance with MPC Zoning. Development and use of the Property shall comply with the Ordinance No. [REDACTED] and commonly known as MPC07-0001 and AMPC10-0001 (as amended, the “MPC Ordinance”).

2.2 Design Guidelines – Exterior Construction Materials. Development and use of the Property shall comply with the MPC Ordinance design guidelines related to exterior construction materials. These exterior construction materials will be included in restrictions recorded against the Property which restrictions may not be reduced without City consent. Owner waives the right to challenge the enforceability of the MPC Ordinance design guidelines related to exterior construction materials.

2.3 Building Codes. Consistent with City policy, construction of a building or structure intended for human occupancy or habitation on the Property shall comply with the locally adopted international building codes uniformly applied within the corporate limits of the City and in effect at the time an application for a building permit is submitted to the City for that building or structure.

2.4 Compliance with Development Ordinances and Standards. Development and use of the Property shall comply with the City criteria manuals (or their successors), as adopted and amended from time to time, and other development ordinances and standards, as adopted and amended from time to time, that are applied to all property in the City and applicable on a preliminary-plat-by-preliminary-plat basis to portions of the Property as it is platted to the extent not in conflict with this Agreement. Construction of all public improvements will comply with the City criteria manual, as adopted and amended from time to time, except the streets and roads comprising Improvement Projects or that function as regional or arterial streets and roads shall be constructed in compliance with “Superpave Mixtures” materials requirements as described in

the Texas Department of Transportation *Pavement Manual* (referenced therein as Item 344), as amended, and the Texas Department of Transportation *Special Specification 3074 Superpave Mixtures – Balanced Mix Design* (“Super Asphalt”) as amended, and all other streets and roads shall be constructed with either Super Asphalt or concrete in compliance with City regulations for concrete streets and roads or as directed by City staff. The Development Plan included in the MPC Ordinance is a plan for development under Texas Local Government Code Chapter 245, but Owner waives any vested rights to the extent they conflict with the terms of this Agreement.

ARTICLE III **PARKS, OPEN SPACE AND TRAILS**

3.1 **Dedication.** The Owner will dedicate within the Property as park land, open space and trails (each a “Park” and collectively “Parks”) the land shown on **Exhibit B** (the “Park Plan”) at no cost to the City. Park land dedication will occur in phases, at the time of final plat approval. The Park land acreage dedicated is the minimum required by Ordinance 98-039 based on the projected residential units in the Park Plan. Park land dedication not within the final plat triggering the dedication requirement will be dedicated as described in Section 5.1 below by special warranty deed the form of which is attached as **Exhibit C**, except the “Pocket Parks”, “Dog Park”, “Trails” outside rights-of-way, “lakes”, and “Regional ESA Upland”, as depicted on the Park Plan, and the “lakes” as described in Section 4.10 of the Operating Agreement, shall be conveyed by a grant of public access easement the form of which is described in Section 5.1 below. If not previously dedicated, dedication of one of the Neighborhood Parks shown on the Park Plan will occur the date that is the earlier of (a) the first date after the elementary school property is preliminary platted and before the City issues a building permit for construction of the elementary school, if an elementary school is developed; or (b) the first date after the City issues 1,000 building permits for residential homes within the Property. If not previously dedicated, dedication of the second Neighborhood Park shown on the Park Plan will occur the date that is the earlier of (a) the first date after the second elementary school property is preliminary platted and before the City issues a building permit for construction of the second elementary school, if a second elementary school is developed; or (b) the first date after the City issues 2,000 building permits for residential homes within the Property. If not previously dedicated, dedication of the City Park shown on the Park Plan will occur before the date the City has issued 1,500 building permits for residential homes within the Property. The Park Improvements for a Park must be constructed before the City accepts the dedication or conveyance of a specific tract of Park land. Dedication of Park land consistent with the Park Plan is the exclusive park land dedication requirement applicable to development of the Property so long as the actual number of residential units do not exceed the projected residential units in the Park Plan. If the number of residential units developed on the Property exceeds the units utilized to determine the total acreage dedicated or conveyed in the Park Plan, the Owner must dedicate or convey additional park property to the City in accordance with the requirements of Ordinance 98-039, as amended. No Park or land to be dedicated as Park shall be located within a gas well setback determined in accordance with the MPC Ordinance. No gas well setback shall encroach within property acquired by the City prior to the Effective Date, located outside the Property, and to be used as a public park.

3.2 **Conservation Easement.** Seventy-Four percent of the Upland Habitat Area C known as Pilot Knob will be placed under a conservation easement, the form of which is

attached as **Exhibit D** (the “Conservation Easement”). The Conservation Easement requires the property to be maintained in a natural state while at the same time giving the public access. The Conservation Easement for the approximately 29.14 acres depicted and described on **Exhibit D-1** (the “Pilot Knob Peak”) will be conveyed to the City and recorded in the Real Property Records of Denton County, Texas within 180 days after the City adopts an ordinance or resolution consenting to the creation of the District and to the inclusion of land in the District. Within 180 days after this Agreement is executed, the Owner will complete the “baseline documentation report” (“BDR”) required by the Conservation Easement such that the Pilot Knob Peak Conservation Easement may be recorded. A BDR will (i) address Pilot Knob Peak and Pilot Knob Remainder areas, and (ii) comply with Land Trust Accreditation Commission Guidelines and *Land Trust Standards and Practices Practice 11B*. The remaining area (the “Pilot Knob Remainder”) that compromises the seventy-four percent of the Upland Habitat Area C known as Pilot Knob (i.e., that portion that excludes the Pilot Knob Peak) will also be placed under the Conservation Easement. The Conservation Easement for the Pilot Knob Remainder depicted on **Exhibit D-2** will be conveyed to the City and recorded in the Real Property Records of Denton County, Texas before the first preliminary plat for any portion of the Property is recorded, and the City may withhold approval of the first preliminary plat for any portion of the Property until the Conservation Easement for the Pilot Knob Remainder is recorded in the Real Property Records of Denton County, Texas.

3.3 **Park Development Fees**. In lieu of paying park development fees required by the City ordinance, the Owner will improve the Parks with Park Improvements in accordance with the Park Plan. The cost of the Park Improvements for a specific tract of Park land will equal or exceed the City park fees in effect on the date an application to construct that specific tract of Park land is submitted to the City. Such Park Improvements will be constructed before the City accepts the dedication of a specific tract of Park land. After City staff inspection and acceptance of a completed portion of any such Park Improvements, the City will then program and operate that Park and Park Improvements in accordance with the Park Plan.

3.4 **Maintenance**. Ownership and maintenance of Park land and Park Improvements will be as designated on the Park Plan and governed by the Operating Agreement. If the Park Plan obligates the Owner to own or maintain the Park land, the Owner will or will cause the District, an owner association or another non-profit entity (e.g., a conservation district) to own or maintain the Parks within the Property. The Parks shall be maintained at a level equal to or better than provided by the City to similar improvements in other parts of the City. Notwithstanding the provisions of this Article III, the operation and maintenance of facilities constructed by the City on the “City Park” defined in the Operating Agreement shall be the sole responsibility of the City.

3.5 **Construction**. Prior to and during development in the immediate vicinity of a Park, the Owner shall install, or cause to be installed, temporary protective fencing approved by the City around the Park to protect against intrusion into the Park by development equipment. The Owner shall use its best efforts to prevent damage to Park Improvements, including trees, by its contractors and prevent dumping. All construction within the Park shall comply with MPC Ordinance Section 7.7.4-D, tree protection requirements during construction, and utilize reasonable efforts to minimize the impact to trees, flora and fauna within the Park. Parks

disturbed during construction shall be restored to their pre-construction condition as reasonably determined by the City's Director of Parks and Recreation.

ARTICLE IV INFRASTRUCTURE AND OVERRSIZING

4.1 Infrastructure Construction. Development and use of the Property shall require construction of public infrastructure required to serve development of the Property. The Owner is solely responsible for any costs to construct the Improvement Projects and Owner's reimbursement for Improvement Projects is limited by Operating Agreement Article V. The City has no obligation to construct or contribute financially to the Improvement Projects or other public infrastructure required to serve development of the Property except as provided by the Operating Agreement. The Parties agree that City Offsites, as that term is defined in the Operating Agreement, will be governed by Section 4.11 of the Operating Agreement.

4.2 Oversizing. If the Owner is reimbursed by the District for construction of Improvement Projects, the Owner is not entitled to an impact fee reimbursement for such Improvement Projects. If the City requests oversizing of public improvements consistent with Section 4.08 of the Operating Agreement, then before Owner constructs such oversized improvements, the Owner and the City will enter into an agreement that confirms how such oversized improvements will be funded. If the City enters into an oversizing agreement with Owner, the District will be provided a copy of such agreement. If the City does not otherwise fund the oversized improvements, the Owner is entitled to an impact fee reimbursement for those portions of any project that are Texas Local Government Code Chapter 395 eligible and are not reimbursed by the District.

ARTICLE V MUNICIPAL FACILITIES

5.1 Land Conveyance. The Owner, on behalf of the District, shall convey the land within the Property depicted on Exhibit E to the City for the public facility uses noted on that exhibit on a phased basis with final platting, with the exception of the Denton Municipal Electric substation site described in Section 6.3 below which shall be conveyed before the 180th day after the Effective Date. Each conveyance required by this Section 5.1 will be restricted to its intended use and include a reverter right transferring the land back to the Owner if the City fails to use the land for the restricted use within 40 years from the date of transfer. No earlier than 30 years after the date of the transfer, the Owner will give the City written notice that the reverter will be triggered in 10 years if the City fails to use the land for the restricted use. If the Owner fails to timely provide the notice, the reverter will be effective 10 years after the date the Owner provides the notice to the City. If before the property reverts the City issues a certificate of occupancy for the intended public facilities then the reverter will expire. The provisions of this Section 5.1 will be included in the special warranty deed transferring the land or in notes on the final plat dedicating the land.

Each conveyance required by this Agreement to be by special warranty deed will be in the form of deed attached as Exhibit C. Each conveyance required by this Agreement to be by temporary construction easement will be in the form of the easement attached as Exhibit E-1.

Each conveyance required by this Agreement to be by permanent easement will be in the form of the City's then-current "template" easement as modified by attaching to the same the addendum attached as **Exhibit E-2**.

5.2 Capital Improvements.

(a) The Owner, on behalf of the District, shall contribute to the City \$2,500,000 towards the cost to construct or expand a police substation that will serve the District. The Owner shall contribute to the City \$2,500,000 towards the cost to construct the first fire station to be constructed within the Property or within Cole Ranch that will serve the District. The Owner's contributions will correspond to the sale of District Bonds (as that term is defined in the Operating Agreement) and development within the Property. The Owner's contribution for the police substation and fire station is limited to an amount equal to \$5,000,000 in the aggregate.

(b) The Owner, on behalf of the District, shall contribute to the City \$250,000 towards the cost to design a City water treatment plant. The City will provide the Owner written notice after the design contract is awarded and 60 days before design begins. The Owner's contribution will be paid 60 days after receiving the required notice but no earlier than December 31, 2020. If the Owner funds the \$250,000 contribution, Denton will reimburse the Owner for such contribution on a quarterly basis as impact fees are collected from the service area for the City water treatment plant in an amount equal to the Owner contribution.

5.3 Land Cost Contributions. The Owner, on behalf of the District, shall contribute one-quarter of the City's land costs to acquire the following acreage depicted on **Exhibit E** for the described purpose if such contributions will serve the District: West Side Service Center – 35 acres; West Side Solid Waste Transfer Station – 15 acres; West Side Water Booster Pump Station – 5 acres; and Hickory Creek Wastewater Lift Station – 3 acres. The Owner shall contribute one-quarter of the City's land costs up to \$30,000/per acre adjusted upward or downward annually by no more than the increase in the consumer price index for all urban consumers, all items for the Dallas/Fort Worth area for the previous year (the "CPI Adjustment"). The Owner's land cost contributions are limited to an amount equal to, in the aggregate, [25% of 58 acres x \$30,000 or \$435,000] increased annually by the CPI Adjustment. The Owner will not deny, contest, or otherwise oppose any City application, registration, or permit for the siting, construction, or operation of a Transfer/Recovery Facility provided such facility is not within 1,000 feet from a MN, MR, R4 R6 or R7 zoned property on the Property.

5.4 Contribution Timing. When each Developer seeks reimbursement from a series of District Bonds, the Developer agrees to contribute at least ten percent of the amounts due to it from the issuance of such District Bonds until such time as the Owner's contribution for capital improvements described in Section 5.2, land costs described in Section 5.3, and affordable housing costs described in Article VII are fully funded, and to assign that portion of its reimbursement from the District Bonds to the City. Each payment required by this Section 5.4 will be held in a separate segregated City account restricted to its intended use and include a reverter right transferring the funds back to the Owner if the City fails to use the funds for the restricted use within ten years from the date all obligations in Section 5.2, Section 5.3 and

Article VII are fully funded. Notwithstanding the foregoing, if the District funds the obligation in Section 5.2 and Section 5.3 then the developer contribution will be reduced by a like amount.

5.5 Impact Fee Updates. The development of the Property requires the City to adopt and update its impact fees in compliance with Texas Local Gov't Code Chapter 395.

ARTICLE VI DENTON MUNICIPAL ELECTRIC SERVICE

6.1 Electric Service. Denton Municipal Electric (DME) will provide and bill and collect for, retail service to all customers within the Property where DME has single, dual, or triple certified electric service territory rights. The rates to be charge to the residents and users within the Property shall be the same as charged to residents and users located in other areas of the City. The City will retain all revenue from providing such services.

6.2 Electric Distribution Infrastructure. DME will extend electric distribution facilities as necessary to serve full development of the Property. The MPC Ordinance includes a phasing exhibit which identifies the sequence of development for the Property. If the Property is developed consistent with the phasing exhibit included in the MPC Ordinance, DME will not charge any Aid-in-Construction fees for electric infrastructure costs necessary to serve the Property as it develops. However, if the Property is developed in manner inconsistent the phasing exhibit included in the MPC Ordinance, DME will evaluate the cost associated with service extension through the undeveloped area to determine if Aid-in-Construction is required. Based on a worst-case scenario, for an overhead extension from phase 1 to phase 5 of Hunter Ranch, Aid-in-Construction could cost approximately \$1,000,000. DME is responsible for installation of all primary-voltage electrical cables, transformers, switchgear, streetlight poles and LED streetlight fixtures, streetlight cables, communication fiber optic cables, single-family residential services, and other necessary DME distribution and transmission system equipment, whether onsite or offsite as necessary to provide adequate and reliable electric service to the Property.

As required, the Developer, Owner or the District shall provide to DME Public Utility Easements necessary to protect, install, safely operate and maintain the electric infrastructure. Public Utility Easements will be 8 feet in width adjacent to street rights-of-way in single family residential areas, and 15 feet in width adjacent to Primary and Secondary Arterial rights-of-way (20 feet where duct banks are required). Easements will be conveyed through the platting process unless DME requests an easement be transferred by separate instrument. DME agrees to joint trench installation of other franchised utilities such as telephone, cable tv, fiber optic cables, or other non-gas utilities within the designated public utility easements as long as those utilities are on an edge shelf of the trench and not placed directly above the electric facilities.

Existing overhead DME electric distribution lines, which are located in the public rights-of-way, will be relocated by DME at no cost to the Developer when development adjacent to the existing electric line requires the line to be relocated in order to accommodate the adjacent development as long as the relocation is also to an overhead position. If the Developer requests the relocation be placed underground, then the Developer shall be responsible for the difference

in cost between the overhead relocation and the underground relocation as reasonably determined and demonstrated by DME.

Developer will comply with those City approved policies within the DME Electric Service Standards (ESS), as amended, that are available on the City website and uniformly applied within the City. All new distribution electric service within the Property shall be placed underground except for necessary above ground appurtenances such as street lights, switchgear and transformers.

The ESS defines the Developer's responsibilities and expectations, including the installation of the civil work as required by DME. Such work includes installation of the following:

Primary Voltage Conduit and Pull Boxes – Conduit and pull boxes are provided by DME and installed by the Developer including concrete encasement of mainline feeders.

Switchgear – Switchgear and bases are provided by DME with the Developer responsible for installation of the switchgear bases including grading.

Transformers – For single family and duplex uses, single-phase transformer pads will be provided by DME. All other multi-family uses, whether three-phase service or single-phase service, will be considered commercial and the pads will be provided by the Developer. Three-phase pads to serve commercial development will be provided by the Developer. All pads must meet current DME construction standards. DME is responsible for the installation of the transformer bases.

Street Lights and Conduits – Developer, on behalf of the District, is responsible for the cost to purchase and install all street light assemblies. Street light conduit and pull boxes will be provided by DME. Street light selection can be based on DME's current standard street light offerings. If Developer chooses to use a different street light than the standard offerings, approval will be required by DME. DME will pull primary wire and energize street lights once complete by the Developer. DME will own, operate, maintain, and replace all streetlights within the public rights-of-way of the Property. These lights will be under a flat-rate monthly electric service rate (non-metered) funded by the City of Denton

6.3 Electric Substation Infrastructure. DME is responsible for installation, operation, maintenance, and replacement of all substation facilities necessary to serve full development of the Property. This includes the proposed Underwood Substation and easements depicted on Exhibit E and described on Exhibit E-3 which will be conveyed by the owner to DME at no cost consistent with the terms of Section 5.1 above. That specific site and easements are shown on City Ordinance 2017-279 dated September 19, 2017 and on Exhibit E-3. Exhibit E-3 is illustrative and the Parties will finalize in a recordable form before recording the final conveyances in the deed records.

ARTICLE VII AFFORDABLE HOUSING

Each Developer seeking reimbursement from a series of District Bonds agrees to contribute to the City's Affordable Housing Program consistent with the terms of Section 5.4 above until such time as an affordable housing contribution equal to \$1,500,000 in the aggregate is fully funded.

ARTICLE VIII **PRIVATE AMENITIES**

Certain private amenities, such as an amenity center with private use restrictions (e.g., pool, bathrooms, cabana structure, playgrounds and the like, collectively, the "Private Amenities"), will be constructed in phases as development of the Property occurs in accordance with the MPC Ordinance and will be owned, operated and maintained by an owner association or another non-profit entity. The Private Amenities are not part of the Improvement Projects and will not be funded with the proceeds of District Bonds.

ARTICLE IX **DISTRICT MATTERS**

9.1 Certification of Compliance. Each Developer within the District agrees to provide the City and the District a written certification confirming that the Developer is in compliance with the applicable sections of this Agreement with respect to the real property that Developer owns. For purposes of this Section 9.1, each "Developer within the District" means each Developer who has an obligation under the Project Agreement or the Operating Agreement or is requesting reimbursement from the Bonds to be issued. A Developer is released from the certification requirement when that Developer has no obligation under the Project Agreement and the Operating Agreement. The certifications will be provided by the Developer seeking reimbursement as a condition to having its reimbursements included in a District bond application to the TCEQ; and then again 60 days before the date of sale of the District Bonds. With respect to District Bonds not requiring TCEQ approval, the Developer seeking reimbursement shall provide the certifications 120 days before the sale date of the District Bonds and again 60 days before the sale date of the District Bonds. The certification will be in the form attached as **Exhibit F**.

9.2 Estoppel. Upon receipt of a written request from the Owner, the City Manager will execute a written estoppel certification that (a) identifies any obligations of the Owner or a Developer under this Agreement that are in default, or with the giving of notice or passage of time, would be in default; and (b) stating, to the extent true, that to the best of the City's knowledge and belief, the Owner or a Developer is in compliance with its duties and obligations under this Agreement.

9.3 Joinder Agreement. A new district created by division of the District must enter into a Joinder to the Operating Agreement in the form required by the Operating Agreement or a new operating agreement; and each Developer shall be a third-party beneficiary of any such Joinder or new operating agreement.

9.4 District Termination. In the event that the conservation easement in the form attached hereto as **Exhibit D** with **Exhibit D-1** attached is not recorded in the real property

records of Denton County, Texas, within 180 calendar days from the date of passage of the Consent Resolution, this Agreement shall expire in all respects and no longer be effective or binding upon the City. Further, the requirement for City consent to the approval of this Agreement in the District Act shall be deemed unmet and the District shall be considered to have never been created.

ARTICLE X **ROUGH PROPORTIONALITY**

10.1 The Owner and its related entities, successors and assigns (collectively the "Developer Parties") release and discharge the City, its past and present employees, officers, council members, attorneys and other representatives (including city consultants, the city attorney, the city engineer, city building official and city bond counsel) (collectively the "City Parties") from any and all claims, demands, controversies, and causes of action for breach of contract, takings, exactions, claims under Texas Local Government Code Chapter 395, and claims under the Private Real Property Rights Preservation Act, Texas Government Code Chapter 2007, that relate to the Development, provided, however, notwithstanding anything to the contrary in this Section 10.1, the Parties do not release any future contract rights arising under or related to this Agreement. Any claims against the City Parties by the Developer Parties arising prior to the Effective Date which are not specifically released by this Section 10.1 are hereby assigned by the Developer Parties to the City.

10.2 DEVELOPER PARTIES' ACKNOWLEDGE THE CITY'S COMPLIANCE WITH FEDERAL AND STATE CONSTITUTIONS, STATUTES AND CASE LAW AND FEDERAL, STATE AND LOCAL ORDINANCES, RULES AND REGULATIONS AND OWNERS' WAIVE AND RELEASE CLAIMS FOR OBLIGATIONS IMPOSED BY THIS AGREEMENT.

(A) DEVELOPER PARTIES ACKNOWLEDGE AND AGREE THAT:

(I) THE IMPROVEMENT PROJECTS TO BE CONSTRUCTED AND THE FEES TO BE IMPOSED BY THE CITY REGARDING THE PROPERTY, IN WHOLE OR IN PART, UNDER THIS AGREEMENT 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) THE AMOUNT OF DEVELOPER PARTIES' FINANCIAL OR INFRASTRUCTURE CONTRIBUTION AGREED TO IN THIS AGREEMENT IS ROUGHLY PROPORTIONAL TO THE DEMAND THAT SUCH DEVELOPER PARTIES' DEVELOPMENT PLACES ON THE CITY'S INFRASTRUCTURE.

(III) DEVELOPER PARTIES HEREBY AGREE THAT ANY PROPERTY WHICH THEY CONVEY TO THE CITY OR ACQUIRE FOR THE CITY PURSUANT TO THIS AGREEMENT IS ROUGHLY PROPORTIONAL TO THE BENEFIT RECEIVED BY THE DEVELOPER PARTIES FOR SUCH LAND, AND DEVELOPER PARTIES HEREBY WAIVE ANY CLAIM THEREFOR THAT THEY MAY HAVE. DEVELOPER PARTIES FURTHER ACKNOWLEDGE AND AGREE THAT ALL PREREQUISITES TO SUCH A DETERMINATION OF ROUGH PROPORTIONALITY HAVE BEEN MET,

AND THAT 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. DEVELOPER PARTIES' FURTHER AGREE TO WAIVE AND RELEASE ALL CLAIMS THEY MAY HAVE AGAINST THE CITY PARTIES RELATED TO ANY AND ALL 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) DEVELOPER PARTIES RELEASE THE CITY PARTIES FROM ANY AND ALL CLAIMS OR CAUSES OF ACTION BASED ON EXCESSIVE OR ILLEGAL EXACTIONS RELATING TO DEVELOPER PARTIES' OBLIGATIONS CREATED IN THIS AGREEMENT.

(C) NOTHING IN THIS SECTION 10.2 WAIVES THE REQUIREMENTS, BENEFITS, AND OBLIGATIONS OF SECTION 4.11 OF THE OPERATING AGREEMENT.

(D) THIS SECTION 10.2 AND SECTION 10.1 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

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, 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 Term. This Agreement shall be for a term of 40 years from the earlier of (a) the date of city approval of the initial preliminary plat of the Property, or (b) March 18, 2025. Prior to the expiration of the Term, the Parties will consider whether to amend this Agreement. Consistent with the terms of the Operating Agreement, the reimbursement for Improvement Projects will be paid to the Owner, Developer, or their assignees. Notwithstanding the foregoing: (i) any Improvement Projects initiated after the term expires shall not be reimbursed by the District and the City shall not have any obligation to pay or reimburse for such Improvement Projects; and (ii) this Agreement terminates for an end-buyer of a fully developed and improved lot, other than Owner or Developer and any Owner or Developer related to or affiliated with the Owner or Developer. This provision shall survive the termination of this Agreement.

11.3 Notices. All notices required or contemplated by this Agreement (or otherwise given in connection with this Agreement) (a "Notice") shall be in writing, shall be signed by or

on behalf of the Party giving the Notice, and shall be effective as follows: (a) on or after the 10th business day after being deposited with the United States mail service, Certified Mail, Return Receipt Requested with a confirming copy sent by FAX; (b) on the day delivered by a private delivery or private messenger service (such as FedEx or UPS) as evidenced by a receipt signed by any person at the delivery address (whether or not such person is the person to whom the Notice is addressed); or (c) otherwise on the day actually received by the person to whom the Notice is addressed, including, but not limited to, delivery in person and delivery by regular mail or by E-mail (with a confirming copy sent by FAX). Notices given pursuant to this section shall be addressed as follows:

To the City: City of Denton
Attn: City Manager
215 E. McKinney St.
Denton, Texas 76201
Fax: (____) _____
Email:

To the District: Hunter Ranch Improvement District No. 1 of Denton County
Attn: President, Board of Directors
c/o Crawford & Jordan LLP
3100 McKinnon Street, Suite 1100
Fax: (214) 981-9071
Email: CCrawford@crawlaw.net

To the Owner: Attn: Ike Robb
Petrus Investment, L.P.
3000 Turtle Creek Blvd.
Dallas, TX 75219
Fax: (214) 303-5570
Email: ike.robb@pgrp.net

To the Owner: Attn: Jeremy Fowler
Petrus Investment, L.P.
3000 Turtle Creek Blvd.
Dallas, TX 75219
Fax: (214) 303-5570
Email: jeremy.fowler@pgrp.net

With a copy to: Attn: Misty Ventura
Shupe Ventura, PLLC
9406 Biscayne Blvd.
Dallas, Texas 75218
Fax: (800) 519.3768.
Email: misty.ventura@svlandlaw.com

11.4 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 (which notice shall set forth

in reasonable detail the nature of the alleged failure) and until such Party has been given a reasonable time to cure the alleged failure (such reasonable time determined based on the nature of the alleged failure, but in no event less than 30 days after written notice of the alleged failure has been given). In addition, 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. The Party required to give notice under this Section 11.4 must provide a copy of such notice to the District.

11.5 GENERAL 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, SPECIFIC PERFORMANCE, MANDAMUS, AND INJUNCTIVE RELIEF. NOTWITHSTANDING THE FOREGOING, HOWEVER, NO DEFAULT UNDER THIS AGREEMENT SHALL:

- (a) entitle the aggrieved Party to terminate this Agreement; or
- (b) entitle the City to suspend performance under this Agreement to (i) any fully developed and improved lot within the Property owned by parties other than the Owner or Developer in default and any Owner or Developer related to or affiliated with the Owner or Developer in default; or (ii) any fully developed lot within the Property owned by any Owner or Developer not in default and not related to or affiliated with the Owner or Developer in default; or (iii) any Owner or Developer in compliance with Section 11.6 below; or
- (c) adversely affect or impair the current or future obligations of the City to issue permits, make inspections, issue approvals or provide water or sewer service (whether wholesale or retail) or any other service (including solid waste collection, and police, fire and EMS service) to (i) any fully developed and improved lot within the Property owned by parties other than the Owner or Developer in default and any Owner or Developer related to or affiliated with the Owner or Developer in default; or (ii) any fully developed lot within the Property owned by any Owner or Developer not in default and not related to or affiliated with the Owner or Developer in default; or (iii) any Owner or Developer in compliance with Section 11.6 below or
- (d) entitle the aggrieved Party to seek or recover exemplary damages; or
- (e) limit the Term of this Agreement.

11.6 ADDITIONAL REMEDIES FOR IMPROVEMENT PROJECTS. In addition to the general remedies provided by Section 11.5 above, in the event that there is a default under this Agreement, or violation of the MPC Ordinance or City ordinance, related to the construction of the Improvement Projects or other public improvements to be dedicated to the City as described in Section 2.4, Section 3.1, Article IV and Section 6.2 of this Agreement, the following additional remedies apply.

- (a) Contract Covenant. The Owner or Developer will include in the contract for construction of those Improvement Projects or other public infrastructure to be dedicated to the

City the obligation of the contractor “to recognize and comply with the applicable provisions of the Project Agreement and the Operating Agreement and authorize the City to enforce the terms of the Project Agreement and the Operating Agreement against the contractor” (the “Contract Covenant”). The City shall have the right to audit, upon reasonable notice, the Owner or Developer's compliance with this Section 11.6(a). Upon written request by the City, the Owner or Developer shall provide to the City evidence of the inclusion of the Contract Covenant in any contract for the construction of those Improvement Projects or other public infrastructure to be dedicated to the City for which a permit has been issued by the City but for which the City has not yet accepted those improvements.

(b) Enforcement Obligation. The City may, at its option, provide written notice to the Owner or Developer of a default related to the construction of any Improvement Projects or other public infrastructure to be dedicated to the City (an “Infrastructure Default Notice”). Within 30 days of receiving an Infrastructure Default Notice, the Owner or Developer must provide evidence to the City that the Owner or the Developer is enforcing the Contract Covenant. Such evidence may take the form of a demand letter to the defaulting party or evidence a lawsuit has been filed or other documentation that evidences the Owner or the Developer is enforcing the Contract Covenant. The Owner or Developer's enforcement obligation under this Section 11.6(b) is neither a guaranty of compliance with the Contract Covenant nor is it an obligation to enforce the City's regulatory requirements.

(c) City Self-Help Notice. If after receiving the Infrastructure Default Notice, the Owner or Developer fails to comply with the requirements of Section 11.6(b) then the City will send the Owner or Developer a notice with an opportunity to cure within 120 days (the “City Self-Help Notice”) putting the Owner or Developer on notice that if they fail to satisfy their obligations in Section 11.6(b) during the 120-day cure period then the City will enforce this Agreement and the Operating Agreement against the defaulting contractor. If the City elects to enforce this Agreement and the Operating Agreement against the defaulting contractor after the Owner or Developer has failed in its obligations to do so, then the Owner or the Developer will reimburse the City for its enforcement costs.

(d) Termination of Obligations. The Owner and Developer obligations in this Section 11.6 are released as to each platted portion of the Property once those Improvement Projects or other public infrastructure to be dedicated to the City to serve that platted portion of the Property are accepted by the City.

11.7 Governmental Powers; Waivers of Immunity. By its execution of this Agreement, the City does not waive or surrender any of its governmental powers, immunities, or rights.

11.8 Assignment. Owner has the right (from time to time without the consent of the City, but upon written notice to the City) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of Owner under this Agreement, to any person or entity (an “Assignee”) that is or will become an owner of any portion of the Property or that is an entity that is controlled by or under common control with Owner. Each assignment shall be in writing executed by Owner and the Assignee and shall obligate the Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or

interests being assigned, and shall be in the form of the Joinder Agreement attached hereto as **Exhibit G** (each, a “Joinder Agreement”). Each Joinder Agreement shall include (i) a description of the portion of Improvement Projects and other public infrastructure that will be constructed and financed by each Developer, (ii) the division of obligations regarding the dedication of Parks, the conveyance of land for municipal facilities, and the contribution of funds for costs of municipal facilities and the City’s affordable housing program, and (iii) the maximum aggregate amount the District may reimburse to the Developer pursuant to Sections 5.01(a) and 5.08 of the Operating Agreement. A copy of each Joinder Agreement shall be provided to all Parties and the District within 15 days after execution. From and after such assignment, the City agrees to look solely to the Assignee for the performance of all obligations assigned to the Assignee and agrees that Owner shall be released from subsequently performing the assigned obligations and from any liability that results from the Assignee’s failure to perform the assigned obligations; provided, however, if a copy of the Joinder Agreement is not received by the City within 15 days after execution, Owner shall not be released until the City receives such assignment. No assignment by Owner shall release Owner from any liability that resulted from an act or omission by Owner that occurred prior to the effective date of the assignment unless the City approves the release in writing. Owner shall maintain written records of all assignments made by Owner to Assignees, including a copy of each executed Joinder Agreement and the Assignee’s Notice information as required by this Agreement, and, upon written request from any Party or Assignee, shall provide a copy of such records to the requesting person or entity. The City shall not have the right to assign this Agreement. An Assignee shall be considered a “Party” and the “Owner” for the purposes of the rights, title, interest, and obligations assigned to the Assignee.

11.9 Encumbrance. Owner and Assignees have the right, from time to time, to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of their respective rights, title, or interest under this Agreement for the benefit of their respective lenders without the consent of, but with prompt written notice to, the City and the District. 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 (hereinafter defined) 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 accept 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, but 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. The City shall not collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of its rights, title, or interest under this Agreement without Owner’s prior written consent.

11.10 No Restriction on Property Transfer. No provision of this Agreement shall limit the ability of the Owner or any other person to transfer voluntarily or involuntarily its right, title, or interest in or to all or any portion of the Property.

11.11 Binding Obligations. This Agreement shall be recorded in the deed records of Denton County. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns permitted by this Agreement and upon the Property; however, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any end-buyer of a final platted and improved lot, other than any Owner or Developer and any Owner or Developer related to or affiliated with such Owner or Developer, that is subject to a final plat recorded in the real property records of Denton County.

11.12 Releases. From time to time upon written request of Owner or the District, the City Manager shall execute, in recordable form, a release of this Agreement if the requirements of this Agreement have been met.

11.13 Interpretation. The Parties acknowledge that each of them 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 or against any Party, regardless of which Party originally drafted the provision.

11.14 Representations on Authority and Enforceability. The City represents and warrants that this Agreement has been approved by ordinance duly adopted by the City Council 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. Owner represents and warrants that this Agreement has been approved by appropriate action of Owner, and that the individual executing this Agreement on behalf of Owner has been duly authorized to do so. Each Party acknowledges and agrees that this Agreement is binding upon such Party and enforceable against such Party in accordance with its terms and conditions.

11.15 Entire Agreement. This Agreement, the Consent Resolution, and the Operating Agreement, together constitute all of the agreements between the Parties and supersede all prior agreements, whether oral or written, covering the subject matter of these agreements.

11.16 Amendments. This Agreement shall not be modified or amended except in writing signed by the Parties.

11.17 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, 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.

11.18 Applicable Law; Venue. This Agreement is entered into under and pursuant to, and is to be construed and enforceable in accordance with, the laws of the State of Texas, and all obligations of the Parties are performable in Denton County. Venue for any action to enforce or construe this Agreement shall be in Denton County.

11.19 Non Waiver. Any failure by a Party to insist upon strict performance by another 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.

11.20 No Third Party Beneficiaries. Except as otherwise provided in this Section 11.20, this Agreement only inures to the benefit of, and may only be enforced by, the Parties. If the District is not an Assignee, the District shall be considered a third-party beneficiary of this Agreement. An end-buyer of a lot shall be considered a third-party beneficiary of this Agreement, but only for the limited purposes for which an end-buyer is bound by this Agreement. 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.

11.21 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 business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give Notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term “force majeure” shall include events or circumstances that are not within the reasonable control of the Party whose performance is suspended and that could not have been avoided by such Party with the exercise of good faith, due diligence and reasonable care.

11.22 Form 1295. Submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The City hereby confirms receipt of the Form 1295 from the Owner, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Parties understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Owner; and, neither the City nor its consultants have verified such information.

11.23 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.

11.24 Further Documents. Each Party shall, upon request of the other Party, execute and deliver such further documents and perform such further acts as may reasonably be requested to effectuate the terms of this Agreement and achieve the intent of the Parties.

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

Exhibit A	Metes and Bounds Description of the Property
Exhibit B	Park Plan
Exhibit C	Form of Special Warranty Deed
Exhibit D	Conservation Easement
Exhibit D-1	Pilot Knob Peak Depiction and Description
Exhibit D-2	Pilot Knob Remainder Depiction
Exhibit E	Municipal Facilities
Exhibit E-1	Form of Temporary Construction Easement
Exhibit E-2	Form of Permanent Easement Addendum
Exhibit E-3	DME Legal Description
Exhibit F	Developer Certification
Exhibit G	Joinder Agreement

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

ATTEST:

CITY OF DENTON

By: _____

By: _____

Name: _____

Name: _____

Title: City Secretary

Title: _____

Date: _____

APPROVED AS TO FORM AND LEGALITY:

By: _____

Name: _____

Title: City Attorney

STATE OF TEXAS §
COUNTY OF DENTON §

This instrument was acknowledged before me on _____, 2020 by _____,
of the City of Denton, Texas on behalf of said city.

Notary Public, State of Texas

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

Todd Hileman, City Manager

Ethan Cox, Director of Public Works

David Gaines, Director of Finance

William Estes, Director of Capital Projects/City Engineer

Frank Pugsley, Director of Water/Wastewater Plant Operations

Gary Packan, Director of Parks and Recreation

Jessica Rogers, Director of Economic Development

Kenneth Banks, General Manager of Utilities

Brian Boerner, Director of Solid Waste

Antonio Puente, CFO/Interim General Manager of DME

Clark Rosendahl, Drainage Manager

Dean Hartley, Facilities Manager

Scott McDonald, Director of Development Services

Brian Boerner, Director of Solid Waste

Daniel Kremer, Deputy Director of Operations, Streets

Deborah Viera Sierra, Assistant Director of Environmental Services

OWNER:

PETRUS INVESTMENT, L.P.
a Texas limited partnership

By: PMC Management, L.P.,
a Texas limited partnership
its general partner

By: Hillwood Development Company, LLC,
a Texas limited liability company
its general partner

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
COUNTY OF DALLAS §

This instrument was acknowledged before me on March __, 2020 by _____, on behalf of Hillwood Development Company, LLC as General Partner of PMC Management, L.P., general partner of Petrus Investment, L.P.

Notary Public, State of Texas

EXHIBIT A - METES AND BOUNDS DESCRIPTION OF THE PROPERTY

DESCRIPTION OF THREE TRACTS OF LAND

TRACT 1

BEING a tract of land situated in the E. Pizano Survey, Abstract Number 994, the G. Pettingale Survey, Abstract Number 1041, the J. Taft Survey, Abstract Number 1269, the G. West Survey, Abstract Number 1393, the B.B.B. & C.R.R. CO. Survey, Abstract Number 158, Denton County, Texas, and being all of the remainder of that tract of land described by deed to Petrus Investment, L.P. (tract 1), recorded in Instrument Number 1998-117450, and all of that tract of land described by deed to Hillwood Investment Land, L.P., recorded in Instrument Number 2015-146192, Real Property Records, Denton County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at the southwest corner of said Tract 1, being in the north right-of-way line of Robson Ranch Road;

THENCE N 00°37'44" W, 3285.00 feet, departing said north right-of-way line;

THENCE N 00°29'34" W, 3074.88 feet;

THENCE S 89°50'59" W, 1215.90 feet;

THENCE N 00°07'16" E, 3802.59 feet;

THENCE N 89°46'52" E, 5806.39 feet;

THENCE N 01°19'45" E, 92.25 feet;

THENCE N 89°29'17" E, 5406.54 feet, to the approximate center line of John Paine Road;

THENCE N 00°09'21" W, 6119.82 feet, with said approximate center line;

THENCE N 44°00'59" E, 231.30 feet, departing said approximate center line, to the south right-of-way line of FM 2449, being the beginning of a curve to the right;

THENCE with said south right-of-way line and said curve to the right, an arc distance of 215.79 feet, through a central angle of 11°16'41", having a radius of 1096.28 feet, the long chord which bears S 66°45'34" E, 215.44 feet;

THENCE S 61°07'13" E, 2320.45 feet, continuing with said south right-of-way line, to the beginning of a curve to the left;

THENCE with said south right-of-way line and said curve to the left, an arc distance of 151.20 feet, through a central angle of 01°29'56", having a radius of 5779.65 feet, the long chord which bears S 61°52'12" E, 151.19 feet;

THENCE S 00°27'53"E, 1963.20 feet;

THENCE S 89°55'28"E, 47.53 feet, to the west right-of-way line of Interstate Highway 35W;

THENCE with said west right-of-way line the following bearings and distances:

S 26°18'12"W, 1542.25 feet;

S 32°02'34"W, 199.99 feet;

S 26°18'12"W, 400.06 feet;

S 19°10'44"W, 201.57 feet;

S 26°18'12"W, 2962.69 feet;

N 33°34'41"W, 200.24 feet;

N 19°12'37"W, 155.68 feet;

N 00°31'13"W, 111.31 feet;

N 30°43'14"W, 44.34 feet;

N 89°58'11"W, 46.00 feet;

S 29°23'22"W, 44.72 feet;

S 00°31'13"E, 210.31 feet;

S 10°43'27"E, 103.30 feet;

S 00°31'13"E, 118.88 feet;

S 33°43'52"E, 270.79 feet;

S 26°18'12"W, 2560.86 feet;

S 27°54'47"W, 605.73 feet;

S 29°23'19"W, 2716.37 feet;

S 35°04'08"W, 202.07 feet;

S 29°23'19"W, 899.62 feet;

S 32°15'04" W, 144.34 feet;

S 89°59'41" W, 56.40 feet;

S 00°37'05" E, 92.68 feet;

S 29°23'19" W, 749.32 feet;

S 32°50'37" W, 497.80 feet;

S 29°18'00" W, 128.98 feet;

S 29°23'18" W, 922.23 feet;

THENCE S 65°32'46" W, 23.56 feet, to the north right-of-way line of Robson Ranch Road;

THENCE with said north right-of-way line the following bearings and distances:

S 89°52'13" W, 246.95 feet;

N 00°19'14" W, 5.20 feet;

S 89°53'26" W, 290.34 feet;

S 00°06'34" E, 5.00 feet;

S 89°53'26" W, 200.00 feet;

S 00°06'34" E, 5.00 feet;

S 89°53'26" W, 600.00 feet;

S 00°06'34" E, 5.00 feet;

THENCE S 89°53'26" W, 4134.86 feet to the **Point of Beginning** and containing 102,688.371 square feet or 2357.40 acres of land more or less.

TRACT 2

BEING a tract of land situated in the B.B.B. & C.R.R. Co. Survey, Abstract Number 158, the J. Taft Survey, Abstract Number 1269, the B.B.B & C.R.R. Co. Survey, Abstract Number 159, the G. Pettingale Survey, Abstract Number 1041, the B.B.B. & C.R.R. Co. Survey, Abstract Number 160, the S. Pritchett Survey, Abstract Number 1021 and the G. West Survey, Abstract Number 1393, Denton County, Texas, and being the remainder of that tract of land described by deed to Petrus investment, L.P., recorded in Instrument Number 1998-117450, Real Property Records, Denton County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at the intersection of the of John Paine Road and Johnson Lane;

THENCE S 00°30'43"E, 3045.50 feet, with the approximate centerline of said John Paine Road, to the beginning of a curve to the left;

THENCE with said approximate centerline and said curve to the left, an arc distance of 179.75 feet, through a central angle of 19°11'48", having a radius of 536.50 feet, the long chord which bears S 09°24'16"W, 178.91 feet;

THENCE S 00°13'45"E, 426.23 feet, with said approximate centerline;

THENCE S 89°53'42"W, 2258.03 feet, departing said approximate centerline;

THENCE N 00°26'28"E, 497.90 feet;

THENCE S 89°59'41"W, 273.92 feet, to the east right-of-way line of Interstate Highway 35W;

THENCE with said east right-of-way line the following bearings and distances:

N 29°23'19"E, 847.04 feet;

N 23°44'25"E, 203.21 feet;

N 29°23'16"E, 2716.06 feet;

N 27°54'47"E, 621.79 feet;

N 26°18'12"E, 2150.05 feet;

N 89°55'52"E, 470.07 feet;

S 76°13'57"E, 71.47 feet;

N 89°37'20"E, 80.00 feet;

N 71°38'56"E, 52.97 feet;

N 16°39'41"E, 51.30 feet;

N 70°04'44"W, 229.45 feet;

N 54°35'05"W, 163.69 feet;

N 33°40'57"W, 209.99 feet;

N 26°18'12"E, 3164.78 feet;

N 36°14'02"E, 202.95 feet;

N 26°18'12"E, 399.25 feet;

N 32°45'23"E, 400.40 feet;

N 26°18'12"E, 399.87 feet;

N 14°58'58"E, 305.66 feet;

N 26°18'12"E, 833.31 feet;

THENCE N 89°32'14"E, 1998.29 feet, departing said east right-of-way line;

THENCE S 00°48'03"E, 5473.72 feet, to the approximate centerline of Allred Road;

THENCE S 89°49'27"W, 3048.35 feet, with said approximate centerline;

THENCE S 00°27'04"E, 2640.07 feet, departing said approximate centerline;

THENCE S 89°59'08"W, 2353.13 feet to the **Point of Beginning** and containing 31,246,880 square feet or 717.33 acres of land more or less.

TRACT 3

BEING a tract of land situated in the S. Pritchett Survey, Abstract Number 1004, the G. West Survey, Abstract Number 1393, the C.W. Byerly Survey, Abstract Number 1458, and the J. Dalton Survey, Abstract Number 353, Denton County, Texas, and being all of the remainder of that tract of land described by deed to Petrus Investment, L.P., (tract 3) recorded in Instrument Number 1998-117450, Real Property Records, Denton County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at an ell corner in the east line of said tract 3, being the northwest corner of that tract of land described by deed to Southwest Denton Venture, recorded in Instrument Number 1994-94865, said Real Property Records;

THENCE S 00°26'39"E, 996.99 feet, with the east line of said tract 3, to the north right-of-way line of FM 2449, being the beginning of a curve to the right;

THENCE with said north right-of-way line and said curve to the right, an arc distance of 95.22 feet, through a central angle of 00°57'38", having a radius of 5679.65 feet, the long chord which bears N 61°36'02"W, 95.22 feet;

THENCE N 61°07'13"W, 2320.45 feet, with said north right-of-way line;

THENCE N 00°16'51" W, 99.92 feet, to the approximate centerline of Underwood Road;

THENCE N 89°44'37" E, 986.31 feet, with said approximate centerline;

THENCE N 01°13'53" E, 1106.15 feet, continuing with said approximate centerline, to the southwest corner of that tract of land described by deed to W.C. Lynch, recorded in Instrument Number 1991-23744, said Real Property Records;

THENCE S 89°48'49" E, 1847.04 feet, with the south line of said Lynch tract;

THENCE S 00°25'26" E, 427.73 feet, departing said south line, to the approximate centerline of Hickory Creek;

THENCE with the approximate centerline of Hickory Creek the following bearings and distances:

S 40°20'08" E, 256.75 feet;

S 49°08'35" E, 333.56 feet;

S 44°58'00" E, 94.76 feet;

S 24°00'36" E, 123.31 feet;

S 05°41'36" W, 211.41 feet;

THENCE S 02°18'34" E, 131.60 feet, to the north line of the aforementioned Southwest Denton JV tract;

THENCE S 89°32'45" W, 1271.86 feet, departing said Hickory Creek, to the **Point of Beginning and containing 4,050,704 square feet or 92.99 acres of land more or less.**

"This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared."

EXHIBIT 'B'

Hunter Ranch - Park Improvement Summary Tables

Park Dedication and Development Requirements for Hunter and Cole Ranch						
	<u>Multi-Family Units</u>	<u>Single Family Units</u>	<u>Park Dedication Requirement</u>	<u>*Requirement with 50% Reduction</u>	<u>Developer Planned Dedication Amount</u>	<u>Park Development Fees (as of 12/2019)</u>
Hunter Ranch	3,250	7,000	63.63	31.815	64#	\$2,644,750
*Per Ordinance 98-039 up to 50% reduction where substantial private park and recreational area proposed. Development is not using this credit and providing the minimum required amount of park land and development						
#1x 54 acre City Park & 2x 5 acre Neighborhood Parks (minimum)						
***Developer financial commitment to construct City -owned parks includes only the City Park and Neighborhood Parks						

Trail System (Not required by the Park Dedication and Development Ordinance)			
	<u>10' Regional Trails</u>	<u>6" Community Trails</u>	<u>Total Trails</u>
Hunter Ranch	11 Miles	21 Miles	32 Miles
*All mileage on the trails is approximate until design is finalized			
*The City of Denton will have an access easement on all trails outside of the right-of-way			
*10' trails will have a 30' easement and 6' trails will have a 26' easement, this allows for additional space if needed for programming, easement could be modified as needed pending space allocation			

Parks and Trails - Ownership, Maintenance and Access			
<u>Description</u>	<u>Ownership</u>	<u>Maintenance</u>	<u>Access</u>
City Park**	City	District/HOA	Open to public
Neighborhood Park	City	District/HOA	Open to public
Dog Park*	District/HOA with PAE	District/HOA	Open to public
Pocket Park*	District/HOA with PAE	District/HOA	Open to public
Amenity Centers	District/HOA	District/HOA	Private
Trails*	District/HOA with PAE	District/HOA	Open to public
Lakes*	District/HOA with PAE	District/HOA	Open to public
Upland ESA trails*	District/HOA with PAE	District/HOA	Open to public
* PAE - Public Access Easement			
** City is responsible for the maintenance and operation of any buildings/structures not constructed by the developer such as a recreation center, skate park , etc.			

Park Improvements	
<u>Park Type</u>	<u>Description of Improvements</u>
City Park	Minimum 54 acres
	Picnic Tables, Trash Cans and Benches
	Playground area with equipment incorporating shade structures
	Trails
	Practice fields for baseball, softball, soccer and football
	Dedicated parking area
Dog Park	Approximately 3 acres
	One enclosed dog free-play facility provided
	Up to three play areas included in the design
	Dedicated parking area
Neighborhood Park	Minimum 5 acres each
	Minimum two Neighborhood Parks
	Provided adjacent to each elementary school site if agreed by City and DISD
	Playground Designed for ages 2-5 and 5-12
	Landscaped with trees, benches and drinking fountains
	On-street parking provided
Pocket Parks/Amenity Centers	Aprroximately one-half to one acre in size
	Estimated 15 park/amenity center areas
	Meets the ten minute walk provision
	Passive park use with landscaping, benches, etc.
	Private amenity centers with dedicated parking
	On-street parking provided for pocket parks

EXHIBIT B - PARK PLAN

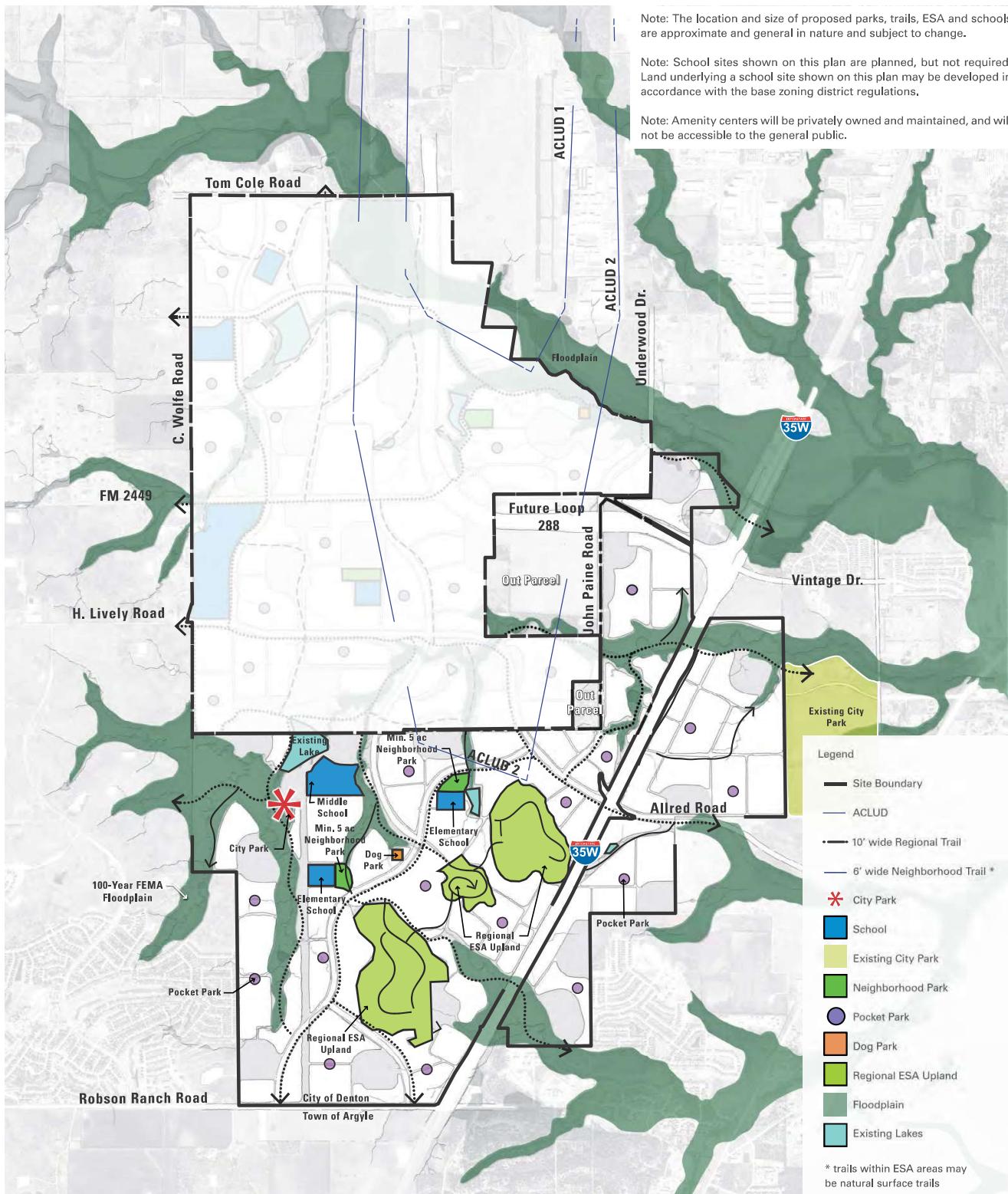


EXHIBIT C - FORM OF SPECIAL WARRANTY DEED

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

STATE OF TEXAS

COUNTY OF DENTON § **KNOW ALL MEN BY THESE PRESENTS**

That _____ [ADD APPROPRIATE GRANTOR] INFORMATION HERE INCLUDING ENTITY TYPE AND STATE OF FORMATION AS APPLICABLE] (herein called “Grantor”), for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00), and other good and valuable consideration to Grantor in hand paid by the CITY OF DENTON, a Texas Home Rule Municipal Corporation (herein called “Grantee”), 215 E. McKinney, Denton, Texas 76201, the receipt and sufficiency of which are hereby acknowledged and confessed, and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty set forth below, has GRANTED, SOLD and CONVEYED, and by these presents does GRANT, SELL and CONVEY, unto Grantee all the real property in Denton County, Texas being particularly described on Exhibit “A”, attached hereto and made a part hereof for all purposes, and being located in Denton County, Texas, together with any and all rights or interests of Grantor in and to adjacent streets, alleys and rights of way and together with all and singular the improvements and fixtures thereon and all other rights and appurtenances thereto (collectively, the “Property”).

Notwithstanding the foregoing grant of conveyance, Grantor, subject to the limitation of such reservations made herein, reserves, for [ADD APPROPRIATE PRONOUN HERE, AND HERE] devisees, heirs, successors and assigns the following (collectively, herein "Reservations from Conveyance"): (i) all oil, gas, and other minerals in, on and under, and that may be produced from the Property, and (ii) all of Grantor's interest in the water (including, without limitation, underground water from any and all depths and geological formations, surface water, diffuse surface flow and runoff, and harvested rain water, and all of the water rights associated with the Property, including any and all permits issued by the North Texas Groundwater Conservation

District and any and all permits, licenses or other governmental authorizations related to such water) that is in and under the Property and that may be produced from it, subject to applicable laws and ordinances. Grantor, [ADD APPROPRIATE PRONOUN HERE] devisees, heirs, successors and assigns shall not have the right to use or access the surface of the Property, in any way, manner or form, in connection with or related to the reserved oil, gas, and other minerals or water and/or related to exploration and/or production of the oil, gas, and other minerals or water reserved herein, including without limitation, use or access of the surface of the Property for the location of any well or drill sites, well bores, whether vertical or any deviation from vertical, water wells, pit areas, seismic activities, tanks or tank batteries, pipelines, roads, electricity or other utility infrastructure, and/or for subjacent or lateral support for any surface facilities or well bores, or any other infrastructure or improvement of any kind or type in connection with or related to the reserved oil, gas, and other minerals or water, and/or related to the exploration or production of same.

As used herein, the term "Minerals" shall include oil, gas, and all associated hydrocarbons, and shall exclude (i) all substances that any reasonable extraction, mining or other exploration and/or production method, operation, process or procedure would consume, deplete or destroy the surface of the Property; and (ii) all substances which are at or near the surface of the Property.

Nothing herein shall be construed to prohibit the production of the reserved oil, gas, and other minerals and/or the pooling of the reserved mineral estate with other lands, so long as all surface operations are located entirely on lands other than the Property.

As used herein, the term "surface of the Property" shall include the area from the surface of the earth to a depth of five hundred feet (500') below the surface of the earth and all areas above the surface of the earth.

The use of the Property shall be restricted to any and all [ADD APPROPRIATE USE RESTRICTION HERE] uses.

Exceptions to Conveyance and Warranty: See Exhibit "B" attached hereto and made a part hereof for all purposes.

Grantor hereby assigns to Grantee, without recourse, warranty, or representation, any and all claims and causes of action that Grantor may have for or related to any defects in, or injury to,

the Property existing on the date of this deed, unless expressly reserved herein or in the Contract of Sale between Grantor and Grantee.

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging unto Grantee and Grantee's successors and assigns forever; and Grantor does hereby bind Grantor and Grantor's successors and assigns to WARRANT AND FOREVER DEFEND all and singular the Property unto Grantee and Grantee's successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

EXECUTED the _____ day of _____, 20____.

GRANTOR

[ADD APPROPRIATE SIGNATURE BLOCK(S) AND ACKNOWLEDGEMENT(S)]

Upon Filing Return To:

Capital Projects – Real Estate
Attn: Deanna Cody, Deputy Director
216 W. Mulberry Street
Denton, Texas 76201

Property Tax Bills To:

City of Denton Finance Department
215 E. McKinney Street
Denton, Texas 76201

EXHIBIT D - CONSERVATION EASEMENT

CONSERVATION EASEMENT

This Conservation Easement is by and between Petrus Investment, LP ("Grantor"), and the City of Denton, a Texas home-rule municipal corporation ("Grantee") and is effective upon recording in the real property records of Denton County, Texas ("Effective Date").

Recitals:

1. Grantor is the record owner of fee simple title to a certain parcel of real property consisting of 29.125 acres located and situated in Denton County, Texas and more particularly described in attached Exhibit "A" (the "Property").

2. Grantee is qualified to hold a conservation easement as it is an entity empowered to hold an interest in real property under the laws of the State of Texas.

3. The preservation of the Property is desirable as the Property has significant historical, environmental, and scenic value to the parties.

4. It is the intent of this Conservation Easement to assure that the Property will be retained and maintained perpetually in its natural vegetative and hydrologic condition in accordance with both the terms of this Conservation Easement and the conditions documented in the Baseline Documentation Report ("BDR") in the attached Exhibit "B".

5. The purpose of the Conservation Easement includes the following (the "Purposes" or "Conservation Values"), subject to Grantor's Reserved Rights:

- A. retaining or protecting natural, scenic, or open-space aspects of the Property;
- B. ensuring the availability of the Property for trail use by the public;
- C. protecting natural resources;
- D. maintaining or enhancing air and water quality;
- E. maintaining areas of scenic and historical significance; and
- F. maintaining the Property as documented in the BDR.

6. The following Exhibits are attached to this Conservation Easement and incorporated by reference:

- A. Exhibit A - Legal Description of the Property; and
- B. Exhibit B - Baseline Documentation Report.

Witnesseth:

NOW THEREFORE, for good and valuable consideration from Grantee, the receipt and legal sufficiency of which are acknowledged by Grantor, and in consideration of the covenants, mutual agreements and conditions herein contained, Grantor has TRANSFERRED, BARGAINED, GRANTED, SOLD, CONVEYED, ASSIGNED, SET OVER and DELIVERED, and by these presents does TRANSFER, BARGAIN, GRANT, SELL, and CONVEY, to Grantee a conservation easement on, over, under, across, along and

through the Property on the terms set forth herein, together with all other rights reasonably necessary or desirable to accomplish the Purposes and the rights granted under this Conservation Easement, subject to the following terms, reservations, covenants, limitations and exceptions:

1. Duration of Easement. The Conservation Easement shall be perpetual. The Conservation Easement is an easement in gross, runs with the land, and is enforceable by Grantee against Grantor, and Grantor's successors, assigns, lessees, agents, and licensees.

2. Property Description. The metes and bounds legal description of the Property are set forth in Exhibit "A" and incorporated herein by reference.

3. Present Condition of the Property. Subject to Grantor's Reserved Rights, neither Grantor, its agents, assigns, successors, or personal representatives, nor any purchasers, lessees may violate the terms or Purposes of the Conservation Easement. The conditions of the Property are described in the BDR, prepared in accordance with Land Trust Accreditation Commission Guidelines and *Land Trust Standards and Practices 11B*, attached hereto as Exhibit "B", prepared by Grantor and acknowledged by the parties to be complete and accurate as of the date hereof. Both the parties have copies of the BDR. The BDR will be used by the parties to assure that any future changes in the use of the Property will be consistent with the terms of this Conservation Easement. However, the BDR is not intended to preclude the use of other evidence to establish the present condition of the Property if there is a controversy over its use.

4. Prohibited Activities. Any activity on, or use of, the Property in violation of the terms and Purpose of the Conservation Easement is prohibited. The Property shall be preserved as documented in the BDR and is restricted from any development that would violate the Purposes of the Conservation Easement. Without limiting the generality of the foregoing, the following activities and uses are expressly prohibited, restricted, or reserved as indicated hereunder:

A. Vegetation: Except for the below, there shall be no clear-cutting of trees on the Property. Grantor may remove diseased, invasive or non-native trees, shrubs, or plants; cut and mow firebreaks and existing road rights-of-way; and remove trees, shrubs, or plants to accommodate maintenance of permitted improvements, including trails or other uses expressly permitted under the terms of this Conservation Easement. Grantor may remove potentially invasive plants from the Property for habitat management purposes consistent with the intent of this Conservation Easement. Except as necessary for activities expressly permitted in this Conservation Easement and with written permission from Grantee, there shall be no farming on the Property.

B. Uses: No plowing, residential or industrial activity shall be conducted upon the Property. There shall be no storing or dumping of soil, trash, ashes, garbage, waste, abandoned vehicles, appliances, machinery, or hazardous substances, or toxic or hazardous waste, or any placement of underground or aboveground storage tanks or other materials on the Property that may negatively impact or be detrimental to the Property or to the surface or subsurface waters of the Property.

C. Subdivision: The Property may be further divided, subdivided, or partitioned but all such property shall remain subject to the terms of the Conservation Easement perpetually.

D. Topography: There shall be no change in the topography of the Property. There shall be no surface mining, filling, excavating, grading, dredging, mining or drilling upon the Property, and there shall be no removing of topsoil, peat, sand, gravel, rock, minerals or other materials from the Property except to construct and maintain permeable surface trails and walkways using natural materials, or restore natural topography or drainage patterns.

E. Soil or Water Degradation: There shall be no use of, or the conducting of any activity on, the Property that causes or is likely to cause significant and destructive soil erosion, depletion or pollution of, or siltation on, any surface or subsurface waters of the Property, and there shall be no change to streams on the Property in any manner. There shall be no diking, draining, dredging, channeling, filling, leveling, pumping, impounding, of surface waters.

F. Construction: There shall be no constructing or placing of any building, mobile home, asphalt or concrete pavement, billboard or other advertising display, antenna (including, but not limited to, cell, mobile, or otherwise), utility pole, tower, conduit, line, or any other temporary or permanent structure or facility or any other man-made structures on the Property except in connection with the construction, repair, maintenance, or replacement (but not expansion) of the permitted trails and any structures and other improvements located on the Property as of the Effective Date of this Conservation Easement. Grantor shall have the right to maintain, renovate, and repair existing buildings, structures, fences, pens, wells, dams and reservoirs, utilities, soft-surface roads, and other improvements, and in the event of their destruction, to reconstruct any such existing improvement with another of similar size, function, capacity, location, and material.

G. Roads: There shall be no construction of roads or concrete sidewalks on the Property; nor any enlargement, widening, improvement or modification to any existing roads, on the Property. Maintenance of existing roads shall be limited to removal of dead vegetation, necessary pruning, drainage improvement or removal of obstructing trees and plants, and/or application of permeable materials (e.g., sand, gravel, and crushed stone) as necessary to correct or prevent erosion. Construction and maintenance of permeable surface trails or walkways using natural materials by Grantor is allowed.

H. Waters: There shall be no polluting, altering, manipulating, depleting or extracting of surface (including, but not limited to, ponds, creeks or other water courses) or any other water bodies on the Property, and there shall be no conducting or (to the extent in Grantor's control) allowing any entity or person to conduct activities on the Property that would be detrimental to water purity or that alter the natural water level or flow in or over the Property (including, but not limited to, damming, dredging or construction in any free flowing water body, nor any manipulation or alteration of natural water courses, fresh water lake and pond shores, marshes or other water bodies).

I. Vehicles: Use of vehicles shall be limited to access to the site for monitoring, maintenance, fire protection/emergency action, construction of approved permeable trails or other approved activities. Off road vehicular access is expressly prohibited.

J. Easements: There shall be no granting or conveying of any easements on, over, under, across, along or through the Property, including, but not limited to, access easements and

utility easements conveyed by separate instruments after the Effective Date, other than the following conveyances:

I. Grantee has the right of pedestrian ingress and egress to and from, and access on, across, along, and through the Property to access the Property to take such actions which are consistent with the Conservation Easement; and

II. The public shall have the right of pedestrian ingress and egress to and from, and access on, across, along, and through the Property on the permeable trails after the same have been completed and such public access will be limited only to the permeable trails. The parties have the option to further document the public's right of access to the permeable trails at a later date.

K. Mineral Extraction. There shall be no exploration, development, production, extraction, or transportation of oil, gas or other mineral substances (whether such other mineral substances be part of the mineral estate or part of the surface estate) on, from, or across the Property ("Mineral Activities") except in accordance with this Section provided, however, that this Section does not apply to water, which is addressed elsewhere in this Conservation Easement.

I. No Surface Mining. Grantor shall not conduct surface mining by any surface mining methods, including, without limitation, the mining of gravel, sand or caliche.

II. No Surface Use. Grantor has the associated rights and retains its interests, if any, in all oil, gas and other mineral substances (whether such other mineral substances be part of the mineral estate or part of the surface estate) in and under the Property; provided, however, it is understood and agreed that, in conducting any Mineral Activities on the Property, Grantor shall not use or occupy any portion of the surface estate of the Property and shall not place any facilities, fixtures, equipment, building, structures, pipelines, rights of way or personal property of any kind or nature whatsoever on the surface of the Property or in the subsurface within the depth interval of 1000 feet below the surface of the Property or on or in any portion thereof. Grantor agrees that all Mineral Activities shall be conducted by directional or horizontal drilling below said subsurface interval from a surface location off the Property, and Grantor hereby waives any rights whatsoever to the use of the surface and said subsurface interval of the Property in connection with any Mineral Activities on the Property. Notwithstanding anything above to the contrary, Grantor shall not be prohibited from conducting exploratory activities that are non-invasive, do not otherwise damage or negatively impact the watersheds or aquifer, and do not significantly impair or interfere with the Conservation Values. To the extent Grantor elects to explore for or extract or exploit any oil, gas or other minerals in or under the Property from a surface location off the Property, Grantor shall use reasonable efforts to minimize any damage or other negative impact on the watersheds or aquifer underlying the Property by such activity.

L. Signage: Construction or placement of any signs, billboards, or other advertising displays on the Property is not permitted, except that signs whose placement, number, and design do not significantly diminish the scenic character of the Property may be placed to state the name

and address of the Property for purposes of identifying a trail to advertise or regulate permitted on-site activities, to post the Property to control unauthorized entry or use, or to identify the property as being protected by this Conservation Easement.

M. Dumping: There shall be no dumping or storing of any material, such as trash, wastes, ashes, sewage, garbage, scrap material, sediment discharges, oil and petroleum by-products, leached compounds, toxic materials or fumes, or any "hazardous substances" (as hereinafter defined). For the purposes of this paragraph, the phrase "hazardous substances" shall be defined as in the federal Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. 9601 et seq.) and/or a substance whose manufacture, processing, distribution in commerce, use, possession, or disposal is banned, prohibited, or limited pursuant to the federal Toxic Substances Control Act (15 U.S.C. 2601 et seq.).

N. Hunting. Hunting is not allowed on the Property once the public has access to the permeable trails.

O. Other Prohibitions: Any other use of, or activity on, the Property which harms the Conservation Easement granted herein.

5. Rights Reserved to Grantor.

A. Existing Uses. The Grantor expressly reserves for itself, its successors and assigns, the right of access to and the right of continued use of the Property for all purposes not prohibited by this Conservation Easement, including, but not limited to, the right to quiet enjoyment of the Property, the rights of ingress and egress with respect to the Property, the right to fence the Property and to prohibit public access thereto, except as otherwise provided herein, and the right to sell, transfer, gift or otherwise convey the Property, in whole or in part, provided such sale, transfer, or gift conveyance is subject to the terms of, and shall specifically reference, the Conservation Easement. Except as may be expressly provided otherwise in this Conservation Easement, this Conservation Easement shall not in any way limit, restrict or in any way affect any property of Grantor other than the Property, including without limitation, any property adjacent to, surrounding or near the Property. The rights conveyed by this Conservation Easement do not constitute a conveyance of a fee interest in the Property, nor of any of the mineral rights or water rights therein and thereunder. The rights retained by Grantor as set forth in this Section 5 are referred to hereinafter as the "Reserved Rights".

B. Construction, Maintenance, and Access to Trails. Grantor has the right to construct and maintain permeable trails made of natural materials on the Property. The location of the trails is at the sole discretion of Grantor. Grantor agrees to cooperate with Grantee on location of the permeable trails to allow Grantee to maintain a comprehensive trail system in and around the Property.

C. Transfer. The right to sell, give, mortgage, lease or otherwise convey the Property, provided such conveyance is subject to the terms of this Conservation Easement.

D. Diseased Trees and Firebreaks. The right to cut, trench, and remove damaged or diseased trees, shrubs, or plants and to cut firebreaks, as required in exigent circumstances.

E. Animal and Game Management and Hunting.

i. The right to manage animals and game on the Property, strictly in accordance with applicable city ordinances, game laws and sound wildlife management practices. The use of firearms by Grantor is allowed for this purpose.

ii. The right to hunt on the Property until the public has access to the permeable trails. Any such hunting shall be conducted strictly in accordance with Grantee's ordinances and state law.

F. Farming and Planting. The right to use existing pastures and grasslands used for grazing, plant such trees, shrubs or grasses on the Property as Grantor may desire from time to time. Consistent with the terms of this Conservation Easement, Grantor shall have the right to maintain, restore and enhance native plant and wildlife habitat, consistent with best management practices and all applicable laws and regulations governing such practices.

G. Livestock. The right to run cattle and horses on the Property. In no event shall the Property be over-grazed. Land is to remain fenced to prevent external cattle and livestock from entering the Property. With the exception of dogs and livestock, there shall be no domestic cats or intentional introduction of exotic wildlife or potentially invasive species on the Property. Livestock introduction is prohibited except as authorized herein.

H. Restoration. The right to restore damage caused by natural disasters such as drought, flooding, tornados and fire, to dredge waterways of debris and silt/gravel deposits caused by flooding, to restore soil levels and contours and replace shrubs and trees lost to natural occurrences or disasters with like or improved species. If such damage results in the loss of topsoil, Grantor shall have the right to remove topsoil from other areas of the Property to restore the damage caused by the natural disaster.

I. Erosion Control. The right to control erosion by the planting of grasses or by other means not inconsistent with the purposes of this Conservation Easement.

J. Composting, Burning, and Storing of Plant Material. The right to compost, burn (including controlled burning of fields and pastures) or store plant material and vegetative waste generated by permitted activities and uses and the right to store customary waste generated on the Property by permitted activities and uses.

K. Leasing. The right to lease all or a portion of the Property for any use permitted under this Conservation Easement, including hunting as limited herein.

L. Other Vegetation. Grantor expressly reserves the right to plant, cultivate and maintain, as may be reasonably necessary, various trees, vines, shrubs, grasses, and similar vegetation on any portion of the Property currently utilized as grassland or pastureland.

M. Compliance with Zoning and Agreements. Grantor expressly reserves the right to use and improve the Property as necessary to comply with the requirements of any zoning ordinance applicable to the Property, any agreement between Grantor and the City of Denton, and any agreement between Hunter Ranch Improvement District No. 1 of Denton County, Texas and the City of Denton.

6. Rights of Grantee. Grantee or its authorized representatives, shall have the right to enter the Property at reasonable times upon notice for the purpose of inspecting the Property to determine if the Grantor or any of its successors and assigns is complying with the terms, conditions, restrictions, and Purposes of the Conservation Easement.

7. Liens and Taxes. Grantor shall keep the Property free of any and all liens, including, without limitation, liens arising out of any work performed for, materials furnished to, or obligations incurred by Grantor. Grantor shall pay before delinquency all taxes, assessments, fees, and charges of whatever description levied on or assessed against the Property by competent authority and shall upon written request by Grantee furnish Grantee with satisfactory evidence of payment.

8. Enforcement. In the event of a breach of this Conservation Easement by Grantor, the Grantee, any third-party or any third-party working for or under the direction of Grantor or the Grantee, the Parties shall be notified immediately. Grantor shall have thirty (30) days after receipt of such notice to undertake actions that are reasonably calculated to correct the conditions constituting the breach. If the conditions constituting the breach are corrected in a timely and reasonable manner, no further action shall be warranted or authorized. If the conditions constituting the breach are such that more than thirty (30) days are required to cure the breach, Grantor shall not be in default hereunder if Grantor undertakes the cure of such breach during the thirty (30) day period following notice of the breach and diligently pursues the cure of the breach to completion. If Grantor fails to initiate such corrective action within thirty (30) days or fails to complete the necessary corrective action, the Grantee may enforce the Conservation Easement by appropriate legal proceedings, including an action for damages, injunctive and other relief after mediating the dispute. Notwithstanding the foregoing, the Grantee reserves the immediate right, without notice, to obtain a temporary restraining order, injunctive relief or other appropriate relief if the breach of any provision of the Conservation Easement is materially impairing or would irreversibly or otherwise materially impair the benefits to be derived from the Conservation Easement. Grantor and the Grantee acknowledge that under such circumstances, damage to the Grantee would be irreparable and remedies at law will be inadequate. The rights and remedies of the Grantee provided hereunder shall be in addition to, and not in lieu of, all other rights and remedies available to Grantee in connection with the Conservation Easement. Any forbearance or failure on the part of the Grantee to exercise its rights in the event of a violation shall not be deemed or construed to be a waiver of Grantee's rights hereunder. Nor shall forbearance or failure to enforce any covenant or provision hereof discharge or invalidate such covenant or provision or any other covenant, condition, or provision hereof or affect the right to the Grantee to enforce the same in the event of a subsequent breach or default. Nothing contained in this Conservation Easement shall be construed to entitle the Grantee to bring any action against Grantor for any injury to or change in the Property, or for any violation of any covenant or provision of this Conservation Easement, resulting from any prudent action taken in good faith by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to life, damage to property or harm to the Property resulting from any of such causes. Grantor shall not be responsible for, or required to, remediate any conditions or damage not caused by Grantor, including damage caused by the public or other third parties. Except in the case of an emergency, neither party shall take any action to institute a legal proceeding until the parties have conducted a full day mediation with a mutually acceptable mediator in Dallas, Denton, or Tarrant County.

9. Duration. The burdens of this Conservation Easement shall run with the Property and shall be enforceable against Grantor and all future interests in and to the Property in perpetuity. Grantor agrees

that the future transfer or conveyance of any interest in or to the Property shall always be subject and subordinate to the terms, conditions, restrictions and purposes of the Conservation Easement and a reference to this Conservation Easement shall be included in each instrument of transfer or conveyance of any interest in or to the Property from and after the Effective Date.

10. Construction and Maintenance of Permeable Trails.

A. Grantor shall construct permeable trails in and through the Property for use by the public and the same shall be completed within twelve (12) months after final plats on fifty (50) percent or more of the property adjoining the Property have been filed in the Real Property Records, Denton County, Texas. Grantor will cooperate with Grantee regarding the location of the trailheads for the permeable trails.

B. Grantor shall be responsible for the maintaining the permeable trails it constructs in and through the Property.

11. General Provisions.

A. Notices. Any notice, request for approval, or other communication required under this Conservation Easement shall be sent by registered or certified mail, postage prepaid, to the following addresses (or such address as may be hereafter specified by notice pursuant to this paragraph):

To Grantor:

To Grantee:

B. Severability. In the event any provision of this Conservation Easement is determined by the appropriate court to be void and unenforceable, all remaining terms shall remain valid and binding.

C. Conservation Easement Binding. The terms, covenants, and conditions of this Conservation Easement shall be binding upon and shall inure to the benefit of Grantor, Grantee and their respective executors, administrators, heirs, legal representatives, successors and assigns. Notwithstanding the foregoing, Grantee may assign (i) this Conservation Easement, or (ii) any rights or interests in this Conservation Easement, with the prior written approval of Grantor which shall not be unreasonably withheld.

D. Warranty. Grantor warrants, covenants, and represents that it owns the Property in fee simple, and that Grantor either owns all interests in the Property which may be impaired by the granting of the Conservation Easement or that there are no outstanding mortgages, tax liens, encumbrances, or other interests in the Property which have not been expressly subordinated to the Conservation Easement.

E. Subsequent Transfers. Grantor agrees to incorporate the terms of this Conservation Easement by reference in any deed or other legal instrument that transfers any interest in all or any portion of the Property. Grantor agrees to provide written notice of any transfer at least thirty (30) days prior to the date of the transfer. The parties agree that the terms of the Conservation Easement shall survive any merger of the fee and easement interests in the

Property or any portion thereof and shall not be amended, modified or terminated without the prior written consent and approval of the parties.

F. Assignment or Transfer. The parties recognize and agree that the benefits of the Conservation Easement are in gross and assignable by the Grantee upon notice and consent by Grantor; provided, however, that the Grantee hereby covenants and agrees, that in the event it transfers or assigns the Conservation Easement, the organization receiving the interest will be a qualified holder under state law acceptable to Grantor. The Grantee further covenants and agrees that the terms of the transfer or assignment will be such that the transferee or assignee will be required to continue in perpetuity the conservation purposes described in this Conservation Easement.

G. Obligations of Ownership. Grantee shall not be responsible for any costs or liability of any kind related to the ownership, operation, insurance, upkeep, or maintenance of the Property, except as expressly provided herein. Nothing herein shall relieve the Grantor of the obligation to comply with any federal, state, or local laws, regulations and permits that may apply to the Property in connection with the exercise by Grantor of the Reserved Rights.

H. Extinguishment. If changed conditions render impossible the continued use of the Property for the conservation purposes as contemplated by this Conservation Easement, the Conservation Easement may only be extinguished, in whole or in part, by judicial proceeding in any court of competent jurisdiction.

I. Eminent Domain. Whenever all or any part of the Property is taken in the exercise of eminent domain to substantially abrogate the restrictions imposed by this Conservation Easement, the parties shall join in appropriate actions at the time of such taking to recover the full value of the taking, and all incidental and direct damages due to the taking.

J. Proceeds. The Conservation Easement constitutes a real property interest immediately vested in Grantee. If all or a portion of the Property is sold, exchanged, or involuntarily converted following an extinguishment of all or any portion of the Conservation Easement, or following the exercise of eminent domain, Grantee shall be entitled to the fair market value of the Conservation Easement. The parties stipulate that the fair market value of the Conservation Easement shall be determined by multiplying the fair market value of the Property unencumbered by the Conservation Easement by the ratio of the value of the Conservation Easement as of the Effective Date to the value of the Property (without deduction for the value of the Conservation Easement) at the time of this grant. The values as of the Effective Date and as referenced in this Section 9(l) shall be the values used, or which would have been used, to calculate a deduction for federal income tax purposes, pursuant to Section 170(h) of the Internal Revenue Code of 1986, as amended (whether eligible or ineligible for such a deduction). Grantee shall use its share of any proceeds in a manner consistent with the purposes of the Conservation Easement.

K. Failure of Grantee. If at any time Grantee is unable or fails to enforce the Conservation Easement, or if Grantee ceases to be a qualified grantee, and if within a reasonable period of time after the occurrence of any of such events, Grantee fails to make an assignment of its interest pursuant to the Conservation Easement, then Grantee's interest shall become vested

in another qualified grantee in accordance with and as provided by an appropriate and final, non-appealable proceeding in a court of competent jurisdiction to which Grantor is a party.

L. **Amendment.** This Conservation Easement granted herein may be amended, but only in a writing signed by the Parties hereto; provided, however, that such amendment does not affect the qualification of the Conservation Easement or the status of the Grantee under any applicable laws, is consistent with the conservation purposes of this Conservation Easement granted herein.

M. **Statutory Conservation Easement.** The parties expressly agree and understand that this Conservation Easement is created under, and will be interpreted according to, Chapter 183 (Conservation Easements) of the Texas Natural Resources Code.

N. **Re-recording.** The Grantee is authorized to record or file any notices or instruments appropriate to assuring the perpetual enforceability of this Conservation Easement and Grantee may re-record this instrument at any time as may be required to preserve its rights in this Easement.

O. **Captions.** The captions herein have been inserted solely for convenience of reference and are not a part of this Conservation Easement and shall have no effect upon construction or interpretation.

P. **Counterparts.** The parties may execute this instrument in two or more counterparts, which shall, in the aggregate, be signed by both parties; each counterpart shall be deemed an original instrument as against any party who has signed it. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling.

Q. **Reasonableness Standard.** The parties shall follow a reasonableness standard and shall use their best efforts to make any determinations that are necessary or are contemplated to be made by them either separately or jointly under this Easement in a timely manner and shall cooperate with one another and shall take all other reasonable action suitable to that end.

R. **Controlling Law.** The interpretation and performance of this Easement shall be governed by the laws of the State of Texas.

S. **Venue.** The parties acknowledge and agree that any and all disputes arising out of, or relating to, this Conservation Easement will be brought, heard, and determined exclusively in Denton County, Texas. Both parties consent to venue in such courts and waive and relinquish any right to assert that any action instituted by the other party in any such court is in the improper venue or should be transferred to a more convenient forum.

T. **Further Assurances; Cooperation.** After the Effective Date, the parties shall each execute and deliver such documents and take such other actions as shall be necessary to carry out the Purposes of the Conservation Easement. Each party covenants and warrants that it shall, whenever and as often as it shall be reasonably requested to do so by the other party to the Conservation Easement, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any and all such further documents and instruments as may be

necessary and proper in order to effectuate the intent and purposes of the Conservation Easement.

U. Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to the Conservation Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Easement, all of which are merged herein. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment that complies with paragraph L.

V. Effective Date. The parties intend that these restrictions take effect on the day and year this Easement is recorded in the Denton County Official Records.

TO HAVE AND TO HOLD the Conservation Easement for the purposes herein described, subject, however, to the matters herein set forth and to all matters of record with respect to the Property, unto Grantee, its successors and assigns, forever; and Grantor does hereby bind itself, its successors and assigns to warrant and defend the Conservation Easement and the rights granted herein, unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under Grantor, but not otherwise.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the Grantor and Grantee have executed this document on the dates listed below.

PETRUS INVESTMENT, L.P., Grantor
a Texas limited partnership

By: PMC Management, L.P.,
a Texas limited partnership,
its general partner

By: Hillwood Development Company, LLC,
a Texas limited liability company,
its general partner

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on March ___, 2020 by _____,
_____ on behalf of Hillwood Development Company, LLC. as General Partner of PMC
Management, L.P., general partner of Grantor Petrus Investment, L.P.

Notary Public, State of Texas
My Commission Expires: _____

CITY OF DENTON, Grantee

By: _____ T
Todd Hileman, City Manager, under the authority of
Ordinance No. 20-_____.

ATTEST:

ROSA RIOS, CITY SECRETARY

APPROVED AS TO FORM:

AARON LEAL, CITY ATTORNEY

EXHIBIT D-1 - PILOT KNOB PEAK DEPICTION AND DESCRIPTION

**DESCRIPTION OF A
CONSERVATION EASEMENT**

BEING a tract of land situated in the J. Taft Survey, Abstract Number 1269, Denton County, Texas and being a portion of that certain tract of land described by deed to Petrus Investment, L.P. in Document Number 1998-117450, Real Property Records, Denton County, Texas and being more particularly described by metes and bounds as follows:

COMMENCING at a 3 inch metal post at a re-entrant corner of said Petrus Investment tract and a re-entrant corner of a tract of land described by deed to Robson Denton Development, LP in Volume 4373, Page 216, said County Records;

THENCE N 88°26'44"E, 8038.75 feet to the POINT OF BEGINNING;

THENCE N 44°07'52"W, 128.20 feet;

THENCE N 66°46'28"W, 127.49 feet;

THENCE N 52°56'31"W, 159.22 feet;

THENCE N 44°53'19"W, 170.88 feet;

THENCE N 28°11'33"W, 149.95 feet;

THENCE N 15°26'55"W, 153.04 feet;

THENCE N 03°18'20"W, 280.53 feet;

THENCE N 20°48'14"E, 338.96 feet;

THENCE N 12°51'42"E, 289.48 feet;

THENCE N 32°09'42"E, 189.07 feet;

THENCE S 70°57'05"E, 118.23 feet;

THENCE S 51°44'43"E, 86.75 feet;

THENCE S 26°37'29"W, 62.16 feet;

THENCE S 37°44'57"W, 91.64 feet;

THENCE S 18°27'31"E, 32.27 feet;

THENCE S 09°23'50"E, 29.68 feet;

THENCE S 58°04'09"E, 50.51 feet;

THENCE S 02°18'41"W, 28.16 feet;

THENCE S 85°20'44"E, 70.16 feet;

THENCE N 50°43'50"E, 62.90 feet;

THENCE S 74°35'19"E, 72.93 feet;

THENCE S 81°28'52"E, 165.40 feet;

THENCE S 52°39'23"E, 101.75 feet;

THENCE S 21°13'25"W, 125.90 feet;

THENCE S 34°12'54"E, 66.23 feet;

THENCE S 62°19'08"E, 182.38 feet;

THENCE S 37°29'36"E, 172.11 feet;

THENCE S 64°27'00"E, 71.11 feet;

THENCE S 22°45'39"W, 36.56 feet;

THENCE S 42°51'12"E, 41.54 feet;

THENCE S 09°59'58"E, 154.54 feet;

THENCE S 51°57'34"E, 26.46 feet;

THENCE S 12°17'23"E, 32.62 feet;

THENCE S 12°06'25"W, 37.91 feet;

THENCE S 66°41'15"W, 36.38 feet;

THENCE N 88°46'55"W, 40.67 feet;

THENCE S 20°24'21"W, 206.25 feet;

THENCE S 80°30'36"W, 45.66 feet;

THENCE S 62°19'53"W, 56.59 feet;

THENCE S 50°19'55" W, 185.32 feet;

THENCE S 26°46'16" W, 78.29 feet;

THENCE S 43°19'13" W, 134.42 feet;

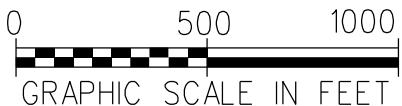
THENCE S 78°21'31" W, 47.24 feet;

THENCE S 85°08'34" W, 115.45 feet to the Point of Beginning and containing 1,268,683 square feet or 29.125 acres of land more or less.

"This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared."

"Integral parts of this document"
1. Description
2. Exhibit

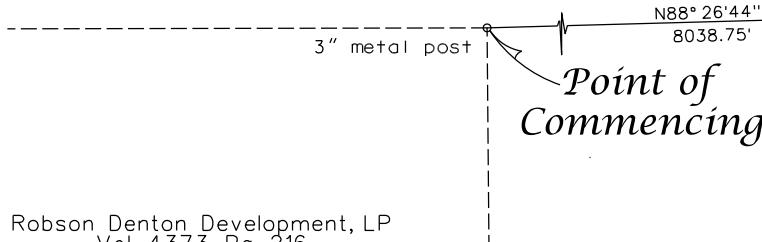
Basis of Bearing is the Texas Coordinate System North Central Zone 4202, NAD 83.



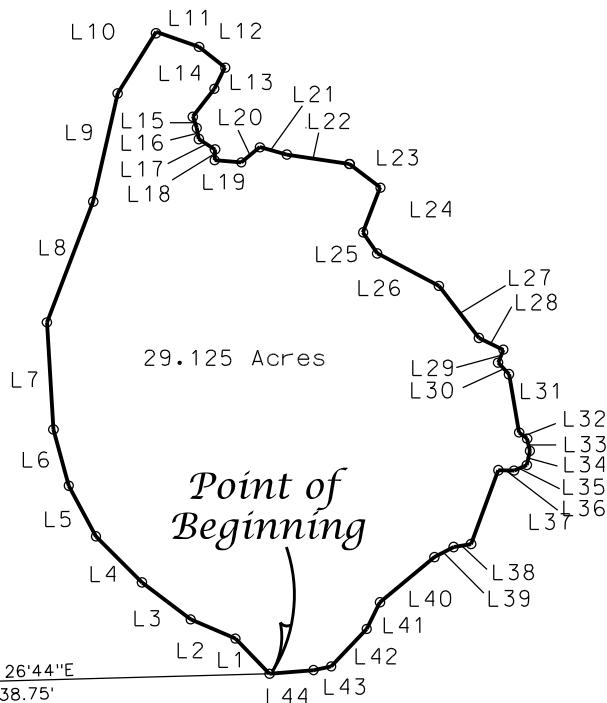
Petrus Investment, L.P.
Document# 1998-117450
R.P.R.D.C.T.

*J. Taft Survey
Abstract No. 1269*

NO.	BEARING	DIST.
L1	N 44° 07' 52" W	128.20'
L2	N 66° 46' 28" W	127.49'
L3	N 52° 56' 31" W	159.22'
L4	N 44° 53' 19" W	170.88'
L5	N 28° 11' 33" W	149.95'
L6	N 15° 26' 55" W	153.04'
L7	N 03° 18' 20" W	280.53'
L8	N 20° 48' 14" E	338.96'
L9	N 12° 51' 42" E	289.48'
L10	N 32° 09' 42" E	189.07'
L11	S 70° 57' 05" E	118.23'
L12	S 51° 44' 43" E	86.75'
L13	S 26° 37' 29" W	62.16'
L14	S 37° 44' 57" W	91.64'
L15	S 18° 27' 31" E	32.27'
L16	S 9° 23' 50" E	29.68'
L17	S 58° 04' 09" E	50.51'
L18	S 02° 18' 41" W	28.16'
L19	S 85° 20' 44" E	70.16'
L20	N 50° 43' 50" E	62.90'
L21	S 74° 35' 19" E	72.93'
L22	S 81° 28' 52" E	165.40'
L23	S 52° 39' 23" E	101.75'
L24	S 21° 13' 25" W	125.90'
L25	S 34° 12' 54" E	66.23'
L26	S 62° 19' 08" E	182.38'
L27	S 37° 29' 36" E	172.11'
L28	S 64° 27' 00" E	71.11'
L29	S 22° 45' 39" W	36.56'
L30	S 42° 51' 12" E	41.54'
L31	S 09° 59' 58" E	154.54'
L32	S 51° 57' 34" E	26.46'
L33	S 12° 17' 23" E	32.62'
L34	S 12° 06' 25" W	37.91'
L35	S 66° 41' 15" W	36.38'
L36	N 88° 46' 55" W	40.67'
L37	S 20° 24' 21" W	206.25'
L38	S 80° 30' 36" W	45.66'
L39	S 62° 19' 53" W	56.59'
L40	S 50° 19' 55" W	185.32'
L41	S 26° 46' 16" W	78.29'
L42	S 43° 19' 13" W	134.42'
L43	S 78° 21' 31" W	47.24'
L44	S 85° 08' 34" W	115.45'



Robson Denton Development, LP
Vol. 4373, Pg. 216
R.P.R.D.C.T.



"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" 22 TAC 663.18C
Todd A. Bridges, RPLS 4940

Date: 2/28/2020

Exhibit

Of a

Conservation Easement

Situated in the J. Taft Survey, Denton County, Texas

Interstate Highway
35 West

EXHIBIT D-2 - PILOT KNOB REMAINDER DEPICTION

**DESCRIPTION OF A
CONSERVATION EASEMENT**

BEING a tract of land situated in the J. Taft Survey, Abstract Number 1269, Denton County, Texas and being a portion of that certain tract of land described by deed to Petrus Investment, L.P. in Document Number 1998-117450, Real Property Records, Denton County, Texas and being more particularly described by metes and bounds as follows:

COMMENCING at a 3 inch metal post at a re-entrant corner of said Petrus Investment tract and a re-entrant corner of a tract of land described by deed to Robson Denton Development, LP in Volume 4373, Page 216, said County Records;

THENCE N 88°41'59"E, 7,134.01 feet to the POINT OF BEGINNING;

THENCE N 19°15'18"W, 275.37 feet;

THENCE N 07°54'44"W, 495.31 feet;

THENCE N 00°58'17"W, 433.36 feet;

THENCE N 07°04'29"E, 338.22 feet;

THENCE N 17°58'34"E, 138.32 feet;

THENCE N 45°50'02"E, 297.72 feet;

THENCE N 69°38'04"E, 70.40 feet;

THENCE N 18°26'06"E, 339.95 feet;

THENCE N 47°11'16"E, 157.45 feet;

THENCE N 73°11'23"E, 86.44 feet;

THENCE S 90°00'00"E, 57.75 feet;

THENCE S 84°07'03"E, 82.94 feet;

THENCE S 66°35'22"E, 65.33 feet;

THENCE S 03°21'58"W, 139.91 feet;

THENCE S 10°45'47"W, 238.97 feet;

THENCE S 27°58'22"E, 173.14 feet;

THENCE S 53°38'07"E, 416.87 feet;

THENCE S 66°30'15"E, 135.68 feet;

THENCE S 83°18'02"E, 53.73 feet;

THENCE S 68°02'18"E, 259.80 feet;

THENCE S 59°38'09"E, 114.74 feet;

THENCE S 14°03'50"E, 468.41 feet;

THENCE S 07°07'01"E, 68.31 feet;

THENCE S 20°44'27"W, 115.88 feet;

THENCE S 24°55'22"W, 95.14 feet;

THENCE N 89°27'28"W, 37.07 feet;

THENCE S 05°16'12"E, 61.47 feet;

THENCE S 42°15'13"W, 109.84 feet;

THENCE N 54°49'58"W, 39.74 feet;

THENCE S 48°26'38"W, 16.37 feet;

THENCE S 16°15'37"W, 76.08 feet;

THENCE S 75°16'31"W, 124.17 feet;

THENCE N 62°19'53"E, 56.59 feet;

THENCE N 80°30'36"E, 45.66 feet;

THENCE N 20°24'21"E, 206.25 feet;

THENCE S 88°46'55"E, 40.67 feet;

THENCE N 66°41'15"E, 36.38 feet;

THENCE N 12°06'25"E, 37.91 feet;

THENCE N 12°17'23"W, 32.62 feet;

THENCE N 51°57'34" W, 26.46 feet;
THENCE N 09°59'58" W, 154.54 feet;
THENCE N 42°51'12" W, 41.54 feet;
THENCE N 22°45'39" E, 36.56 feet;
THENCE N 64°27'00" W, 71.11 feet;
THENCE N 37°29'36" W, 172.11 feet;
THENCE N 62°19'08" W, 182.38 feet;
THENCE N 34°12'54" W, 66.23 feet;
THENCE N 21°13'25" E, 125.90 feet;
THENCE N 52°39'23" W, 101.75 feet;
THENCE N 81°28'52" W, 165.40 feet;
THENCE N 74°35'19" W, 72.93 feet;
THENCE S 50°43'50" W, 62.90 feet;
THENCE N 85°20'44" W, 70.16 feet;
THENCE N 02°18'41" E, 28.16 feet;
THENCE N 58°04'09" W, 50.51 feet;
THENCE N 09°23'50" W, 29.68 feet;
THENCE N 18°27'31" W, 32.27 feet;
THENCE N 37°44'57" E, 91.64 feet;
THENCE N 26°37'29" E, 62.16 feet;
THENCE N 51°44'43" W, 86.75 feet;
THENCE N 70°57'05" W, 118.23 feet;
THENCE S 32°09'42" W, 189.07 feet;

THENCE S 12°51'42" W, 289.48 feet;
THENCE S 20°48'14" W, 338.96 feet;
THENCE S 03°18'20" E, 280.53 feet;
THENCE S 15°26'55" E, 153.04 feet;
THENCE S 28°11'33" E, 149.95 feet;
THENCE S 44°53'19" E, 170.88 feet;
THENCE S 52°56'31" E, 159.22 feet;
THENCE S 66°46'28" E, 127.49 feet;
THENCE S 44°07'52" E, 128.20 feet;
THENCE N 85°08'34" E, 115.45 feet;
THENCE N 78°21'31" E, 47.24 feet;
THENCE N 43°19'13" E, 134.42 feet;
THENCE N 26°46'16" E, 78.29 feet;
THENCE N 50°19'55" E, 185.32 feet;
THENCE S 30°56'51" W, 61.27 feet;
THENCE S 01°02'31" W, 27.05 feet;
THENCE S 18°07'50" W, 62.51 feet;
THENCE S 23°03'28" W, 229.19 feet;
THENCE S 51°56'18" W, 21.03 feet;
THENCE S 85°15'58" W, 32.74 feet;
THENCE S 07°03'40" W, 31.23 feet;
THENCE N 73°42'54" W, 82.30 feet;
THENCE S 83°51'46" W, 46.77 feet;

THENCE S 42°05'32" W, 344.98 feet;

THENCE S 66°02'03" W, 161.57 feet;

THENCE N 60°04'28" W, 115.51 feet;

THENCE N 90°00'00" W, 157.00 feet;

THENCE N 81°34'00" W, 167.06 feet;

THENCE N 39°50'50" W, 334.09 feet to the Point of Beginning and containing 1,921,243 square feet or 44.106 acres of land more or less.

NO.	BEARING	DIST.
L1	N 19° 15' 18" W	275.37'
L2	N 07° 54' 44" W	495.31'
L3	N 00° 58' 17" W	433.36'
L4	N 07° 4' 29" E	338.22'
L5	N 17° 58' 34" E	138.32'
L6	N 45° 50' 02" E	297.72'
L7	N 69° 38' 04" E	70.40'
L8	N 18° 26' 06" E	339.95'
L9	N 47° 11' 16" E	157.45'
L10	N 73° 11' 23" E	86.44'
L11	S 90° 00' 00" E	57.75'
L12	S 84° 07' 03" E	82.94'
L13	S 66° 35' 22" E	65.33'
L14	S 03° 21' 58" W	139.91'
L15	S 10° 45' 47" W	238.97'
L16	S 27° 58' 22" E	173.14'
L17	S 53° 38' 07" E	416.87'
L18	S 66° 30' 15" E	135.68'
L19	S 83° 18' 02" E	53.73'
L20	S 68° 02' 18" E	259.80'
L21	S 59° 38' 9" E	114.74'
L22	S 14° 03' 50" E	468.41'
L23	S 07° 07' 01" E	68.31'
L24	S 20° 44' 27" W	115.88'
L25	S 24° 55' 22" W	95.14'
L26	N 89° 27' 28" W	37.07'
L27	S 05° 16' 12" E	61.47'
L28	S 42° 15' 13" W	109.84'
L29	N 54° 49' 58" W	39.74'
L30	S 48° 26' 38" W	16.37'
L31	S 16° 15' 37" W	76.08'
L32	S 75° 16' 31" W	124.17'
L33	N 62° 19' 53" E	56.59'
L34	N 80° 30' 36" E	45.66'
L35	N 20° 24' 21" E	206.25'
L36	S 88° 46' 55" E	40.67'
L37	N 66° 41' 15" E	36.38'
L38	N 12° 06' 25" E	37.91'
L39	N 12° 17' 23" W	32.62'
L40	N 51° 57' 34" W	26.46'
L41	N 9° 59' 58" W	154.54'
L42	N 42° 51' 12" W	41.54'
L43	N 22° 45' 39" E	36.56'
L44	N 64° 27' 00" W	71.11'
L45	N 37° 29' 36" W	172.11'
L46	N 62° 19' 8" W	182.38'
L47	N 34° 12' 54" W	66.23'
L48	N 21° 13' 25" E	125.90'
L49	N 52° 39' 23" W	101.75'
L50	N 81° 28' 52" W	165.40'
L51	N 74° 35' 19" W	72.93'
L52	S 50° 43' 50" W	62.90'
L53	N 85° 20' 44" W	70.16'
L54	N 02° 18' 41" E	28.16'
L55	N 58° 04' 09" W	50.51'
L56	N 09° 23' 50" W	29.68'
L57	N 18° 27' 31" W	32.27'
L58	N 37° 44' 57" E	91.64'
L59	N 26° 37' 29" E	62.16'
L60	N 51° 44' 43" W	86.75'
L61	N 70° 57' 5" W	118.23'
L62	S 32° 09' 42" W	189.07'
L63	S 12° 51' 42" W	289.48'
L64	S 20° 48' 14" W	338.96'
L65	S 3° 18' 20" E	280.53'
L66	S 15° 26' 55" E	153.04'
L67	S 28° 11' 33" E	149.95'
L68	S 44° 53' 19" E	170.88'

NO.	BEARING	DIST.
L69	S 52° 56' 31" E	159.22'
L70	S 66° 46' 28" E	127.49'
L71	S 44° 07' 52" E	128.20'
L72	S 85° 08' 34" E	115.45'
L73	N 78° 21' 31" E	47.24'
L74	N 43° 19' 13" E	134.42'
L75	N 26° 46' 16" E	78.29'
L76	N 50° 19' 55" E	185.32'
L77	S 30° 56' 51" W	61.27'
L78	S 01° 02' 31" W	27.05'
L79	S 18° 07' 50" W	62.51'
L80	S 23° 03' 28" W	229.19'
L81	S 51° 56' 18" W	21.03'
L82	S 85° 15' 58" W	32.74'
L83	S 07° 03' 40" W	31.23'
L84	N 73° 42' 54" W	82.30'
L85	S 83° 51' 46" W	46.77'
L86	S 42° 05' 32" W	344.98'
L87	S 66° 02' 03" W	161.57'
L88	N 60° 04' 28" W	115.51'
L89	N 90° 00' 00" W	157.00'
L90	N 81° 34' 00" W	167.06'
L91	N 39° 50' 50" W	334.09'



0 500 1000
GRAPHIC SCALE IN FEET

"This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared."

"Integral parts of this document"
1. Description
2. Exhibit

Basis of Bearing is the Texas Coordinate System North Central Zone 4202, NAD 83.

"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" 22 TAC 663.18C
Todd A. Bridges, RPLS 4940
Date: 2/28/2020

Petrus Investment, L.P.
Document* 1998-117450
R.P.R.D.C.T.

44.106 Acres

3" metal post

N88° 41' 59" E
7134.01'

Point of Beginning

Point of Commencing

Robson Denton Development, LP
Vol. 4373, Pg. 216
R.P.R.D.C.T.

Situated in the J. Taft Survey, Denton County, Texas

PELOTON
LAND SOLUTIONS
9800 HILLWOOD PARKWAY, SUITE 250
FORT WORTH, TEXAS 76177 PH.# 817-562-3350
JOB # HWR18008 DRAWN BY: SS CHECKED BY: DATE: 02/24/2020 PAGE #6OF6
Default 2/28/2020 1:53:28 PM

EXHIBIT E - MUNICIPAL FACILITIES

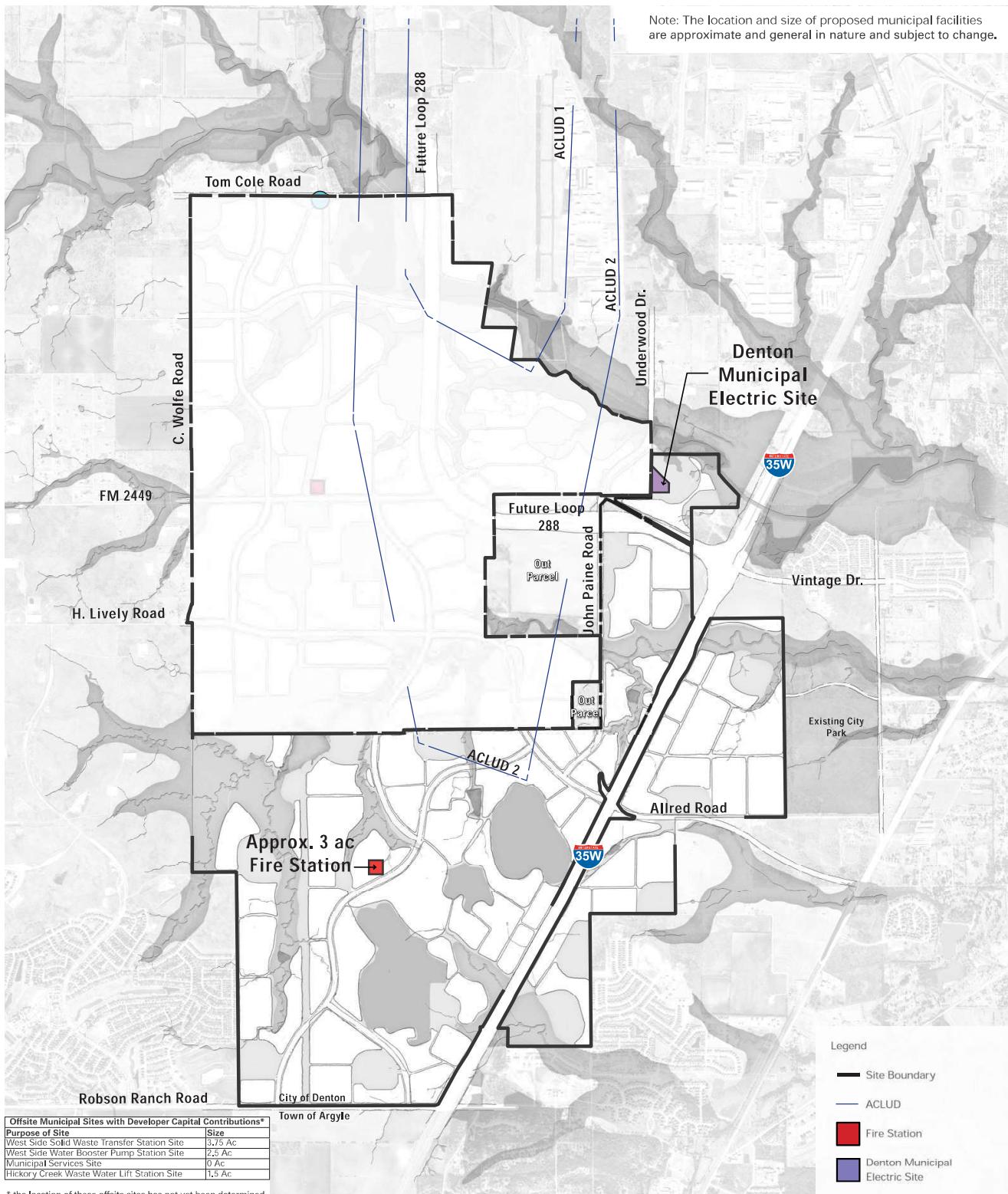


EXHIBIT E-1 - FORM OF TEMPORARY CONSTRUCTION EASEMENT

NOTICE OF CONFIDENTIALITY RIGHTS: If you are a natural person, you may remove or strike any or all of the following information from any instrument that transfers an interest in real property before it is filed for record in the public records: your Social Security number or your driver's license number.

TEMPORARY CONSTRUCTION EASEMENT AGREEMENT

STATE OF TEXAS §
COUNTY OF DENTON §

This **Temporary Construction Easement** (the "Agreement") is between _____, a _____ ("Grantor") and the **City of Denton**, a Texas home-rule municipal corporation ("Grantee" or "City") and is effective when executed by Grantor and Grantee ("Effective Date").

For and in consideration of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the covenants contained herein, Grantor and Grantee agree as follows:

1. Subject to the terms of this Agreement, Grantor hereby grants and conveys to Grantee a non-exclusive temporary easement (the "TCE") across the property described in Exhibit A attached hereto (the "TCE Property"). This grant is subject to all matters of record affecting the TCE Property.

2. This Agreement is being executed by Grantor at the request of the City. The City is planning to undertake certain improvements related to _____ (the "Project") within the easement area described in that certain easement dated _____, 20____ and recorded as Instrument No. _____, in the Real Property Records of Denton County, Texas (the "Permanent Easement"). Grantee's work related to the Project is referred to here as the "Work." Grantee's Work must be performed pursuant to, and in accordance with the City-approved plans for the Project. The TCE and TCE Property shall only be used by Grantee for the purposes of construction staging, stockpiling materials, and access to and from the Project work area (collectively, the "Permitted Uses") and for no use other than the Permitted Uses. Notwithstanding anything to the contrary, Grantee shall have no right to construct any permanent improvements on the TCE Property, nor any improvements that will continue to exist on the TCE Property after the Termination Date (defined below). Grantee is responsible for location and protection of all utilities and other improvements within the TCE Property prior to commencement, and during the execution, of the Work. Access to the Project area shall be limited to access through the TCE Property itself, the easements described in the Permanent Easements, or public rights of way, and not across other property owned by Grantor in which Grantee has no such interest. Grantee shall not block, inhibit, or otherwise impede access to the other areas at any time.

3. Grantor reserves and retains the right to grant other rights and easements across, over, or under the TCE Property to such other persons as Grantor deems proper; provided, such other rights shall not unreasonably interfere with or prevent the use by Grantee of the TCE Property for the purpose set forth herein.

4. The TCE is not assignable by Grantee without the prior written consent of Grantor, which consent may be withheld in Grantor's sole and absolute discretion.

5. Grantor may use the TCE Property for any and all purposes which do not unreasonably interfere with or prevent the use by Grantee of the TCE Property for the purposes set forth herein.

6. The TCE shall automatically terminate upon the earlier of the completion of the Work or _____ months after the Effective Date of this Agreement (the "Termination Date"). In the event of a default by Grantee hereunder and the continuance of such default for 30 days after written notice by Grantor to Grantee of such default, Grantor shall have the right to immediately terminate this Agreement and the TCE upon written notice to Grantee. Grantee shall also have the right to terminate this Agreement and the TCE upon written notice to Grantor. In the event of any termination or expiration of this Agreement, Grantee shall remove all of its property and materials from the TCE Property and restore the TCE Property pursuant to paragraph 8 (and as otherwise required pursuant to this Agreement) as promptly as possible exercising commercially reasonable diligence and efforts.

7. Other than the Work and Permitted Uses described herein, Grantee shall not make any alterations, additions, or improvements to the TCE Property without Grantor's prior written consent, which may be withheld in Grantor's sole and absolute discretion. Grantee shall at all times comply with all applicable laws, rules, and ordinances of any governmental agency or authority. Grantee shall stay within the limits of the TCE Property or other property in which it holds an interest and shall not enter upon the adjacent land of Grantor without Grantor's express prior written consent to each such entry, which consent may be withheld in Grantor's sole and absolute discretion. No trespassing, ingress, or egress is allowed on the adjacent property in which Grantee has no interest. Grantor shall be notified at least 48 hours prior to Grantee entering the TCE Property for the first time, and Grantor shall have the right to have its representative present when Grantee enters the TCE Property for the first time. The TCE Property, and the adjacent properties, may be used for agricultural operations and may be in cultivation or may be subject to grazing by livestock. If required by Grantor, temporary fences and gates shall be constructed to specifications previously agreed by Grantor and Grantee. All gates shall be kept closed at all times, except when passing through same. No hunting, fishing, or other recreational activities nor activities other than the Permitted Uses or completion of the Work are allowed at any time. **Grantee acknowledges receipt of the attached Exhibit "B" – Clarifications and Understanding of the Terms and Conditions for Temporary Construction Easements.**

8. Prior to the end of the term of this Agreement, or upon any termination of this Agreement, Grantee shall, at no cost or expense to Grantor, promptly repair any damage to any improvements on the TCE Property and surrounding property and restore the surface to its condition that existed prior to Grantee's or any Grantee Party's entry thereon (including, but not limited to, the removal of rocks with a dimension of four inches (4") or larger, the replacement of any disturbed topsoil, either removed, stockpiled, and placed on site, or imported, the reseeding and establishment of grasses or other landscape of varieties acceptable to Grantor, (including fertilizer, temporary irrigation, or watering) and the repair, reconstruction, or replacement of fences) of the TCE Property and surrounding property. Upon the expiration or termination of this

TCE, the TCE Property shall be left in a landscaped condition, free of all trash, litter garbage, refuse, and debris.

9. Grantee shall not use the TCE Property, or permit use of the TCE Property by any Grantee Party, in a manner which violates any law or regulation, or constitutes a public or private nuisance. Except for the normal use of fuels, lubricants, and chemicals required for the Work, Grantee shall not, and shall not permit the City, the City Contractor (defined below) or any of their respective employees, managers, officers, agents, contractors, subcontractors, suppliers, invitees, or representatives (each a "Grantee Party" and collectively, "Grantee Parties") to, locate, generate, manufacture, use, or dispose on or about the TCE Property any chemical, pollutant, waste, or other substance that is the subject of any law or regulation pertaining to public health, safety, protection, or conservation of the environment or regulation of Hazardous Substances. "Hazardous Substances" means any and all pollutants, toxic substances, hazardous materials, substances, or waste, including, but not limited to, petroleum, crude oil, or any fraction thereof. If Grantor in good faith believes that Hazardous Substances may have been located, generated, manufactured, used, or disposed of on or about the TCE Property by the Grantee or any of its employees, agents, contractors, subcontractors, suppliers, or invitees, Grantor may have environmental studies of the TCE Property conducted as it deems appropriate. In the event such studies reveal that a Hazardous Substance has been located, generated, manufactured, used, or disposed on or about the Property, except as noted above, the Grantee shall be responsible for the cost of such study.

10. Grantor Parties. For the purposes of this Agreement, the term "Grantor Parties" shall include Grantor, Grantor's affiliates and their respective equity owners, successors, and assigns, and such parties' respective officers, directors, employees, managers, agents, consultants, contractors, subcontractors, suppliers, invitees, and representatives.

11. Required Insurance. For purposes of this Agreement, the term "City Contractor" shall mean the City's general contractor for the Project. Notwithstanding anything to the contrary, commencing prior to entry onto the TCE Property by any Grantee Party, and through the remainder of the term of this Agreement, Grantee shall require the City Contractor, at Grantee's or the City Contractor's cost, to maintain a policy or policies of general liability insurance, including personal injury and property damage, with contractual liability coverage, in the amount of Two Million Dollars (\$2,000,000.00) for property damage and Two Million Dollars (\$2,000,000.00) per occurrence for personal injuries or deaths of persons occurring in or about the TCE Property. These policies must be issued by insurers licensed with the State of Texas on forms acceptable to Grantor, with the liability insurance endorsed to include Grantor as an additional insured and stating that such insurance is primary over any other insurance carried by Grantee or City's Contractor. All policies must also contain a waiver of subrogation in favor of Grantor. Evidence of such coverage in form and substance acceptable to Grantor must be furnished to Grantor prior to entry onto the TCE Property by Grantee, the City Contractor, or any Grantee Party.

13. Mechanic's Liens. If, as a result of or in connection with the activities of the Grantee Parties, any lien or claim for lien is filed against the TCE Property or any other property of Grantor, Grantee shall immediately give notice to Grantor thereof and cause such lien or claim for lien to be released of record within thirty (30) days after Grantee's receipt of notice of such lien.

15. Grantee shall cause any user of the TCE to clean public rights-of-way and easements used by Grantee in connection with the Work as reasonably necessary based on such user's activities. Grantee shall remove trash from the TCE Property and the rights-of-way described in the preceding sentence daily.

16. Grantee shall not bury any trash or waste material of any kind on the TCE Property.

17. All notices required or permitted hereby shall be in writing and become effective after being deposited in the U.S. Mail, certified or registered with appropriate postage prepaid or, if delivered by some other manner, when actually received. Notices to the parties shall be addressed as follows:

To Grantor:	[insert name and address]
With a copy to:	[insert name and address]
To Grantee:	<p>City of Denton 215 East McKinney Street Denton, Texas 76201 Attn: City Manager's Office</p>
With a copy to:	<p>City of Denton 216 West Mulberry Street Denton, Texas 76201 Attn: Real Estate Office</p>

From time to time a party may designate a new address for the purpose of receiving notices hereunder by giving notice of its new address to the other party in the manner provided above.

18. Survival. The obligations of Grantee set forth herein shall survive any termination of this Agreement.

19. Counterparts. This Agreement may be executed by facsimile, electronic mail, or otherwise in multiple counterparts, each of which will, for all purposes, be deemed an original, but which together will constitute one and the same instrument.

[ADD SIGNATURE PAGES]

EXHIBIT “A”

TCE PROPERTY

[see following pages]

EXHIBIT “B”

CLARIFICATION AND UNDERSTANDING OF THE TERMS AND CONDITIONS FOR TEMPORARY CONSTRUCTION EASEMENTS

In addition to the terms and conditions contained in the Temporary Construction Easement Agreement, the following conditions shall apply:

1. Any gates accessed by the contractor shall be kept closed at all times, except when passing through same, and locked whenever the contractor is not on-site. Grantee is responsible for repairing and restoring all siltation, erosion, drainage, and other effects its operations may cause to offsite streets, rights of way, park areas, association property, and common areas.
2. Erosion control silt fence (or other approved silt control material) is required along the length of any construction areas, as well as in all channels, swales, or other low areas.
3. All vegetated and grassed areas damaged or disturbed by construction of the Project or by any Grantee Party’s use of the TCE Property shall be restored as close as reasonably practical to pre-construction condition, including any irrigation, landscaping, or other improvements in adjacent open space area. Landscape and grasses must be established immediately upon completion of construction operations. In areas where grasses are Coastal Bermuda (“Coastal”), the grass must be reestablished by “plugging” and not by broadcast seeding. If weather conditions warrant, a winter rye mix approved by Grantor may be planted in lieu of the Coastal, with the Coastal being properly planted in the following spring (this requires that the winter rye be killed by use of a herbicide approved by Grantor, the ground stripped and plowed, and the Coastal being plugged and irrigated until such time that 70% coverage has been established).
4. Any existing fences damaged or removed for construction shall be replaced with comparable material reasonably acceptable to Grantor.
5. Temporary fences in grazing pastures shall be 5-strand barbed wire on steel T-posts spaced at 8’ centers. Any modifications to the fencing requirements must be agreed to in writing by the Grantor.
6. Any gates or cattle guards damaged by construction shall be repaired or replaced, including all damaged materials, painting, and any other work required to return the gate or cattle guard to pre-construction condition.
7. All trash and debris shall be collected and disposed of on a daily basis.
8. Grantee shall provide contact information (24 hours a day/7 days a week) for field supervisors and office personnel who can be contacted should any problems arise on the construction site.
9. Grantor Contact Information: [insert]

EXHIBIT E-2 - FORM OF PERMANENT EASEMENT ADDENDUM

ADDENDUM TO PERMANENT EASEMENT

This Addendum to the foregoing _____ Easement (the "Easement") modifies the Easement as follows:

1. The Easement is not assignable by Grantee without the prior written consent of Grantor, which consent shall not be unreasonably withheld, conditioned, or delayed.

2. This section applies only to easements for underground linear infrastructure projects: Grantor reserves and retains the right to grant other rights and easements across, over, or under (but not parallel and overlapping) the Property to such other persons as Grantor deems proper, provided such other grants do not interfere with the use of the Easement by Grantee for the purpose set forth herein. Notwithstanding anything to the contrary, Grantor and any future owners of the fee title to the Property and their designees shall retain the following rights with respect to the Property:

(a) to build fences (unless construction of said fence requires a building permit, in which case Grantor must obtain written consent from Grantee), one or more roads, driveways, alleys, and to construct underground utilities across, over, and under the Property; and

(b) to landscape the Property.

Grantor and any future owner of the fee title to the Property shall locate any such fences, roads, alleys, or utilities crossing Grantee's facilities within the Property at an angle of approximately 90 degrees; provided, however, the crossing angle of such improvements with the facilities may be reduced to no less than 60 degrees to the extent such reduction is deemed appropriate or desirable by Grantor or such future owners of the Property in their reasonable discretion, but in no event shall such fences, roads, alleys, or utilities cross the facilities within the Property at less than a 60 degree angle without the prior consent of Grantee. The horizontal and vertical location of all fences, roads, alleys, or utilities or landscaping improvements within the Property shall be subject to reasonable minimum horizontal and vertical clearance requirements of the Grantee. The right of Grantor and any future owners of the Property to landscape the surface of the Property as set forth above shall not give Grantor and any future owners of the Property the right to place hardscape (such as fountains, walls, and retaining walls) on the surface of the Property without the prior written consent of Grantee so long as the construction of such hardscape does not require a building permit. In the event the construction of such hardscape does require a building permit, Grantor and any future owners must obtain from Grantee written consent of the construction. Further, Grantor, at its expense, shall have the right to relocate any facilities installed pursuant to this Easement provided that the level of service provided by such facilities at the new location will not be impaired or disrupted in any respect either in the process of such relocation or after the completion thereof and further provided that the new location is compatible with the then-existing adjacent infrastructure of Grantee.

3. Grantee shall repair any damage to improvements on the Property or surrounding property and restore the surface of the Property and surrounding property from damage resulting from Grantee's use of the Property.

4. The Grantee shall not use the Property, or permit use of the Property by any other person, in a manner that violates applicable laws or regulations or constitutes a hazard to the health, safety, and/or welfare of the public. Except for the normal use of fuels, lubricants, and chemicals required to install said public infrastructure and their normal byproducts of use, the Grantee shall not, and shall not permit any of its employees, agents, contractors, subcontractors, suppliers, or invitees to generate, manufacture, or dispose of on or about the Property any hazardous substance. If Grantor in good faith believes that a hazardous substance may have been generated, manufactured, or disposed of on or about the Property by the Grantee or any of its employees, agents, contractors, subcontractors, suppliers, or invitees, Grantor may have environmental studies of the Property conducted as it deems appropriate. In the event such studies reveal that a hazardous substance has been generated, manufactured, or disposed of on or about the Property, except as noted above, the cost of such studies shall be paid by Grantee.

5. Except with regard to those arising from the gross negligence or willful act or omission of Grantor, Grantor shall not be responsible for any claims, suits, losses, liability, costs, and expenses from a User's use of the Property. A "User" is defined to include any person, other than the Grantee, providing materials or service in connection with the design and construction of the Facilities.

6. All notices required or permitted hereby shall be in writing and become effective after being deposited in the U.S. mail, certified or registered with appropriate postage prepaid, or, if delivered by some other manner, when actually received. Notices to the parties shall be addressed as follows:

To Grantor:

with a copy to:

To Grantee: City of Denton
City Manager's Office
215 E. McKinney Street
Denton, Texas 76201

with a copy to:

From time to time a party may designate a new address for the purpose of receiving notices hereunder by giving notice of its new address to the other party in the manner provided above.

7. This grant of Easement shall automatically terminate and revert to Grantor or its successors in interest upon abandonment by Grantee.

8. This Easement and Addendum to be effective as of the date first set forth in the Easement.

9. In the event of a conflict between this Addendum and the Easement, the provisions of this Addendum shall control.

EXHIBIT E-3 - DME LEGAL DESCRIPTION

THE STRATFORD COMPANY, L.P.
TRACT 1, CALLED 2049.00 ACRES
DOC. NO. 2005-12274
O.R.D.C.T.

WILLIAM CLINTON LYNCH
AND WIFE, CLAUDIA P. LYNCH
CALLED 2.408 AC.
VOL. 2190, PG. 507
R.P.R.D.C.T.

WILLIAM CLINTON LYNCH
AND WIFE, CLAUDIA P. LYNCH
CALLED 4.102 AC.
VOL. 2981, PG. 771
R.P.R.D.C.T.

PETRUS INVESTMENT, L.P.
REMANDEER OF TRACT III,
CALLED 96.85 AC.
DOC. NO. 98-117450
R.P.R.D.C.T.

LEGAL DESCRIPTION

BEING # 10.129 acre tract of land situated in the C.W. Byerly Survey, Abstract No. 1458, in the City of Denton, Denton County, Texas, and being part of Tract III, a called 96.85 acre tract of land described in a deed to Petrus Investment, L.P., as recorded in Document No. 98-117450 of the Official Records of Denton County, Texas (O.R.D.C.T.), and being more particularly described below:

BEGINNING at a 1/2 inch iron rod found at the southeast corner of Tract I, a called 2049.00 acre tract of land described in a deed to Stratford Company, L.P., as recorded in Document No. 2005-12274 of the Official Records of Denton County, Texas (O.R.D.C.T.), and being more particularly described below;

THENCE North 01°40' East, along the common east line of said 2049.00 acre tract and the most northerly west line of said 96.85 acre tract, a distance of 937.03 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

THENCE North 01°40' East, bearing and running west, a distance of 1312.46 feet to a 5/8 inch iron rod set with cap stamped "TNP" set for corner;

THENCE South 89°50' West, a distance of 942.02 feet to the POINT OF BEGINNING, and containing 10.129 acres of land, more or less.

SURVEYOR'S CERTIFICATION

TO: PETRUS INVESTMENT, L.P. AND THE CITY OF DENTON, TEXAS.

This is to certify that this map or plan and the survey on which it is based were made in accordance with the 2010 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items 1, 3, 4, 8, 13, 14 and 16 of Table A thereof. The field work was completed on March 14, 2017.

Marvin King, R.P.L.S. *4/19/17*
Marvin King, R.P.L.S. DATE
Registered Professional Land Surveyor No. 5591



LEGEND	
■	1/2 INCH IRON ROD (UNLESS OTHERWISE NOTED)
■	5/8 INCH IRON ROD WITH CAP STAMPED "TNP" SET
■	IRON CONTROLLING EASEMENT
1/1	DEED CALL
1/2	INCH IRON ROD
4	IRON
■	OFFICIAL RECORD, DENTON COUNTY, TEXAS
■	SEAL, PROPERTY RECORD, DENTON CO., TEXAS
■	DENTON CO., DENTON COUNTY, TEXAS
■	SUBJECT TRACT BOUNDARY
■	PROPERTY LINE
■	IRON EASEMENT LINE
—	EASEMENT LINE
—	OVERHEAD ELECTRIC
—	ASPHALT PAVEMENT
—	IRREGULAR LINE

UNDERWOOD ROAD (APPARENT PREScriptive RIGHT-OF-WAY)

C.W. BYERLY SURVEY
ABSTRACT NO. 1458

THE STRATFORD COMPANY, L.P.
TRACT 1, CALLED 2049.00 ACRES
DOC. NO. 2005-12274
O.R.D.C.T.

10.129 ACRES
PETRUS INVESTMENT, L.P.
TRACT III, CALLED 96.85 AC.
DOC. NO. 98-117450
R.P.R.D.C.T.

UNDERWOOD ROAD (APPARENT PREScriptive RIGHT-OF-WAY)

POINT OF BEGINNING
APPROXIMATE SURVEY LINE
APPROXIMATELY 1100' TO
INTERSECTION WITH F.M. 2449
ACCESS ROAD ONLY, NO
VERTICAL STRUCTURES, OTHER
THAN SCREEN WALL, IN THIS
AREA SOUTH OF THE T.M.P.A.
TRANSMISSION EASEMENT

PETRUS INVESTMENT, L.P.
REMANDEER OF TRACT III,
CALLED 96.85 AC.
DOC. NO. 98-117450
R.P.R.D.C.T.

S 44°36'50" E - 1312.46'

S 89°50'43" W - 942.02'
TEXAS MUNICIPAL POWER
AGENCY
OF DENTON COUNTY
CAUSE NO. 10458
DENTON COUNTY COURT OF LAW
(item 10)

TEXAS MUNICIPAL POWER AGENCY
7701 MCKEEBLIN - T-23 AC.
CAUSE NO. 10458
DENTON COUNTY COURT OF LAW
(item 10)

G. WEST SURVEY
ABSTRACT NO. 1393
THE DEVELOPER SHALL PROVIDE A TEMPORARY
DRAINAGE EASEMENT THAT ALLOWS FOR
REROUTING BY DEVELOPER AT FUTURE DATE.



SURVEY NOTES:

1. All property corners are marked with a 5/8 inch iron rod with cap stamped "TNP" set, unless otherwise noted on the drawing.
2. Bearings of lines shown herein are reference to Grid North of the Texas Coordinate System (North Central Zone No. 4202, NAD83 (2011 Epoch 2010), as measured locally from Western Data Systems Continuously Operating Reference Stations (CORS) via Real Time Kinematic (RTK) GPS. An average Combination Factor of 1.005136023 was used to scale grid distances to surface. All distances shown herein represent surface values.
3. As determined by scaled map location and property listing on FEMA Flood Insurance Rate Maps, Community Panel No. 40480233652 and 40480233702, dated April 18, 2011, this property lies within Zone X (unshaded), Zone X (unshaded) - Other area is defined as areas determined to be outside the 0.2% annual chance floodplain.
4. Utility information shown herein is based on above ground evidence only. Underground utilities have not been located and/or identified. Additional utilities may affect this property that are not shown herein.
5. No evidence of recent earth moving work, building construction, or building additions was observed in the process of conducting the field work.
6. This survey was prepared with benefit of the certain Title Commitment GF 145458, with effective date of March 31, 2014, provided by Title Resources Guaranty Company. For easements, rights-of-way and/or other matters of record may affect this tract, the surveyor relied solely on said title commitment.

TITLE COMMITMENT NOTES:
TITLE RESOURCES GUARANTY COMPANY
GF NO. 145458
EFFECTIVE DATE: MARCH, 2014
COMMITMENT ISSUE DATE: APRIL 15, 2014
THE FOLLOWING SCHEDULE B ITEMS AFFECT THIS TRACT:

- 104 Easement executed by Alma McCutchan et al to Texas Water Soil and Water Conservation District, filed January 12, 1967, recorded in Volume 548, Page 72, Deed Records Denton County, Texas (Blanket Easement)
- 105 Easement executed by Alma McCutchan et al to Texas Power & Light Company, filed June 16, 1966, recorded in Volume 568, Page 30, Deed Records Denton County, Texas (as shown)
- 106 Easement contained in Judgment granted to Texas Municipal Power Agency, dated May 21, 1990, under Cause No. 10458, County Court at Law, Denton County, Texas (as shown)



ALTA/NSPS LAND TITLE SURVEY

10.129 ACRES

SITUATED IN THE
C.W. BYERLY SURVEY, ABSTRACT NO. 1458
CITY OF DENTON, DENTON COUNTY, TEXAS

TNP PROJECT NO. DME13222 SHEET 1 OF 1

EXHIBIT F - DEVELOPER CERTIFICATION

EXHIBIT F **DEVELOPER CERTIFICATION**

[DATE]

Name of Issuer: Hunter Ranch Improvement District No. 1 of Denton County
Name of Bond Issue: _____ Bonds, Series _____
(Hunter Ranch Improvement District No. 1 of Denton County)

Re: Developer Certification

To whom it may concern:

Pursuant to the Project Agreement (the “Project Agreement”) dated as of __, _____, 2020, between _____ (the “Owner”) and the City of Denton, Texas, a Texas Home Rule municipality (the “City”) and the requirements of the City and Hunter Ranch Improvement District No. 1 of Denton County (the “District”), the [Developer] makes the following certifications with respect to the real property that the [Developer] owns as a condition precedent to the District issuing bonds to reimburse the [Developer] for funds advanced for the Improvement Projects for which the District bonds are issued:

1. Compliance with MPC Zoning. Development and use of the Property complies with the applicable zoning regulations, including the Master Planned Community zoning overlay district.
2. Parks, Open Space and Trails. The [Developer][Owner][District] dedicated the Park land and constructed the applicable Park Improvements required by the Project Agreement which Park land and Park Improvements are maintained by the [Owner][District].
3. Infrastructure. The [Developer][Owner][District] constructed and dedicated public infrastructure required to serve development of the Property as required by the Project Agreement.
4. Municipal Facilities. The [Developer][Owner][District] dedicated the land and contributed funds towards the construction of capital improvements as required by the Project Agreement.
5. Affordable Housing. The [Developer][Owner][District] contributed funds towards the affordable housing as required by the Project Agreement.

Any and all information provided by the [Developer], contained in this certification, to the best knowledge of the undersigned, is true and correct, as of [insert date].

[Developer Signature Block]

STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2020 by _____,
_____, the _____ of _____ on behalf of said _____.

Notary Public, State of Texas

EXHIBIT G
JOINDER AGREEMENT

THIS JOINDER AGREEMENT (the “Joinder”), dated as of _____, 20____, is executed by and between _____ (the “Original Developer”) and _____ (the “New Developer”), in connection with that certain Project Agreement (the “Project Agreement”) entered into between the City of Denton, Texas (the “City”), and the Original Developer, dated effective as of March 17, 2020. Capitalized terms used herein shall have the definitions provided in the Project Agreement.

WHEREAS, before the New Developer may exercise any rights under the Project Agreement, the New Developer must enter into a joinder to the Project Agreement or a separate project agreement with the City; and

WHEREAS, the new Developer desires to enter into and execute this Joinder in order to become a party to the Project Agreement with respect to area it owns within the Hunter Ranch Improvement District No. 1 of Denton County (the “District”).

NOW THEREFORE, the Original Developer and the New Developer agree as follows:

1. Attached hereto as Exhibit “A” is a true, correct, and complete copy of the Project Agreement. The terms and provisions of the Project Agreement are incorporated herein for all purposes.

2. The New Developer hereby acknowledges, agrees, and confirms that, by its execution of this Joinder, the New Developer shall be deemed to be a “Party” to the Project Agreement, but only with respect to the portion of the District that it owns, and shall have all of the rights and obligations of the Original Developer thereunder with respect to the portion of the District that it owns, as if it had originally executed Project Agreement. The New Developer hereby ratifies, as of the date hereof, and agrees to be bound by, all of the applicable terms, provisions and conditions contained in the Project Agreement with respect to the portion of the District that it owns, to the same effect as if it were an original party thereto. From and after the date hereof, the Original Developer shall be released from subsequently performing any such obligations under the Project Agreement with respect to the portion of the District owned by the New Developer and from any liability that results from the New Developer's failure to perform such obligations.

3. Attached hereto as Exhibit “B” is a description of the portion of the Improvement Projects (as defined in the Project Agreement) and other public infrastructure that the New Developer will cause the District to construct and finance, and the division of obligations regarding (i) the dedication of Parks, (ii) the conveyance of land for municipal facilities, (iii) the contribution of funds for costs of capital improvements and land costs for municipal facilities, and (iv) the contribution of funds for the City’s affordable housing program. From and after the date hereof, the Original Developer shall be released from subsequently performing any such obligations under the Project Agreement with respect to the portion of the District owned by the New Developer and

from any liability that results from the New Developer's failure to perform such obligations. The maximum aggregate amount the District may reimburse the New Developer as described in Sections 5.01(a) and 5.08 of the Operating Agreement is \$_____, and such maximum aggregate amount applicable to the Original Developer is reduced by such amount.

4. The New Developer agrees to provide a copy of this Joinder to the City within 30 days for its execution by all parties.

5. The Parties intend that the City and the District, but no other parties, be third party beneficiaries of this Joinder.

6. This Joinder may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute one agreement.

7. This Joinder shall be governed by and construed and interpreted in accordance with the laws of the State of Texas, and exclusive venue shall lie in Denton County, Texas.

IN WITNESS WHEREOF, each party has caused this Joinder to be duly executed by its authorized officer as of the day and year first above written.

[SIGNATURE PAGE TO FOLLOW]

ORIGINAL DEVELOPER

By: _____

Name: : _____

Title: _____

Address: _____

Fax: _____

Phone: _____

Email: _____

NEW DEVELOPER

By: _____

Name: : _____

Title: _____

Address: _____

Fax: _____

Phone: _____

Email: _____

Exhibit A
Project Agreement

Exhibit B

**Description of the Portion of the Improvement Projects to be Constructed and Financed
and Division of Obligations**

Exhibit “B”

First Amendment to Hunter Ranch Project Agreement

ORDINANCE NO. 24-988

AN ORDINANCE OF THE CITY OF DENTON AUTHORIZING THE EXECUTION OF A FIRST AMENDMENT TO HUNTER RANCH PROJECT AGREEMENT RELATIVE TO FUNDING, OWNERSHIP, MAINTENANCE, AND REPAIR OF PUBLIC IMPROVEMENTS SERVING PROPERTY LOCATED WITHIN THE “HUNTER RANCH IMPROVEMENT DISTRICT NO. 1 OF DENTON COUNTY, TEXAS” AND OTHER RELATED MATTERS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, all terms with initial capital letters that are not defined in the text of this Ordinance shall have the meanings given to them in the Project Agreement attached as Exhibit “A” to this Ordinance and incorporated herein for all purposes; and

WHEREAS, pursuant to Section 59, Article XVI, Texas Constitution, Hunter Ranch Improvement District No. 1 of Denton County, Texas (the “District”) has been created during the 86th Regular Session of the Texas Legislature through the passage of H.B. 4683 and codified under Chapter 3980, Special District Local Laws Code (the “District Act”), to include land within the City of Denton, Texas (the “City”), as a special district for the benefit of the public and for public purposes, including the acquisition, construction, improvement, financing, operation, and maintenance of water, wastewater, drainage, road, landscaping, park and recreational facilities; and

WHEREAS, in satisfaction of the requirements of Section 3981.0109(a)(1) of the District Act, the City adopted Resolution No. 20-762, dated April 7, 2020 (the “Consent Resolution”), consenting to the creation of the District and to the inclusion of the land described therein; and

WHEREAS, in satisfaction of the requirements of Section 3980.0109(a)(3) of the District Act, the City and Owner entered into the Project Agreement dated April 7, 2020 (the “Project Agreement”); and

WHEREAS, the City and owners of the property within the District desire to amend the Project Agreement; and

WHEREAS, the conservation easement in the form required by Section 9.2 of the Project Agreement was recorded in the real property records of Denton County, Texas, within 180 calendar days from the date of passage of the Consent Resolution; and

WHEREAS, in order to satisfy the requirements of Section 3980.0109(a)(3) of the District Act, the City and the Owner desire to enter into the First Amendment to Hunter Ranch Project Agreement (“First Amendment”) attached as Exhibit “A”; and

WHEREAS, the City intends for the attached First Amendment to establish the rights and obligations of the City and the Owner with respect to the financing, ownership and maintenance of certain Improvement Projects and Park Improvements and other public improvements; NOW, THEREFORE;

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Manager or her designee is hereby authorized to execute the First Amendment attached hereto as Exhibit "A" relative to funding, construction, ownership, maintenance, and repair of public improvements serving property located within the Hunter Ranch Improvement District No. 1 of Denton County, Texas and other related matters.

SECTION 2. A substantial copy of the First Amendment is attached hereto as Exhibit "A" and incorporated herein for all purposes. Minor adjustments to the attached First Amendment are authorized, such as filling in blanks and minor clarifications or corrections, and any modifications made by City Council in the approval of this ordinance.

SECTION 3. The City Manager, or her designee, is further authorized to carry out all duties and obligations to be performed by the City under the First Amendment, unless otherwise reserved in the First Amendment for Council approval.

SECTION 4. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by Chris Watts and seconded by Joe Holland. The ordinance was passed and approved by the following vote [6 - 0]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	✓			
Vicki Byrd, District 1:	✓			
Brian Beck, District 2:	✓			
Paul Meltzer, District 3				✓
Joe Holland, District 4:	✓			
Brandon Chase McGee, At-Large Place 5	✓			
Chris Watts, At-Large Place 6	✓			

PASSED AND APPROVED this the 7th day of May, 2024.


GERARD HUDSPETH, MAYOR

ATTEST:


LAUREN THODEN, CITY SECRETARY

APPROVED AS TO LEGAL FORM:


MACK REINWAND, CITY ATTORNEY



Denton County
Juli Luke
County Clerk

Instrument Number: 83442

ERecordings-RP

AMENDMENT

Recorded On: August 05, 2024 10:25 AM

Number of Pages: 14

" Examined and Charged as Follows: "

Total Recording: \$77.25

***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 83442

Record and Return To:

Simplifile

Receipt Number: 20240805000177

Recorded Date/Time: August 05, 2024 10:25 AM

User: Calinda B

Station: Station 20

STATE OF TEXAS
COUNTY OF DENTON

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time
printed hereon, and was duly RECORDED in the Official Records of Denton County, Texas.

Juli Luke
County Clerk
Denton County, TX



FIRST AMENDMENT TO HUNTER RANCH PROJECT AGREEMENT

This First Amendment to Hunter Ranch Project Agreement (this "Amendment") is entered into on May 7, 2024 between the City of Denton, Texas, a Texas Home Rule municipality (the "City") and HR JV, L.P., a Texas limited partnership, HWP HR, L.P., a Texas limited partnership, Hunter Ranch Land, LLC, a Texas limited liability company, and HR 3200, LP, a Texas limited partnership (each an "Owner" with respect to the portion of the hereinafter defined Property it owns and collectively, the "Owner" of the entire Property), each a "Party" and collectively the "Parties". This Amendment amends that certain Hunter Ranch Project Agreement between Petrus Investment, L.P. dated April 7, 2020 (the "Agreement"), and in the event of a conflict between the Project Agreement and this Amendment, this Amendment shall control. All capitalized terms shall be defined as stated in the Project Agreement unless otherwise defined herein. Petrus Investment, L.P. is no longer an Owner of any portion of the Property or a Party to the Project Agreement, and executes this Amendment for the sole purpose of authorizing the new Owners defined above to sign this Amendment.

ARTICLE I **RECITALS**

WHEREAS, each Owner is an owner of a portion of the Property, and all of the Owners collectively own the entire Property; and

WHEREAS, each Owner is a developer of real property within the District; and

WHEREAS, in satisfaction of the requirements of Section 3980.0109(a)(3) of the District Act, the City and Owner entered into the Project Agreement; and

WHEREAS, on May 7, 2024, the City and the District entered into the First Amendment to the Operating Agreement amending that certain Operating Agreement between the City and the District effective April 7, 2020 (as amended, the "Operating Agreement"); and

WHEREAS, all references in the Project Agreement to the Operating Agreement shall be construed to mean the Operating Agreement, as amended; and

WHEREAS, the City acknowledges that a conservation easement in the form required by Section 9.2 of the Project Agreement was recorded in the real property records of Denton County, Texas, within 180 calendar days from the date of passage of the Consent Resolution, and all Project Agreement requirements related to the conservation easement have been fully and timely satisfied; and

WHEREAS, the Parties are entering into this Amendment to set forth their understanding regarding issues affecting the development of the Property.

NOW THEREFORE, for and in consideration of the mutual covenants of the Parties set forth in this Amendment, and for other good and valuable consideration the receipt and adequacy of which are acknowledged and agreed by the Parties, the Parties agree as follows:

ARTICLE II AMENDMENTS

2.1 Affordable Housing Contribution. Article VII of the Project Agreement is amended to read as follows: "Each Developer seeking reimbursement from a series of District Bonds agrees to contribute to the City's Affordable Housing Program consistent with the terms of Section 5.4 above until such time as an affordable housing contribution equal to \$3,000,000 in the aggregate is fully funded."

2.2 Gas Wells. Subject to the provisions in this Section 2.2, the Owner with respect to the portion of the Property encompassed by gas well Pad 10 and Pad 7, as shown on Exhibit C-2 of the Master Plan Community Ordinance No. MPC19-0002c adopted on April 7, 2020 (the "MPC Ordinance"), agrees to plug and abandon the gas wells on such pad sites. Such gas wells shall be plugged and abandoned no later than May 31, 2027, as evidenced by a completed railroad commission form W-3 plugging record, provided, however, such deadline may be extended by an event of force majeure pursuant to Section 11.21 of the Project Agreement. Thereafter, there shall be no exploration, development, production, extraction, or transportation of oil, gas or other mineral substances (whether such other mineral substances be part of the mineral estate or part of the surface estate) on, from, or across the surface portion of the Property encompassed by gas well Pad 10 and Pad 7. Each six-month period following May 31, 2027 during which such wells are not plugged and abandoned, excluding periods of time due to an event of force majeure, shall result in a \$250,000 reduction in the amount of Supplemental Projects eligible for reimbursement under the Operating Agreement.

2.3 Upland Habitat Preservation. Pursuant to Section 7.4.8.C of the MPC Ordinance, the total combined Cross Timbers Upland Habitat area to be retained within the Property equals 55 percent (119.3 acres out of 217 acres). The Owner of the 217-acre Cross Timbers Upland Habitat area within the Property agrees to increase the total combined Cross Timbers Upland Habitat area to be retained by ten percent, resulting in a minimum of 65 percent of the area being retained, or 141 acres out of 217 acres.

2.4 Supplemental Projects. All references to the "Improvement Projects" in the Project Agreement shall be construed to mean (a) the Improvement Projects; and (b) the Supplemental Projects, as defined in the First Amendment to Operating Agreement between the City and the District effective on May 7, 2024.

2.5 Notices. Notices shall be addressed as follows:

To the City: City of Denton
 Attn: City Manager
 215 E. McKinney St.
 Denton, Texas 76201
 Email: sara.hensley@cityofdenton.com

To the Owner: HWP HR, L.P. // HR JV, L.P.
 Attn: Kimberly Cole
 9800 Hillwood Parkway, Suite 300

Fort Worth, Texas 76177
Email: kimberly.cole@hillwood.com

HR 3200, LP // Hunter Ranch Land, LLC
Attn: Andrew Pieper
3000 Turtle Creek Blvd.
Dallas, Texas 75219
Email: Andrew.Pieper@hillwood.com

To District: Hunter Ranch Improvement District No. 1 of Denton County
Attn: President, Board of Directors
c/o Allen Boone Humphries Robison LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027
Email: ccrawford@abhr.com

With a copy to: Attn: Misty Ventura
Shupe Ventura, PLLC
9406 Biscayne Blvd.
Dallas, Texas 75218
Email: misty.ventura@svlandlaw.com

ARTICLE III ADDITIONAL PROVISIONS

3.1 Recitals. The recitals contained in this Amendment: (a) are true and correct as of the date the Parties entered into this Amendment; (b) form the basis upon which the Parties negotiated and entered into this Amendment; (c) are legislative findings of the City Council, and (d) reflect the final intent of the Parties with regard to the subject matter of this Amendment. In the event it becomes necessary to interpret any provision of this Amendment, 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 Amendment and, but for the intent of the Parties reflected by the recitals, would not have entered into this Amendment.

3.2 Binding Obligations. This Amendment shall be recorded in the deed records of Denton County. This Amendment, when recorded, shall be binding upon the Parties and their successors and assigns permitted by the Project Agreement and upon the Property; however, this Amendment shall not be binding upon, and shall not constitute any encumbrance to title as to, any end-buyer of a final platted and improved lot, other than any Owner or Developer and any Owner or Developer related to or affiliated with such Owner or Developer, that is subject to a final plat recorded in the real property records of Denton County.

3.3 Interpretation. The Parties acknowledge that each of them has been actively involved in negotiating this Amendment. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Amendment. In the event of any dispute over the meaning or application of any provision of this

Amendment, the provision will be interpreted fairly and reasonably and neither more strongly for or against any Party, regardless of which Party originally drafted the provision.

3.4 Representations on Authority and Enforceability. The City represents and warrants that this Amendment has been approved by ordinance duly adopted by the City Council 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 Amendment on behalf of the City has been duly authorized to do so. Each Owner represents and warrants that this Amendment has been approved by appropriate action of such Owner, and that the individual executing this Amendment on behalf of such Owner has been duly authorized to do so. Each Party acknowledges and agrees that this Amendment is binding upon such Party and enforceable against such Party in accordance with its terms and conditions.

3.5 Entire Agreement. The Project Agreement as amended by this Amendment, the Consent Resolution, and the Operating Agreement, together constitute all of the Project Agreements between the Parties and supersede all prior agreements, whether oral or written, covering the subject matter of these agreements.

3.6 Form 1295. The Parties acknowledge and agree that each Owner submitted to the City a completed Form 1295 generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295") at the time such Owner submitted its signature page to this Amendment. The City hereby confirms timely receipt of the Form 1295 from each Owner pursuant to Section 2252.908, and the City agrees to acknowledge such forms with the TEC through its electronic filing application system not later than the 30th day after the receipt of such forms. The City waives all claims related to the validity and enforceability of this Amendment to the extent such claims are based on noncompliance with Section 2252.908, Texas Government Code.

3.7 Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

3.8 Governing Law. All questions concerning the construction, validity and interpretation of this Amendment and the performance of the obligations imposed by this Amendment shall be governed by the internal law, not the law of conflicts, of the State of Texas.

3.9 Ratification. Except as specifically set forth in this Amendment, all provisions of the Project Agreement shall remain in full force and effect. The Project Agreement as amended by this Amendment is hereby ratified and confirmed. In the event of any conflict between the terms and provisions of the Project Agreement and the terms of this Amendment, the terms and provisions of this Agreement shall mean and refer to the Project Agreement as amended hereby.

3.10 Exhibits. References to the Project Agreement executed on April 7, 2020 found on the forms of "Developer Certification" on Exhibit F of the Project Agreement and

"Joinder Agreement" attached as Exhibit G of the Project Agreement shall be updated to refer to the Project Agreement executed on April 7, 2020, as amended.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

EXECUTED on this the 18th day of June, 2024 but to be effective as of the Effective Date.

ATTEST:

By: Lauren Thoden
Name: Jesus Salazar LAUREN THODEN
Title: City Secretary

CITY OF DENTON

By: Sara Hensley
Name: Sara Hensley
Title: City Manager

Date: June 18th, 2024

APPROVED AS TO FORM:

By: Mack Reinward
Name: Mack Reinward
Title: City Attorney

**THIS AGREEMENT HAS BEEN
REVIEWED AND APPROVED
as to financial and operational obligations
and business terms.**

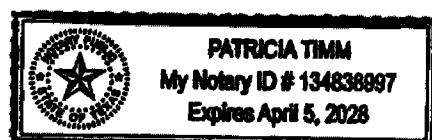
Cassie Ogden
SIGNATURE Cassie Ogden
PRINTED NAME

ACM
TITLE
City Manager's Office
DEPARTMENT

STATE OF TEXAS
COUNTY OF DENTON

This instrument was acknowledged before me on June 18, 2024 by Sara Hensley
City Manager of the City of Denton, Texas on behalf of said city.

Patricia Jimm
Notary Public, State of Texas



EXECUTED on this the 29 day of July, 2024 but to be effective as of the Effective Date.

OWNER:

HR JV, L.P.
a Texas limited partnership

By: Hillwood Alliance Management, L.P.,
a Texas limited partnership,
its General Partner

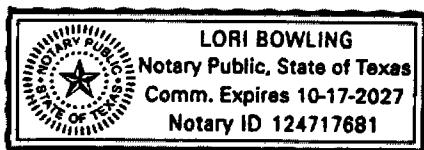
By: Hillwood Alliance GP, LLC,
a Texas limited liability company,
its General Partner

By: L. Russell Laughlin
Name: L. Russell Laughlin
Title: Executive Vice President

STATE OF TEXAS
COUNTY OF DALLAS

This instrument was acknowledged before me on July 29, 2024, by L. Russell Laughlin, Executive Vice Pres. of Hillwood Alliance GP, LLC, a Texas limited liability company, on behalf of said limited liability company, in its capacity as general partner of Hillwood Alliance Management, L.P., a Texas limited partnership, on behalf of said limited partnership, in its capacity as general partner of HR JV, L.P.

Lois Bowling
Notary Public, State of Texas



EXECUTED on this the 29 day of July, 2024 but to be effective as of the Effective Date.

OWNER:

HWP HR, L.P.
a Texas limited partnership

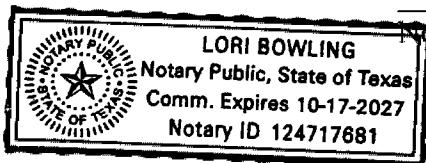
By: Hillwood Alliance Management, L.P.,
a Texas limited partnership,
its General Partner

By: Hillwood Alliance GP, LLC,
a Texas limited liability company,
its General Partner

By: Russell Laughlin
Name: L. Russell Laughlin
Title: Executive Vice President

STATE OF TEXAS §
COUNTY OF DALLAS §

This instrument was acknowledged before me on July 29, 2024, by L. Russell Laughlin, Executive Vice Pres. of Hillwood Alliance GP, LLC, a Texas limited liability company, on behalf of said limited liability company, in its capacity as general partner of Hillwood Alliance Management, L.P., a Texas limited partnership, on behalf of said limited partnership, in its capacity as general partner of HWP HR, L.P.



Attary Public, State of Texas

EXECUTED on this the 18th day of July, 2024 but to be effective as of the Effective Date.

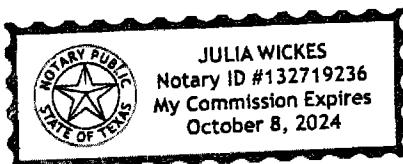
OWNER:

Hunter Ranch Land, LLC
a Texas limited liability company

By: Angela Mastrocola
Name: _____
Title: _____

STATE OF TEXAS §
COUNTY OF DALLAS §

This instrument was acknowledged before me on July 18, 2024, by Angela Mastrocola, Senior Vice President of Hunter Ranch Land, LLC, a Texas limited liability company, on behalf of said company.



Julia Wicker
Notary Public, State of Texas

EXECUTED on this the 18th day of July, 2024 but to be effective as of the Effective Date.

OWNER:

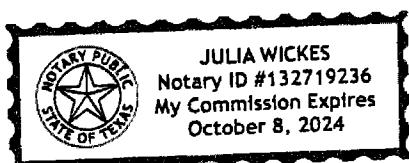
HR 3200, LP
a Texas limited partnership

By: HR 3200 GP, LP
a Texas limited partnership,
its general partner

By: BOH Investments GP, LLC
a Delaware limited liability company,
its general partner

STATE OF TEXAS §
COUNTY OF DALLAS §

This instrument was acknowledged before me on July 18, 2024, by Angela Mastrocila, Senior Vice President of BOH Investments GP, LLC, a Delaware limited liability company, on behalf of said limited liability company, in its capacity as general partner of HR 3200 GP, LP, a Texas limited partnership, on behalf of said limited partnership, in its capacity as general partner of HR 3200, LP, a Texas limited partnership, on behalf of said partnership.



Julia Wicker
Notary Public, State of Texas

EXECUTED on this the 18th day of July, 2024 but to be effective as of the Effective Date.

Petrus Investment, LP signs below for the sole purpose of agreeing that is no longer an owner of any portion of the Property and authorizing the new Owner entities identified above to enter into this First Amendment removing Petrus Investment, LP as a Party to the Project Agreement.

PETRUS INVESTMENT, L.P.
a Texas limited partnership

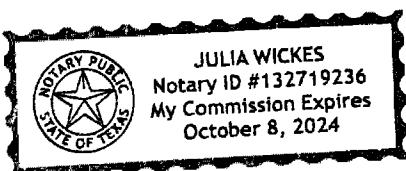
By: PMC Management, L.P.,
a Texas limited partnership
its general partner

By: Hillwood Development Company, LLC,
a Texas limited liability company
its general partner

By: Julia Wickes
Name: Angela Mastrocola
Title: Senior Vice President

STATE OF TEXAS §
§
COUNTY OF DALLAS §

This instrument was acknowledged before me on July 18, 2024 by Angela Mastrocola, SVP, on behalf of Hillwood Development Company, LLC as General Partner of PMC Management, L.P., general partner of Petrus Investment, L.P.



Julia Wickes
Notary Public, State of Texas

CONSENT AND SUBORDINATION
(First Amendment to Hunter Ranch Project Agreement)

The undersigned, Finance Partners, LP, a Texas limited partnership ("Lender"), the beneficiary under that certain Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement (the "Deed of Trust") executed by Hunter Ranch Land, LLC, a Texas limited partnership, as grantor ("Grantor"), to Scott Norman, as Trustee, recorded on April 13, 2023, as Document Number 2023-36823, Official Records of Denton County, Texas, hereby consents to the terms, provisions and conditions of the First Amendment to Hunter Ranch Project Agreement (the "Amended Project Agreement") to which this Consent and Subordination is attached, and, subject to the terms and provisions of this Consent and Subordination, subordinates the liens and security interests of the Deed of Trust to the Amended Project Agreement, such that from and after the effective date of this Consent and Subordination, the terms, provisions and conditions of the Amended Project Agreement are and shall be prior and superior to the liens, security interests, terms and provisions of the Deed of Trust; provided, however, this Consent and Subordination: (i) shall not be construed or operate as a consent and subordination to any other amendment to or modification of the Amended Project Agreement, or a release of the liens and security interests of the Deed of Trust, but shall instead confirm that the liens and security interests of the Deed of Trust shall hereafter be upon and against all of the property subject to the Deed of Trust; and (ii) shall not modify or amend the terms and provisions of the Deed of Trust.

LENDER:

FINANCE PARTNERS, LP,
a Texas limited partnership

By: Finance Partners GP, LLC,
a Texas limited liability company
its general partner

By: *Bryan Shahan*
Name: Bryan Shahan
Title: Executive Vice President

[Acknowledgement appears on the following page]

ACKNOWLEDGEMENT

STATE OF TEXAS §

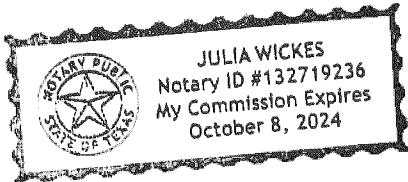
§

§

COUNTY OF DALLAS §

8

This instrument was acknowledged before me on July 31, 2024, by Bryan Shaham, Executive Vice President of Finance Partners GP, LLC, a Texas limited liability company, on behalf of said limited liability company, in its capacity as general partner of Finance Partners, LP, a Texas limited partnership, on behalf of said limited partnership.



Julia Wickes

Notary Public, State of Texas

Exhibit “C”

19.677-Acre Property

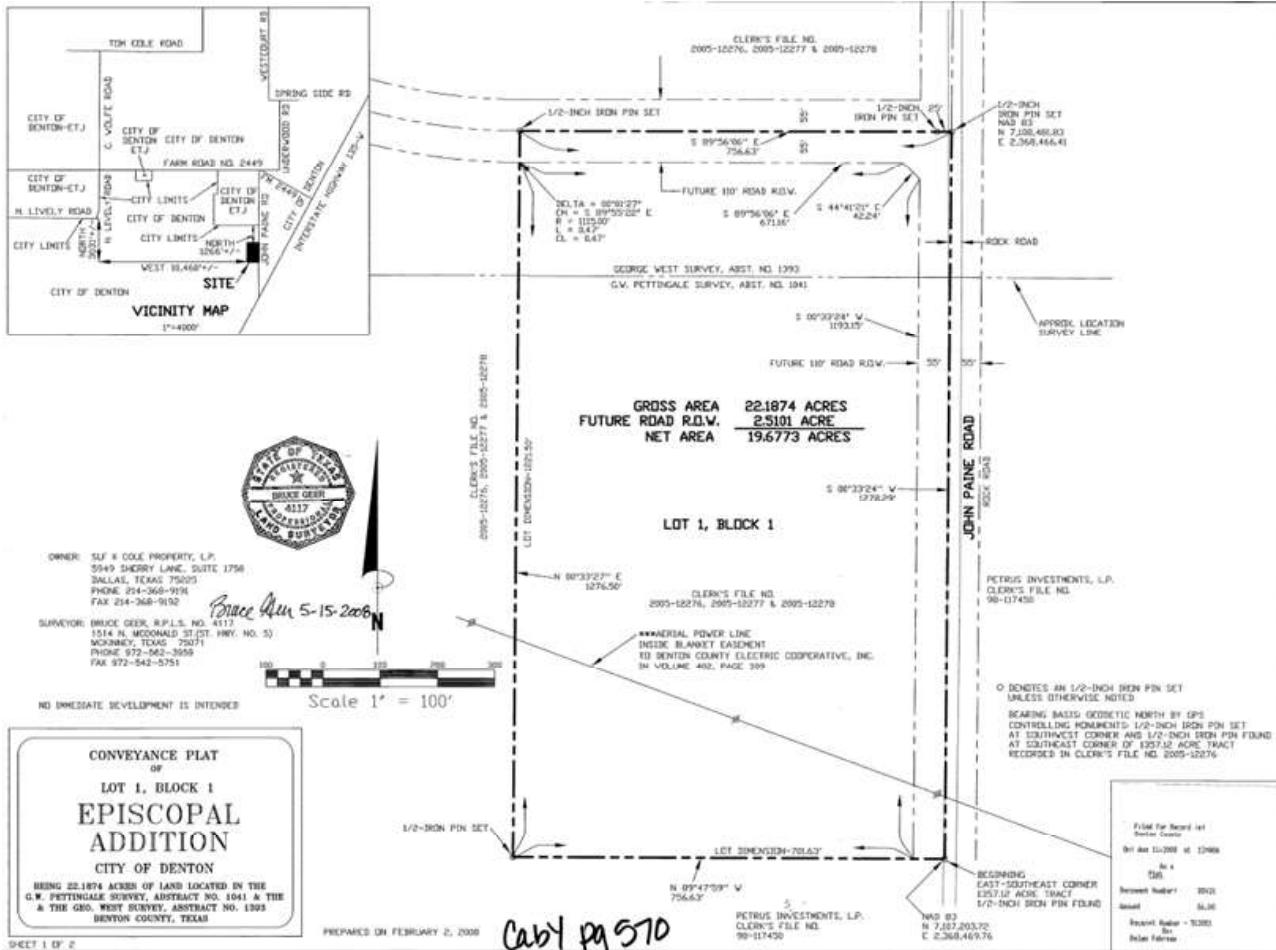


Exhibit “C”

Second Amendment to Hunter Ranch Project Agreement

SECOND AMENDMENT TO HUNTER RANCH PROJECT AGREEMENT

This Second Amendment to Hunter Ranch Project Agreement (this "Second Amendment") is entered into on December 16, 2025 between the City of Denton, Texas, a Texas Home Rule municipality (the "City") and HR JV, L.P., a Texas limited partnership, HWP HR, L.P., a Texas limited partnership, Hunter Ranch Land, LLC, a Texas limited liability company, and HR 3200, LP, a Texas limited partnership (each an "Owner" with respect to the portion of the hereinafter defined Property it owns and collectively, the "Owner"), each a "Party" and collectively the "Parties". This Second Amendment shall become effective upon the acquisition of fee simple title to the 19.677-Acre Property (hereinafter defined) by HR 3200, LP (the "Effective Date"). If HR 3200, LP does not acquire ownership of the 19.677-Acre Property by March 31, 2026, this Second Amendment shall be void and of no further force or effect.

ARTICLE I **RECITALS**

WHEREAS, the City and Petrus Investment, L.P. entered into that certain Hunter Ranch Project Agreement dated April 7, 2020 and approved by City Ordinance 20-658 (the "Agreement") as amended by the First Amendment to the Hunter Ranch Project Agreement dated May 7, 2024 and approved by City Ordinance 24-988 (the "First Amendment", together with the Agreement, the "Original Agreement"); and

WHEREAS, in the event of a conflict between the Agreement or the First Amendment and this Second Amendment, this Second Amendment shall control; and

WHEREAS, all capitalized terms shall be defined as stated in the Original Agreement unless otherwise defined herein; and

WHEREAS, on the Effective Date each Owner is an owner of a portion of the Property, and all of the Owners and affiliates of the Owners collectively own the entire Property save and except portions of the Property conveyed to directors of the District, the Denton Independent School District, and H-E-B, LP; and

WHEREAS, each Owner is a developer of real property within the District; and

WHEREAS, HR 3200, LP intends to purchase an approximately 19.677-acre tract of land described by the metes and bounds on Exhibit A attached hereto and incorporated herein for all purposes (the "19.677-Acre Property"); and

WHEREAS, upon acquisition of the 19.677-Acre Property by HR 3200, LP, the Parties intend for the 19.677-Acre Property to be part of the defined term "Property" for purposes of the Original Agreement and this Second Amendment; and

WHEREAS, all of the 19.677-Acre Property is located within the City's corporate limits; and

WHEREAS, the 19.677-Acre Property is not currently located within the District; and

WHEREAS, Owner intends to notify the City when acquisition of fee simple title for the 19.677-Acre Property is completed; and

WHEREAS, on the Effective Date, Owner intends to initiate an amendment to the District governing documents to add the 19.677-Acre Property to the District; and

WHEREAS, except as amended herein, all of the terms and provisions of the Original Agreement shall remain in effect and shall apply to this Second Amendment.

NOW THEREFORE, for and in consideration of the mutual covenants of the Parties set forth in this Second Amendment, and for other good and valuable consideration the receipt and adequacy of which are acknowledged and agreed by the Parties, the Parties agree as follows:

ARTICLE II **ADDITIONAL PROVISIONS**

2.1 **Recitals**. The recitals contained in this Second Amendment: (a) are true and correct; (b) form the basis upon which the Parties negotiated and entered into this Second Amendment; (c) are legislative findings of the City Council; and (d) reflect the final intent of the Parties with regard to the subject matter of this Second Amendment. In the event it becomes necessary to interpret any provision of this Second Amendment, 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 Second Amendment and, but for the intent of the Parties reflected by the recitals, would not have entered into this Second Amendment.

2.2 **Property**. Owner shall notify City within 30 days of completion of acquisition of the 19.677-Acre Property, so that City is apprised of the occurrence of the Effective Date. The 19.677-Acre Property shall be part of the defined term "Property" and shall be subject to the Original Agreement, as amended by this Second Amendment, for all purposes.

2.3 **Binding Obligations**. This Second Amendment shall be recorded in the deed records of Denton County by the Owner following the Effective Date of the agreement. This Second Amendment, when recorded, shall be binding upon the Parties and their successors and assigns permitted by the Original Agreement and upon the Property; however, this Second Amendment shall not be binding upon, and shall not constitute any encumbrance to title as to, any end-buyer of a final platted and improved lot, other than any Owner or Developer and any Owner or Developer related to or affiliated with such Owner or Developer, that is subject to a final plat recorded in the real property records of Denton County.

2.4 **Interpretation**. The Parties acknowledge that each of them has been actively involved in negotiating this Second Amendment. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Second Amendment. In the event of any dispute over the meaning or application of any provision of this Second Amendment, the provision will be interpreted fairly and reasonably and neither more strongly for or against any Party, regardless of which Party originally drafted the provision.

2.5 Representations on Authority and Enforceability. The City represents and warrants that this Second Amendment has been approved by ordinance duly adopted by the City Council 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 Second Amendment on behalf of the City has been duly authorized to do so. Each Owner represents and warrants that this Second Amendment has been approved by appropriate action of such Owner, and that the individual executing this Second Amendment on behalf of such Owner has been duly authorized to do so. Each Party acknowledges and agrees that this Second Amendment is binding upon such Party and enforceable against such Party in accordance with its terms and conditions.

2.6 Entire Agreement. The Original Agreement as amended by this Second Amendment, the Consent Resolution, and the Operating Agreement, together constitute all of the Project Agreements between the Parties and supersede all prior agreements, whether oral or written, covering the subject matter of these agreements.

2.7 Form 1295. The Parties acknowledge and agree that each Owner submitted to the City a completed Form 1295 generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295") at the time such Owner submitted its signature page to this Second Amendment. The City hereby confirms timely receipt of the Form 1295 from each Owner pursuant to Section 2252.908, and the City agrees to acknowledge such forms with the TEC through its electronic filing application system not later than the 30th day after the receipt of such forms. The City waives all claims related to the validity and enforceability of this Second Amendment to the extent such claims are based on noncompliance with Section 2252.908, Texas Government Code.

2.8 Counterparts. This Second Amendment may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

2.9 Governing Law. All questions concerning the construction, validity and interpretation of this Second Amendment and the performance of the obligations imposed by this Second Amendment shall be governed by the internal law, not the law of conflicts, of the State of Texas.

2.10 Ratification. Except as specifically set forth in this Second Amendment, all provisions of the Original Agreement shall remain in full force and effect. The Original Agreement as amended by this Second Amendment is hereby ratified and confirmed. In the event of any conflict between the terms and provisions of the Original Agreement and the terms of this Second Amendment, the terms and provisions of this Agreement shall mean and refer to the Original Agreement as amended hereby.

2.11 Notices. Notices shall be addressed as follows:

Denton, Texas 76201
Email: sara.hensley@cityofdenton.com

With a copy to:
Ingrid Rex
Attn: City Secretary
215 E. McKinney St.
Denton, Texas 76201
Email: ingrid.rex@cityofdenton.com

With a copy to:
Mack Reinwand
Attn: City Attorney
215 E. McKinney St.
Denton, Texas 76201
Email: mack.reinwand@cityofdenton.com

To the Owner:
HWP HR, L.P. // HR JV, L.P.
Attn: Kimberly Cole
9800 Hillwood Parkway, Suite 300
Fort Worth, Texas 76177
Email: kimberly.cole@hillwood.com

HR 3200, LP // Hunter Ranch Land, LLC
Attn: Andrew Pieper
3000 Turtle Creek Blvd.
Dallas, Texas 75219
Email: Andrew.Pieper@hillwood.com

To District:
Hunter Ranch Improvement District No. 1 of Denton County
Attn: President, Board of Directors
c/o Allen Boone Humphries Robison LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027
Email: ccrawford@abhr.com

With a copy to:
Attn: Misty Ventura
Shupe Ventura, PLLC
9406 Biscayne Blvd.
Dallas, Texas 75218
Email: misty.ventura@svlandlaw.com

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

EXECUTED to be effective as of the Effective Date.

ATTEST:

By: _____
Name: Ingrid Rex
Title: City Secretary

CITY OF DENTON

By: _____
Name: Sara Hensley
Title: City Manager

Date: _____

APPROVED AS TO FORM:

By: Mack Reinwand
Name: Mack Reinwand
Title: City Attorney

THIS AGREEMENT HAS BEEN
REVIEWED AND APPROVED
as to financial and operational obligations
and business terms.


Charlie Rosendahl

Digital signature by Charlie Rosendahl

Charlie Rosendahl Charlie.Rosendahl@cityofdenton.com

Date: 5/25/23 10:19:14 (0.6700)

SIGNATURE

PRINTED NAME

Interim Director

TITLE

Development Services

DEPARTMENT

STATE OF TEXAS §
§
COUNTY OF DENTON §

This instrument was acknowledged before me on _____, 2025 by _____,
_____ of the City of Denton, Texas on behalf of said city.

Notary Public, State of Texas

EXECUTED to be effective as of the Effective Date.

OWNER:

HR JV, L.P.
a Texas limited partnership

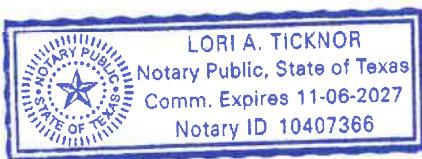
By: Hillwood Alliance Management, L.P.,
a Texas limited partnership,
its General Partner

By: Hillwood Alliance GP, LLC,
a Texas limited liability company,
its General Partner

By: William K. Burton
Name: William K. Burton
Title: Executive Vice President

STATE OF TEXAS §
COUNTY OF ~~DALLAS~~ §
TARRANT §

This instrument was acknowledged before me on December 4, 2025, by
William K. Burton, E.V.P. of Hillwood Alliance GP, LLC, a Texas
limited liability company, on behalf of said limited liability company, in its capacity as general
partner of Hillwood Alliance Management, L.P., a Texas limited partnership, on behalf of said
limited partnership, in its capacity as general partner of HR JV, L.P.



John M. Miller
Notary Public, State of Texas

Notary Public, State of Texas

EXECUTED to be effective as of the Effective Date.

OWNER:

HWP HR, L.P.
a Texas limited partnership

By: Hillwood Alliance Management, L.P.,
a Texas limited partnership,
its General Partner

By: Hillwood Alliance GP, LLC,
a Texas limited liability company,
its General Partner

By: William K. Burton
Name: William K. Burton
Title: Executive Vice President

STATE OF TEXAS
COUNTY OF ~~DALLAS~~
TARRANT

This instrument was acknowledged before me on December 4, 2025, by
William K. Burton, E.V.P. of Hillwood Alliance GP, LLC, a Texas
limited liability company, on behalf of said limited liability company, in its capacity as general
partner of Hillwood Alliance Management, L.P., a Texas limited partnership, on behalf of said
limited partnership, in its capacity as general partner of HWP HR, L.P.

Notary Public, State of Texas



EXECUTED to be effective as of the Effective Date.

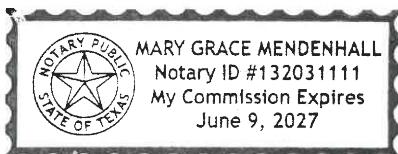
OWNER:

Hunter Ranch Land, LLC
a Texas limited liability company

By: Andrew Pippert
Name: ANDREW PIPPERT
Title: VICE PRESIDENT

STATE OF TEXAS §
COUNTY OF DALLAS §

This instrument was acknowledged before me on December 5, 2025, by
Andrew Pierer, Vice President of Hunter Ranch Land, LLC, a Texas
limited liability company, on behalf of said company.



McMenderhall
Notary Public, State of Texas

EXECUTED to be effective as of the Effective Date.

OWNER:

HR 3200, LP
a Texas limited partnership

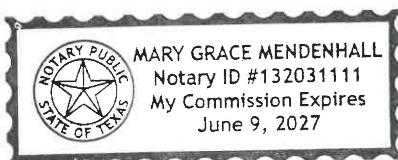
By: HR 3200 GP, LP
a Texas limited partnership,
its general partner

By: BOH Investments GP, LLC
a Delaware limited liability company,
its general partner

By: Andrew Pierrepont
Name: ANDREW PIERREPONT
Title: VICE PRESIDENT

STATE OF TEXAS §
COUNTY OF DALLAS §

This instrument was acknowledged before me on December 5, 2025, by
Andrew Pfeffer, Vice President of BOH Investments GP, LLC, a
Delaware limited liability company, on behalf of said limited liability company, in its capacity as
general partner of HR 3200 GP, LP, a Texas limited partnership, on behalf of said limited
partnership, in its capacity as general partner of HR 3200, LP, a Texas limited partnership, on
behalf of said partnership.



MaMendenhall
Notary Public, State of Texas

Exhibit A
Legal Description of the 19.677-Acre Property

Being Lot 1, in Block 1, of EPISCOPAL ADDITION, an Addition to the City of Denton, Denton County, Texas, according to the Conveyance Plat thereof recorded in Cabinet Y, Slide 570, of the Plat Records of Denton County, Texas.

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
 Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

HR 3200, LP
 Dallas, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Denton, Texas, a Texas Home Rule municipality

OFFICE USE ONLY
CERTIFICATION OF FILING

Certificate Number:
 2025-1396824

Date Filed:
 12/05/2025

Date Acknowledged:

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

HR_PA2-1
 Second Amendment to Hunter Ranch Project Agreement

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Shupe Ventura	Dallas, TX United States		X
	ABHR	Dallas, TX United States		X
	HR 3200 GP, LP	Dallas, TX United States	X	
	BOH Investments GP, LLC	Dallas, TX United States	X	
	Balda, Fred	Dallas, TX United States	X	
	Pieper, Andrew	Dallas, TX United States	X	

5 Check only if there is NO Interested Party.

6 UNSWORN DECLARATION

My name is ANDREW PIEPER, and my date of birth is 6/12/86.

My address is 3000 TURTLE CREEK BLVD, Dallas, TX, 75219, UST.
 (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Dallas County, State of TX, on the 5 day of 12, 2025.
 (month)


 Signature of authorized agent of contracting business entity
 (Declarant)

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
 Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY
CERTIFICATION OF FILING

Certificate Number:
 2025-1396822

Date Filed:
 12/05/2025

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Hunter Ranch Land, LLC
 Dallas, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Denton, Texas, a Texas Home Rule municipality

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

HR_PA2-1
 Second Amendment to Hunter Ranch Project Agreement

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Shupe Ventura	Dallas, TX United States		X
	ABHR	Dallas, TX United States		X
	Balda, Fred	Dallas, TX United States	X	
	Pieper, Andrew	Dallas, TX United States	X	
	HR 3200, LP	Dallas, TX United States	X	

5 Check only if there is NO Interested Party.

6 UNSWORN DECLARATION

My name is ANDREW PIEPER, and my date of birth is 6/12/86.

My address is 3000 Purple Creek Blvd, Dallas, TX, 75219, UST.
 (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Dallas, County, State of TX, on the 5 day of 12, 20 25.
 (month) (year)



Signature of authorized agent of contracting business entity
 (Declarant)

Exhibit “D”

Third Amendment to Hunter Ranch Project Agreement

THIRD AMENDMENT TO HUNTER RANCH PROJECT AGREEMENT

This Third Amendment to Hunter Ranch Project Agreement (this "Third Amendment") is entered into on January 12, 2026 between the City of Denton, Texas, a Texas Home Rule municipality (the "City") and HR JV, L.P., a Texas limited partnership and HR 3200, LP, a Texas limited partnership (each individually and collectively, the "Developer," and each an "Owner" with respect to the portion of the hereinafter defined Property it owns and collectively, the "Owner"), each a "Party" and collectively the "Parties" to be effective on January 12, 2026 (the "Effective Date"). HWP HR, L.P., Hunter Ranch Land, LLC, Landmark Land & Cattle, LLC, and Landmark Phase 1, LLC (1) are owners of portions of the Property; (2) are affiliates of HR JV, L.P. and HR 3200, LP; and (3) sign this Third Amendment for the sole purpose of agreeing to bind the portions of the Property owned by each such owner with the covenants in the Original Agreement, as amended by this Third Amendment and to agree that it shall not be considered an Owner, Party, or Developer under the Original Agreement, as amended by this Third Amendment. The Owner and Developer Parties defined above shall be solely responsible for performing all obligations of the Original Agreement, as amended by this Third Amendment.

ARTICLE I RECITALS

WHEREAS, the City and Petrus Investment, L.P. entered into that certain Hunter Ranch Project Agreement dated April 7, 2020 and approved by City Ordinance 20-658 (the "Agreement"), as amended by the First Amendment to the Hunter Ranch Project Agreement dated May 7, 2024 and approved by City Ordinance 24-988 (the "First Amendment"), as amended by the Second Amendment to the Hunter Ranch Project Agreement dated December 16, 2025 and approved by City Ordinance [REDACTED] (the "Second Amendment") (collectively, the "Original Agreement"); and

WHEREAS, in the event of a conflict between the Original Agreement and this Third Amendment, this Third Amendment shall control; and

WHEREAS, all capitalized terms shall be defined as stated in the Original Agreement unless otherwise defined herein; and

WHEREAS, the Operating Agreement, as amended by the parties thereto on January 12, 2026, redefines the defined term "Developer" to mean, exclusively the following persons or entities: (a) HR 3200, L.P., a Texas limited partnership; (b) HR JV, LP, a Texas limited partnership; (c) an assignee of either HR JV, LP or HR 3200, L.P. under the Project Agreement pursuant to a written assignment document executed by such assignee which expressly assigns to such assignee all or a portion of the "Developer" obligations under the Project Agreement; (d) any person or entity that becomes a "Developer" party to the Project Agreement by executing a Joinder Agreement to the Project Agreement that expressly designates such person or entity as a "Developer" under the Project Agreement; and (e) any person or entity that enters into a project agreement with the City with regard to property within the District Area and that is expressly named a "Developer" party to such agreement; and

WHEREAS, the amended definition of "Developer" under the Operating Agreement amendment approved on January 12, 2026, applies to the Original Agreement, as amended by this Third Amendment; and

WHEREAS, on the Effective Date, HR JV, L.P. and HR 3200, LP are the only Developers under the Project Agreement and each owns a portion of the Property; and

WHEREAS, except as amended herein, all of the terms and provisions of the Original Agreement shall remain in effect and shall apply to this Third Amendment.

NOW THEREFORE, for and in consideration of the mutual covenants of the Parties set forth in this Third Amendment, and for other good and valuable consideration the receipt and adequacy of which are acknowledged and agreed by the Parties, the Parties agree as follows:

ARTICLE II ADDITIONAL PROVISIONS

2.1 Recitals. The recitals contained in this Third Amendment: (a) are true and correct; (b) form the basis upon which the Parties negotiated and entered into this Third Amendment; (c) are legislative findings of the City Council; and (d) reflect the final intent of the Parties with regard to the subject matter of this Third Amendment. In the event it becomes necessary to interpret any provision of this Third Amendment, 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 Third Amendment and, but for the intent of the Parties reflected by the recitals, would not have entered into this Third Amendment.

2.2 Definitions. The amended definition of "Developer" under the Operating Agreement amendment approved on January 12, 2026, applies to the defined term "Developer" in the Original Agreement, as amended by this Third Amendment.

2.3 Binding Obligations. This Third Amendment shall be recorded in the deed records of Denton County following the Effective Date. This Third Amendment, when recorded, shall be binding upon the Parties and their successors and assigns permitted by the Original Agreement and upon the Property; provided, however, notwithstanding anything to the contrary, the Original Agreement, as amended by this Third Amendment, shall not be binding upon any End-Buyer, and shall not constitute an obligation or encumbrance to title, or be binding in any way, on any portion of the Property that has been conveyed to an End-Buyer; provided further, however, that the Binding Provisions shall continue to bind the Property. For purposes of this paragraph, the term "Binding Provisions" shall mean, exclusively, Article II and Section 6.1 of the Original Agreement and Sections 2.2 and 2.3 of the First Amendment. For purposes of this paragraph, the term "End-Buyer" shall mean any person or entity to whom a City-approved final platted lot within the Property is conveyed other than (a) HR JV, LP, (b) HR 3200, L.P., or (c) any person or entity that becomes a "Developer" party to the Project Agreement.

2.4 Interpretation. The Parties acknowledge that each of them has been actively involved in negotiating this Third Amendment. Accordingly, the rule of construction that any

ambiguities are to be resolved against the drafting Party will not apply to interpreting this Third Amendment. In the event of any dispute over the meaning or application of any provision of this Third Amendment, the provision will be interpreted fairly and reasonably and neither more strongly for or against any Party, regardless of which Party originally drafted the provision.

2.5 Representations on Authority and Enforceability. The City represents and warrants that this Third Amendment has been approved by ordinance duly adopted by the City Council 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 Third Amendment on behalf of the City has been duly authorized to do so. Each Owner represents and warrants that this Third Amendment has been approved by appropriate action of such Owner, and that the individual executing this Third Amendment on behalf of such Owner has been duly authorized to do so. Each Party acknowledges and agrees that this Third Amendment is binding upon such Party and enforceable against such Party in accordance with its terms and conditions.

2.6 Entire Agreement. The Original Agreement, as amended by this Third Amendment, the Consent Resolution, and the Operating Agreement, together constitute all of the Project Agreements between the Parties and supersede all prior agreements, whether oral or written, covering the subject matter of these agreements.

2.7 Form 1295. The Parties acknowledge and agree that each Owner submitted to the City a completed Form 1295 generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295") at the time such Owner submitted its signature page to this Third Amendment. The City hereby confirms timely receipt of the Form 1295 from each Owner pursuant to Section 2252.908, and the City agrees to acknowledge such forms with the TEC through its electronic filing application system not later than the 30th day after the receipt of such forms. The City waives all claims related to the validity and enforceability of this Third Amendment to the extent such claims are based on noncompliance with Section 2252.908, Texas Government Code.

2.8 Counterparts. This Third Amendment may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

2.9 Governing Law. All questions concerning the construction, validity and interpretation of this Third Amendment and the performance of the obligations imposed by this Third Amendment shall be governed by the internal law, not the law of conflicts, of the State of Texas.

2.10 Ratification. Except as specifically set forth in this Third Amendment, all provisions of the Original Agreement shall remain in full force and effect. The Original Agreement, as amended by this Third Amendment, is hereby ratified and confirmed. In the event of any conflict between the terms and provisions of the Original Agreement and the terms of this Third Amendment, the terms and provisions of this Agreement shall mean and refer to the Original Agreement as amended hereby.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

EXECUTED to be effective as of the Effective Date.

ATTEST:

CITY OF DENTON

By: _____
Name: Ingrid Rex
Title: City Secretary

By: _____
Name: Sara Hensley
Title: City Manager

Date: _____

APPROVED AS TO FORM:

By: _____
Name: Mack Reinwand
Title: City Attorney

THIS AGREEMENT HAS BEEN
REVIEWED AND APPROVED
as to financial and operational obligations
and business terms.

Charlie Rosendahl Charlie Rosendahl
SIGNATURE PRINTED NAME

Interim Director
TITLE

Development Services
DEPARTMENT

STATE OF TEXAS

8

COUNTY OF DENTON

8

This instrument was acknowledged before me on _____, 2026 by _____,
of the City of Denton, Texas on behalf of said city.

Notary Public, State of Texas

EXECUTED to be effective as of the Effective Date.

OWNER AND DEVELOPER:

HR JV, L.P.
a Texas limited partnership

By: Hillwood Alliance Management, L.P.,
a Texas limited partnership,
its General Partner

By: Hillwood Alliance GP, LLC,
a Texas limited liability company,
its General Partner

Its General Partner
By: 
Name: William K. Burton
Title: Executive Vice President
CSK

STATE OF TEXAS
Tarrant
COUNTY OF DALLAS

This instrument was acknowledged before me on January 5, 2026, by
William K. Burton, E.V.P. of Hillwood Alliance GP, LLC, a Texas
limited liability company, on behalf of said limited liability company, in its capacity as general
partner of Hillwood Alliance Management, L.P., a Texas limited partnership, on behalf of said
limited partnership, in its capacity as general partner of HR JV, L.P.



Notary Public, State of Texas

EXECUTED to be effective as of the Effective Date.

OWNER AND DEVELOPER:

HR 3200, LP
a Texas limited partnership

By: HR 3200 GP, LP
a Texas limited partnership,
its general partner

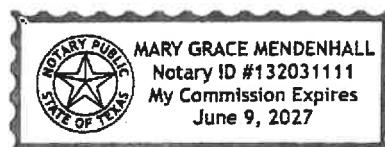
By: BOH Investments GP, LLC
a Delaware limited liability company,
its general partner

By: Andrew Danner
Name: Andrew DANNER
Title: UCB PRESIDENT

STATE OF TEXAS §
COUNTY OF DALLAS §

This instrument was acknowledged before me on January 6, 2026, by
Andrew Piercy, Vice President of BOH Investments GP, LLC, a
Delaware limited liability company, on behalf of said limited liability company, in its capacity as
general partner of HR 3200 GP, LP, a Texas limited partnership, on behalf of said limited
partnership, in its capacity as general partner of HR 3200, LP, a Texas limited partnership, on
behalf of said partnership.

Malvender Hall
Notary Public, State of Texas



EXECUTED to be effective as of the Effective Date.

This Third Amendment is signed by Hunter Ranch Land, LLC for the sole purpose of agreeing to bind the portions of the Property it owns with the covenants in the Original Agreement, as amended by this Third Amendment, and to agree that it shall not be considered an Owner, Party, or Developer under the Original Agreement, as amended by this Third Amendment.

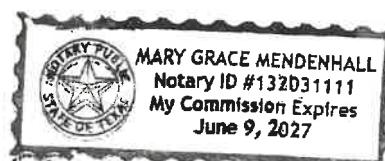
HUNTER RANCH LAND, LLC
a Texas limited liability company

By: ANSEL PIERRE
Name: ANSEL PIERRE
Title: VICE PRESIDENT

STATE OF TEXAS
COUNTY OF DALLAS

This instrument was acknowledged before me on January 5, 2026, by
John Roper, Vice President of Hunter Ranch Land, LLC, a Texas
limited liability company, on behalf of said company.

Matthew D. Mendenhall
Notary Public, State of Texas



EXECUTED to be effective as of the Effective Date.

This Third Amendment is signed by HWP HR, L.P. for the sole purpose of agreeing to bind the portions of the Property it owns with the covenants in the Original Agreement, as amended by this Third Amendment, and to agree that it shall not be considered an Owner, Party, or Developer under the Original Agreement, as amended by this Third Amendment.

HWP HR, L.P.
a Texas limited partnership

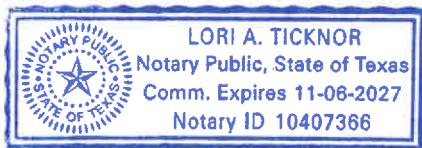
By: Hillwood Alliance Management, L.P.,
a Texas limited partnership,
its General Partner

By: Hillwood Alliance GP, LLC,
a Texas limited liability company,
its General Partner

By: William K. Burton
Name: William K. Burton
Title: Executive Vice President

STATE OF TEXAS §
COUNTY OF DALLAS §

This instrument was acknowledged before me on January 5, 2026, by
William K. Burton, E.V.P. of Hillwood Alliance GP, LLC, a Texas
limited liability company, on behalf of said limited liability company, in its capacity as general
partner of Hillwood Alliance Management, L.P., a Texas limited partnership, on behalf of said
limited partnership, in its capacity as general partner of HWP HR, L.P.



Notary Public, State of Texas

EXECUTED to be effective as of the Effective Date.

This Third Amendment is signed by Landmark Land & Cattle, LLC for the sole purpose of agreeing to bind the portions of the Property it owns with the covenants in the Original Agreement, as amended by this Third Amendment, and to agree that it shall not be considered an Owner, Party, or Developer under the Original Agreement, as amended by this Third Amendment.

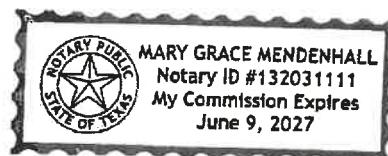
LANDMARK LAND & CATTLE, LLC
a Texas limited liability company

By: ANNE PIPER
Name: ANNE PIPER
Title: VICE PRESIDENT

STATE OF TEXAS §
COUNTY OF DALLAS §

This instrument was acknowledged before me on January 5, 2026, by
Andrew Pieper, Vice President of Landmark Land & Cattle, LLC, a
Texas limited liability company, on behalf of said limited liability company.

Manuenderhall
Notary Public, State of Texas



EXECUTED to be effective as of the Effective Date.

This Third Amendment is signed by Landmark Phase 1, LLC for the sole purpose of agreeing to bind the portions of the Property it owns with the covenants in the Original Agreement, as amended by this Third Amendment, and to agree that it shall not be considered an Owner, Party, or Developer under the Original Agreement, as amended by this Third Amendment.

LANDMARK PHASE 1, LLC
a Texas limited liability company

By: ANDREW DIERER
Name: ANDREW DIERER
Title: VICE PRESIDENT

STATE OF TEXAS
COUNTY OF DALLAS

This instrument was acknowledged before me on JANUARY 5, 2026, by
Andrew Pappas, Vice President of Landmark Phase 1, LLC, a Texas
limited liability company, on behalf of said limited liability company.

Wendy Hall
Notary Public, State of Texas



CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY
CERTIFICATION OF FILING

Certificate Number:
2026-1404868

Date Filed:
01/05/2026

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Hunter Ranch Land, LLC
Dallas, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Denton, Texas, a Texas Home Rule municipality

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

HR PA3-1

Third Amendment to Hunter Ranch Project Agreement

5 Check only if there is NO Interested Party.

1

6 UNSWORN DECLARATION

My name is ANDREW PIERIER, and my date of birth is 6/12/1986

My address is 3000 TURTLE CREEK Blvd. DALLAS, TX, 75219, USA.
(city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in DALLAS County, State of TX, on the 5 day of JANUARY, 2026
(month) (year)

Signature of authorized agent of contracting business entity
(Declarant)

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
 Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY
CERTIFICATION OF FILING

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Landmark Land & Cattle, LLC
 Dallas, TX United States

Certificate Number:
 2026-1404869

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Denton, Texas, a Texas Home Rule municipality

Date Filed:
 01/05/2026

Date Acknowledged:

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

HR_PA3-1
 Third Amendment to Hunter Ranch Project Agreement

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Shupe Ventura	Dallas, TX United States		X
	ABHR	Dallas, TX United States		X
	HR 3200, LP	Dallas, TX United States	X	
	Balda, Fred J.	Dallas, TX United States	X	
	Pieper, Andrew	Dallas, TX United States	X	

5 Check only if there is NO Interested Party.

6 UNSWORN DECLARATION

My name is ANDREW PIEPER, and my date of birth is 6/12/1986.

My address is 3000 TURTLE CREEK BLVD. DALLAS, TX 75219, USA.
 (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in DALLAS County, State of TX, on the 5 day of JANUARY, 2026.
 (month) (year)



Signature of authorized agent of contracting business entity
 (Declarant)

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

Certificate Number:
2026-1404870

Date Filed:
01/05/2026

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

Landmark Phase 1, LLC
Dallas, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Denton, Texas, a Texas Home Rule municipality

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

HR_PA3-1
Third Amendment to Hunter Ranch Project Agreement

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Shupe Ventura	Dallas, TX United States		X
	ABHR	Dallas, TX United States		X
	HR 3200, LP	Dallas, TX United States	X	
	Balda, Fred J.	Dallas, TX United States	X	
	Pieper, Andrew	Dallas, TX United States	X	

5 Check only if there is NO Interested Party.

6 UNSWORN DECLARATION

My name is ANDREW PIEPER, and my date of birth is 6/12/1986.

My address is 3000 TURTLE CREEK BLVD., DALLAS, TX 75219, USA
(city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in DALLAS County, State of TX, on the 5 day of JANUARY, 20 26.
(month) (year)


Signature of authorized agent of contracting business entity
(Declarant)

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
 Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY
CERTIFICATION OF FILING

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

HR 3200, LP
Dallas, TX United States

Certificate Number:
2026-1404865

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Denton, Texas, a Texas Home Rule municipality

Date Filed:
01/05/2026

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

HR_PA3-1
Third Amendment to Hunter Ranch Project Agreement

Date Acknowledged:

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Shupe Ventura	Dallas, TX United States		X
	ABHR	Dallas, TX United States		X
	HR 3200 GP, LP	Dallas, TX United States	X	
	BOH Investments GP, LLC	Dallas, TX United States	X	
	Balda, Fred J.	Dallas, TX United States	X	
	Pieper, Andrew	Dallas, TX United States	X	

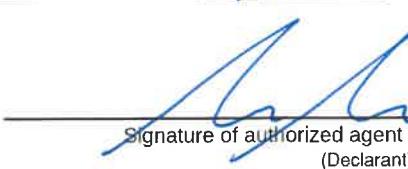
5 Check only if there is NO Interested Party.

6 UNSWORN DECLARATION

My name is Andrew Pieper, and my date of birth is 6/12/1986.
 My address is 3600 TURTLE CREEK BLD, DALLAS, TX 75219, USA.
 (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in DALLAS County, State of TX, on the 5 day of JANUARY, 20 26.
 (month) (year)


 Signature of authorized agent of contracting business entity
 (Declarant)

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
 Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY
CERTIFICATION OF FILINGCertificate Number:
2025-1404115Date Filed:
12/31/2025

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

HR JV, LP
Fort Worth, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Denton

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

3PA12292025-2

Third Amendment to Project Agreement

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Hillwood Alliance Management, LP	Fort Worth, TX United States	X	
	Hillwood Alliance GP, LLC	Fort Worth, TX United States	X	
	Shupe Ventura, PLLC	Fort Worth, TX United States		X
	Allen Boone Humphries Robinson LLP	Houston, TX United States		X

5 Check only if there is NO Interested Party.

6 UNSWORN DECLARATION

My name is William L. Burton and my date of birth is 11/01/1960.My address is 9800 Hillwood Parkway Suite 300 Fort Worth, TX 76177 USA
(city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Tarrant County, State of Texas, on the 5th day of January, 2026.
(month) (year)

 Signature of authorized agent of contracting business entity
(Declarant)

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY
CERTIFICATION OF FILING

Certificate Number:
2025-1404116

Date Filed:
12/31/2025

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

HWP HR, L.P.
Fort Worth, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Denton

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

3PA12292025-1

Third Amendment to Project Agreement

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Hillwood Alliance Management, LP	Fort Worth, TX United States	X	
	Hillwood Alliance GP, LLC	Fort Worth, TX United States	X	
	Shupe Ventura, PLLC	Fort Worth, TX United States		X
	Allen Boone Humphries Robinson LLP	Houston, TX United States		X

5 Check only if there is NO Interested Party.

1

6 UNSWORN DECLARATION

My name is William K Burton, and my date of birth is 11/01/1960.

My address is 9800 Hillwood Parkway, Suite 300, Fort Worth, TX, 76177, USA.
(city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Tarrant County, State of Texas, on the 5th day of January, 2026
(month) (year)



Signature of authorized agent of contracting business entity
(Declarant)

Signature of authorized agent of contracting business entity
(Declarant)