

STATE OF TEXAS §

COUNTY OF DENTON §

DEVELOPMENT AGREEMENT

This DEVELOPMENT AGREEMENT (hereafter, the “Agreement”) is entered into by Mel Stevenson & Associates, Inc., (hereafter, the “Developer”), acting by and through its duly authorized officers, with a principle place of business located at 2850 Roe Lane, Kansas City, Kansas, 66103, by and between the City of Denton (hereafter, the “City”), a home-rule city and a political subdivision of the State of Texas, acting by and through its duly authorized officers (Developer and City, herein referred to individually as “Party” and collectively as the “Parties”);

WITNESSETH:

WHEREAS, Developer owns approximately 6.99 acre property more commonly known as 3000 Airport Road (also known as FM 1515), Denton, Texas 76207 and platted as Airport Road Addition, Lot 1, Blk A, more particularly depicted on **Exhibit “A”** attached hereto (hereafter, the “Subject Property”); and

WHEREAS, development of the Subject Property will establish a commercial warehouse development; and

WHEREAS, due to the Texas Department of Transportation (hereafter, the “TXDOT”) project of widening and re-aligning FM 1515, the City is having to relocate all utilities impacted, including a 16-inch waterline (the “Utility Relocations”); and

WHEREAS, with the City having an existing project and open permit with TXDOT for working within the TXDOT right-of-way, the Developer has requested the City to design and construct, at Developer’s expense, a bore under FM 1515 and extend the waterline to their property (hereafter, the “Project”) and particularly described on **Exhibit “B”**; and

WHEREAS, because City has already accepted a bid and selected a contractor to complete the Utility Relocations, adding the Project work will require a change order be processed with City’s contractor via separate agreement; and

WHEREAS, this change order will cause a re-calculation of the final; and

WHEREAS, the Parties desire to formulate this Agreement to memorialize the Developer’s obligation to pay the City the full cost for the design and construction of the Project;

NOW THEREFORE, in consideration of the mutual covenants and obligations herein, the Parties agree as follows:

Developer, its successors and assigns, proposes to develop property located at 3000 Airport Road. This Agreement is to memorialize Developer’s intent to provide funds, or to have funds provided for the costs for the design and construction of the Project.

Developer understands and agrees that upon Denton City Council approval of the required funding item, Developer shall deposit its obligated funds stated herein with the City before any construction activities will begin.

This Agreement confirms Developer's agreement to voluntarily pay the estimated costs of the Project and Developer's agreement to the Design Fee and Construction Value Fee, defined below.

Developer also acknowledges that the funds Developer will pay under this Agreement are not "impact fees" as defined by state law but shall constitute compensation for the City's design and construction of the Project. It is the Developer's understanding that these payments will be credited to a separate City Fund and used only for paying for design and construction of the Project.

SECTION 1. DESIGN AND CONSTRUCTION VALUE FEE ASSESSMENT

A. Design and Construction Value Fees.

1. Design plans for the Utility Relocations on FM 1515 Project have been completed and Developer shall be assessed Five Percent (5%) of the total design cost and pay to the City Five Thousand Three Hundred Eleven and 50/100 Dollars (\$5,311.50) for the proportion of the design costs attributable to the design of the Project and project manager as shown in in the (Opinion of Probable Cost) attached hereto as **Exhibit "C"** ("Design Fee").
2. The Developer shall be assessed and pay to the City the proportion of the costs attributable to the construction of the Project One Hundred and Six Thousand Two Hundred Thirty and 00/100 Dollars (\$106,230.00), the "Construction Value fee" as shown on Exhibit "C".
3. To obtain the Construction Value Fee, Developer acknowledges a bid has been selected, and contract awarded for the Utility Relocations on FM 1515 Project, the Construction Value Fee is as shown on **Exhibit "C"**. Developer acknowledges and accepts the obligation to pay the construction value fee and Developer accepts any and all risk in agreeing to pay the Construction Value Fee before the reassessed final construction cost has been accept through the change order process.
4. If the reassessed construction value fee exceeds the Construction Value Fee the excess cost will be funded by Developer. In no case shall Developer be required to contribute additional funds towards scope outside of this project beyond what is specifically outlined within Exhibit "B".

SECTION 2. PAYMENT SCHEDULE OF DESIGN AND CONSTRUCTION

A. Design Fee

1. The City has completed Project designs. The Developer shall pay the Design Fee within 30 days of the Effective Date of this Agreement.

B. Construction Value Fee

1. The Developer, within forty-five (45) days of the Effective Date of this Agreement, shall pay the Construction Value Fee. These funds shall be deposited in a city account and utilized solely for the construction of the Project.

SECTION 3. TERM

The term of this Agreement shall begin upon execution and shall terminate upon the complete performance of all obligations and conditions precedent by the Parties to this Agreement.

SECTION 4. DESIGN AND CONSTRUCTION

The Project design phase is complete, save for Developer's payment of the Design Fee and Construction Value fee to the City. Subject to receiving the Design Fee and Construction Value Fee from the Developer, the City shall construct the Project during its work on the Utility Relocations on FM 1515 Project. Developer acknowledges and agrees that City is not agreeing or warranting a completion date of the Project, and the City shall not be held liable or responsible to the Developer or any other party, nor be deemed to have defaulted under or breached this Agreement for any failure or delay in performing the construction of the Utility Relocations on FM 1515 Project or the Project under this Agreement.

SECTION 5. INDEMNITY

DEVELOPER SHALL INDEMNIFY, SAVE, AND HOLD HARMLESS THE CITY, ITS ELECTED OFFICIALS, OFFICERS, AGENTS, ATTORNEYS, AND EMPLOYEES (COLLECTIVELY, THE "INDEMNITEES") FROM AND AGAINST: (I) ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION WHICH DIRECTLY OR INDIRECTLY CONTESTS OR CHALLENGES THE LEGAL AUTHORITY OF THE CITY OR DEVELOPER TO ENTER INTO THIS AGREEMENT; AND (II) ANY AND ALL LIABILITIES, LOSSES, COSTS, OR EXPENSES (INCLUDING ATTORNEY'S FEES AND DISBURSEMENTS) THAT ANY INDEMNITEES SUFFER OR INCUR AS A RESULT OF ANY ACTION OR OMISSION OF INDEMNITEES PURSUANT TO THIS AGREEMENT; PROVIDED, HOWEVER, THAT DEVELOPER SHALL HAVE NO OBLIGATION UNDER THIS PARAGRAPH TO THE CITY WITH RESPECT TO ANY OF THE FOREGOING ARISING OUT OF THE SOLE NEGLIGENCE OF THE CITY OR THE BREACH BY THE CITY OF THIS AGREEMENT.

SECTION 6. REMEDIES

If a default by the Developer occurs and continues, after thirty (30) days written notice to cure a default, City may, at its sole option, terminate this Agreement in accordance with Texas law, without the necessity of further notice to or demand upon the Developer. All warranty and indemnification obligations herein shall survive any termination or assignment unless the Party warranting, or indemnifying, is released by the other Party. Nothing in this Section shall be construed to waive any sovereign, governmental immunity available to City, or its council, employees, and/or agents, under Texas law. Nothing in this Section, nor the election of the City to not exercise a right or seek a remedy at a particular time, shall be construed as a waiver or release of any right, remedy, or cause of action that is available to the City under or as a result of this Agreement, in equity or at law.

SECTION 7. VENUE AND GOVERNING LAW

This Agreement is performable in Denton County, Texas, and venue of any action arising out of this Agreement shall be exclusively in Denton County, Texas. This Agreement shall be governed and construed in accordance with the laws and court decisions of the State of Texas.

SECTION 8. NOTICES

Any notice required by this Agreement shall be deemed to be properly served if deposited in the U.S.

Mail by certified letter, return receipt requested, addressed to the recipient at the recipient's address shown below, subject to the right of either Party to designate a different address by notice given in the manner just described.

If intended for City to:

The City of Denton
Sara Hensley, City Manager
215 East McKinney
Denton, Texas 76201

If intended for Developer to:

Mel Stevenson & Associates, Inc.
ATTN: John Ruhlman, Treasurer
2850 Roe Lane
Kansas City, KS 66103

SECTION 9. APPLICABLE LAWS

This Agreement is made subject to the provisions of the Charter and ordinances of City, as amended, and all applicable state and federal laws. The Parties stipulate that this Agreement does not satisfy any other development obligation under law or City ordinances.

SECTION 10. SEVERABILITY

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

SECTION 11. EXECUTION

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.

SECTION 12. CAPTIONS

The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

SECTION 13. SUCCESSORS AND ASSIGNS

The terms and conditions of this Agreement are binding upon the successors and assigns of the Parties to this Agreement and stand as obligations running with the land until satisfied in full, regardless of whether the Subject Property is developed as the Development, or as any other alternative use.

SECTION 14. ENTIRE AGREEMENT

This Agreement embodies the complete agreement of the Parties hereto, superseding all oral or written previous and contemporary agreements between the Parties relating to matters contained in this Agreement and, except as otherwise provided in this Agreement, cannot be modified without written agreement of the Parties to be attached to and made a part of this Agreement. The Parties further stipulate that with respect to the limited scope of this Agreement, the funds provided are not disproportionate to the burdens of the development. The Parties stipulate that this Agreement does not constitute a permit for development under Chapter 245 of the Texas Local Government Code.

EXECUTED on the Effective Date, by the City, signing by and through its City Manager, and by the Developer, acting through its duly authorized officers.

EXECUTED on this, the _____ day of _____, 2025.

CITY OF DENTON

By: _____
CITY MANAGER, SARA HENSLEY

ATTEST:
INGRED REX, INTERIM CITY SECRETARY

By: _____

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

Signed by: _____
Charlie Rosendahl

SIGNATURE
Charlie Rosendahl

PRINTED NAME
Interim Director

TITLE
Development Services

DEPARTMENT
11/12/2025

DATE

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

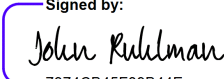
By: _____

EXECUTED originals this, the 12th day of november, 2025.

Mel Stevenson & Associates, Inc.

By:

Signed by:


7374CB45F89B44E...

SIGNATURE
John Ruhlman

PRINTED NAME

TREASURER

TITLE