

**STRATEGIC PARTNERSHIP AGREEMENT
BETWEEN THE CITY OF CELINA, TEXAS,
AND COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 1**

This **STRATEGIC PARTNERSHIP AGREEMENT** (this "Agreement") is made and entered into by and between the **CITY OF CELINA, TEXAS**, a municipal corporation principally situated in Collin County, Texas, acting by and through its governing body, the City Council of the City of Celina, Texas (the "City"), and **COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 1** (the "District"), a conservation and reclamation district and political subdivision of the State of Texas created pursuant to Article XVI, Section 59 of the Texas Constitution, and operating under Chapters 49 and 54 of the Water Code, as amended, and Chapter 8164, Special District Local Laws Code . Pursuant to Section 43.0751(c) of the Texas Local Government Code, this Agreement shall become effective on the effective date described in Section 5.18 of this Agreement (the "Effective Date").

**ARTICLE I
RECITALS**

WHEREAS, capitalized terms used but not defined in these recitals are defined in Article II, Definitions, of this Agreement; and

WHEREAS, the Act authorizes the City and the District to negotiate and enter into a strategic partnership agreement by mutual consent, and the City and the District wish to enter into such an agreement; and

WHEREAS, the City and the District negotiated this Agreement by mutual consent; and

WHEREAS, this Agreement provides for the City's full purpose annexation of all of the land within the District, as more specifically described on the attached **Exhibit A**, in accordance with the terms of this Agreement; and

WHEREAS, this Agreement does not authorize the City's partial annexation of the District; and

WHEREAS, this Agreement provides the terms and conditions pursuant to which the District will convert into a limited district at the time of full purpose annexation of the District by the City; and

WHEREAS, as required by the Act, the City held public hearings on August 11, 2020 and August 26, 2020, at 112 North Colorado, Celina, Texas 75009, and the District held public hearings on August 10, 2020 and August 17, 2020 at 1234 Homestead Court, Celina, Texas 75009, which location is located in the District, at which members of the public were given the opportunity to present testimony or evidence regarding the proposed Agreement; and

WHEREAS, the City and the District made copies of the proposed Agreement available to members of the public and gave notice of such hearings in accordance with the terms of the Act; and

WHEREAS, the City and the District wish to enter into a strategic partnership agreement to provide the terms and conditions under which the District will be annexed for full purposes and converted into a limited district at the time of full purpose annexation of the District by the City; and

WHEREAS, the Act authorizes the City and the District to enter into this Agreement to define the terms and conditions under which services will be provided by the City and the District; and provide for a full-purpose annexation of the District and conversion of the District to a “limited district” on the effective date of such full-purpose annexation; and

WHEREAS, in accordance with the requirements of Subsection (p)(1) of the Act, this Agreement does not require the District to provide revenue to the City solely for the purpose of an agreement with the City to forgo annexation of the District; and

WHEREAS, in accordance with the requirements of Subsection (p)(2) of the Act, this Agreement provides benefits to the City and the District, including revenue, services, and/or regulations which are reasonable and equitable with regard to the benefits provided to the other Party; and

WHEREAS, the District is a municipal utility district organized for the primary purpose of providing municipal functions; and

WHEREAS, all the terms and conditions contained in this Agreement are lawful and appropriate to provide for the provision of municipal services; and

WHEREAS, the Parties acknowledge that the City's full purpose annexation of the District will preclude or impair the ability of the District to issue bonds, and that the City is required, prior to the effective date of full purpose annexation, to pay in cash to the Developer a sum equal to all actual costs and expenses incurred by the Developer in connection with the District that the District has, in writing, agreed to pay and that would otherwise have been eligible for reimbursement from bond proceeds under the rules and requirements of the Texas Commission on Environmental Quality (the “TCEQ”) as such rules and requirements exist on the date of annexation; and

WHEREAS, the City, the District, the Developer, and the City retail water and sewer customers who are either owners or residents of property within the District entered into that certain Settlement Agreement dated [REDACTED], 2020 (the "Settlement Agreement") settling the lawsuit styled *Petition by Outside Ratepayers Appealing the Water Rates Established by the City of Celina*, Texas Public Utility Commission Docket No. 49225 (the "Ratepayer Appeal") and the lawsuit filed by the City styled *City of Celina vs. Collin County Municipal Utility District No. 1*; Keller Webster, Gordon Greeson, Kenneth Prater, Andy Harvey, Lissa Shepard in the 471st Judicial District Court of Collin County, Texas, Cause No. 471-02643-2020; and

WHEREAS, the Settlement Agreement requires LFC Land Company, LLC to make certain payments to the City starting on the effective date thereof and ending on December 31, 2027 (the "Developer Payments"); and

WHEREAS, the District acknowledges that the full purpose annexation, as set forth herein and agreed to by the Parties, is a material term of inducement for the City entering the Settlement Agreement and this Agreement, and but for the Full Purpose Annexation Conversion Date and the full purpose annexation as set forth herein, the City would not have entered into this Agreement.

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 DEFINITIONS

Unless the context requires otherwise, and in addition to the terms defined above, the following terms and phrases used in this Agreement shall have, solely for the purposes of this Agreement, the meanings set out below:

"Act" means Texas Local Government Code, §43.0751 (Vernon Supp. 2002) and any amendments thereto.

"Agreement" means this Strategic Partnership Agreement by and between the City and the District.

"Board" means the Board of Directors of the District.

"City" means the City of Celina, Texas, a municipal corporation principally situated in Collin County, Texas.

"City Council" means the City Council of the City.

"Developer" means LFC Land Company, LLC and LFC Land Company II, LLC.

"Developer payments" shall have the meaning ascribed in Article I, Recitals, above.

"Development Agreement" means that certain Amended and Restated Development Agreement approved by the City of Celina City Council on March 12, 2007 and dated effective as of March 12, 2007 and filed in the deed records of Collin County, Texas as Instrument No. 20071101001489980 by and between the City, Forestar/RPG Land Company, LLC, Lucas Celina 209, Ltd., Central Frisco, Ltd., as modified by the following: (a) that certain Addendum to Amended and Restated Development Agreement approved by the City Council on May 14, 2007 and dated effective as of March 12, 2007 and filed in the deed records of Collin County, Texas as Instrument No. 200711010011489990; (b) that certain First Amendment to Amended and Restated Development Agreement approved by the City Council on August 13, 2007 and dated effective as of March 12, 2007 and filed in the deed records of Collin County, Texas as

Instrument No. 20071114001544520; (c) that certain Second Amendment to Amended and Restated Development Agreement approved by the City Council on December 14, 2009 and dated effective as of March 12, 2007 and filed in the deed records of Collin County, Texas as Instrument No. 20100105000007540; (d) that certain Third Amendment to Amended and Restated Development Agreement approved by the City Council on, and dated effective as of, May 9, 2011 and filed in the deed records of Collin County, Texas as Instrument No. 20120423000464760; (e) that certain Fourth Amendment to Amended and Restated Development Agreement approved by the City Council on October 8, 2012 and dated effective as of October 12, 2012 and filed in the deed records of Collin County, Texas as Instrument No. 20121114001454530; (f) that certain Fifth Amendment to Amended and Restated Development Agreement approved by the City Council on May 13, 2014 and filed in the deed records of Collin County, Texas as Instrument No. 20140711000715400; (g) that certain Memorandum of Amendment to Development Agreement executed September 16, 2014 and filed in the deed records of Collin County, Texas as Instrument No. 20140916001001050; (h) that certain Sixth Amendment to Amended and Restated Development Agreement approved by the City Council on September 8, 2015 and filed in the deed records of Collin County, Texas as Instrument No. 20151022001338070; (i) that certain Seventh Amendment to Amended and Restated Development Agreement approved by the City Council on November 10, 2015 and filed in the deed records of Collin County, Texas as Instrument No. 20151228001609150; (j) that certain Eighth Amendment to Amended and Restated Development Agreement approved by the City Council on January 19, 2016 and filed in the deed records of Collin County, Texas as Instrument No. 20160307000271300; and (k) that certain Ninth Amendment to Amended and Restated Development Agreement approved by the City Council on or about December 12, 2016 and filed in the deed records of Collin county, Texas as Instrument No. 20170112000053780. The term "Development Agreement" also includes any future amendments to the Development Agreement described in this definition, including the Development Agreement Amendment.

"Development Agreement Amendment" means the tenth amendment to the Development Agreement approved by the City Council on [REDACTED], 2020 and approved by the District on [REDACTED], 2020, with an effective date of [REDACTED], 2020.

"District" means Collin County Municipal Utility District No. 1, a conservation and reclamation district created pursuant to Article XVI, Section 59, Texas Constitution and operating pursuant to Chapters 49 and 54, Texas Water Code, and the District Act.

"District Act" means Chapter 8164, Special District Local Laws Code.

"Effective Date" means the date this Agreement becomes effective in accordance with Section 5.18 of this Agreement.

"Final Notice of Unreimbursed Developer Costs and Expenses" is defined in Section 3.01(E) of this Agreement.

"Full Purpose Annexation Conversion Date" means the "full-purpose annexation conversion date" referenced in Section 43.0751(h) of the Act, which shall be established by the City Council by ordinance, shall be a date after December 31, 2027 and shall constitute the date

all land within the District shall be deemed to be within the full-purpose boundary limits of the City and annexed for full purposes and part of the City's corporate limits.

"Limited District" means the "Light Farms Limited District" resulting from the conversion of the Collin County Municipal Utility District No. 1 under Section 43.0751(f)(6) of the Act.

"Open Space Property" means the open space, green space, trails, easements, and other areas that, as of the Full Purpose Annexation Conversion Date, will be owned, operated, maintained and controlled by the Limited District consistent with the limitations in Section 3.03 (A) of this Agreement, including the landscape and hardscape within all street right-of-way within the District, but excluding the actual street rights-of-way which shall be owned by the City. The Open Space Property as of the Effective Date is described on the attached **Exhibit C**. The District will issue written notice to the City from time to time as it acquires additions to the Open Space Property described on **Exhibit C**.

"Maintenance Funds" is defined in Section 3.03A of this Agreement.

"Party" or "Parties" means a party or the parties to this Agreement, being the City and the District.

"Property" means all of the real property within the boundaries of the District as described on the attached **Exhibit A**.

"Ratepayer Appeal" shall have the meaning ascribed in Article I, Recitals, above.

"Settlement Agreement" shall have the meaning ascribed in Article I, Recitals, above.

"Tax Proposition" shall have the meaning ascribed in Section 3.04B.

"TCEQ" shall have the meaning ascribed in Article I, Recitals, above.

"Unreimbursed Developer Costs and Expenses" is defined in Section 3.01E of this Agreement.

ARTICLE III FULL-PURPOSE ANNEXATION; CONVERSION TO LIMITED DISTRICT

Section 3.01 Full Purpose Annexation

A. Authority and Procedure for Annexation

After December 31, 2027, the City may annex the Property for full purposes in accordance with the terms of this Agreement. The City agrees that it will not annex any portion of the Property on or before December 31, 2027. If the City annexes the Property, the City must annex all of the Property within the District. At least 120 days prior to the date the City intends to annex the District, the City shall provide the District and the Developer with a written notice of intent to annex the District and the date planned for annexation, which shall be after December

31, 2027 and shall constitute the Full Purpose Annexation Conversion Date. The Full Purpose Annexation Conversion Date may only be altered by mutual written agreement of the City and District. However, nothing herein shall prevent the City from terminating this Agreement and instituting proceedings to annex the District, on request by the Board of the District, on any date prior to the Full Purpose Annexation Conversion Date in accordance with the procedures prescribed by Subchapter C-1, Chapter 43, Texas Local Government Code, provided such annexation fully complies with the terms of the Development Agreement. All land within the District shall be automatically deemed to be within the full-purpose boundary limits of the City annexed by the City for full purposes effective on the Full-Purpose Annexation Conversion Date, without further procedural action of any kind by either Party, in accordance with Sections 43.0751(f)(5) and 43.0751(h) of the Act. The Annexation Service Plan attached as **Exhibit B** is approved as the service plan for this area and shall be effective for a period of ten years from the Full Purpose Annexation Conversion Date.

B. Waiver of Claims

Each Party waives any and all claims against the other Party regarding the validity or enforceability of this Agreement and any full purpose annexation of the District completed in accordance with the terms of this Agreement.

C. Notice to Landowners of Full Purpose Annexation of Land Within the District

Within 60 days after the Effective Date, the District shall file the following notice concerning this Agreement in the Real Property Records of Collin County, Texas, for the property within the District:

All of the property within the boundaries of Collin County Municipal Utility District No. 1 (the "District"), as described in the legal description and depicted on the map attached hereto, is subject to the terms and conditions of a Strategic Partnership Agreement ("SPA") between the District and the City of Celina, effective September ___, 2020. The SPA establishes a timetable for the annexation by the City of Celina of property in the District for full purposes. The SPA also provides for the conversion and the timing for conversion of the District to a Limited District and establishes the governmental and operational relationship between the City and the Limited District while the Limited District continues in existence, all as authorized by Section 43.0751, Texas Local Government Code. A copy of the SPA may be obtained by contacting the offices of the District, and questions concerning the SPA may be directed to the District or City of Celina Planning and Zoning Department.

This notice with appropriate modifications shall also be included in the notice to purchaser of real property in the District in each future edition of the District's Information Form required to be recorded in the Real Property Records of Collin County, Texas, pursuant to Section 49.455 of the Texas Water Code.

The City shall record this Agreement in its entirety as required by Section 5.16 below.

D. Assumption of District Duties and Obligations Upon Full Purpose Annexation Conversion Date

Prior to the Full Purpose Annexation Conversion Date, the District remains authorized to exercise all powers and functions of a municipal utility district provided by existing law or any amendments or additions thereto, including the District Act. The District's assets, liabilities, indebtedness, and obligations will remain the responsibility of the District during the period preceding full-purpose annexation and conversion. The District agrees that beginning on the Effective Date and until the Full Purpose Annexation Conversion Date, the District shall maintain all of its roadway, property and utility infrastructure in good condition and repair. Upon the Full Purpose Annexation Conversion Date Sections 43.075(c) and (d) of the Texas Local Government Code shall apply and, (i) the City shall succeed to the powers, duties, assets, and obligations of the District; and (ii) the City shall take over all the property and other assets of the District, except for the Open Space Property and Maintenance Funds, assume all the debts (including assumption of the District debt service payments and the Developer reimbursements), liabilities, and obligations of the District, and perform all the functions of the District, except as otherwise provided in Section 3.03 below, including the provision of services. The City agrees to fully comply with all requirements in Section 43.075 of the Texas Local Government Code. Upon receipt of written notice from the City of its intent to annex the District pursuant to this Agreement, the District shall cooperate in good faith with the City to provide for the orderly and timely transfer of the District property and assets to the City, and assumption of the District's debts and obligations by the City.

E. Developer Reimbursement Prior to Full Purpose Annexation

Pursuant to Section 43.0715(b) of the Texas Local Government Code, the City shall, prior to the effective date of full purpose annexation of the District, pay in cash to the Developer a sum equal to the actual costs and expenses incurred by the Developer in connection with the District that the District has, in writing, agreed to pay Developer, so long as such costs would otherwise have been eligible for reimbursement from bond proceeds under the rules and requirements of the TCEQ as such rules and requirements exist on the date of annexation reduced by the amount of Developer Payments not paid to the City in accordance with the terms of the Settlement Agreement or otherwise recovered by the City through the increased capital recovery fees allowed under the Development Agreement Amendment in the event of nonpayment (the "Unreimbursed Developer Costs and Expenses"). The Unreimbursed Developer Costs and Expenses will include, but not be limited to, costs related to utility and road infrastructure. The District agrees to provide an accounting of the Unreimbursed Developer Costs and Expenses, including the then current dollar amount of the Unreimbursed Developer Costs and Expenses, in an annual agreed-upon procedures report (the "Annual AUP") prepared by the District, which shall be in the format approved by the TCEQ for such reports and consistent with the terms of the District's reimbursement agreement with the Developer. The District shall provide a copy of each Annual AUP to the City. At least 120 days prior to the date the City intends to annex the District, the City shall provide the District and the Developer with a written notice of intent to annex the District and the date planned for annexation, which shall be the Full Purpose Annexation Conversion Date. In response to such written notice, the District shall have 60 days from the date of receipt of such notice to provide the City with a written notice summarizing all then current Unreimbursed Developer Costs and Expenses ("Final Notice of Unreimbursed

Developer Costs and Expenses"). The District's obligation to provide an Annual AUP or the Final Notice of Unreimbursed Costs and Expenses shall be subject to the District's receipt from the Developer of all documentation necessary to prepare such reports in accordance with the rules and requirements of the TCEQ. Notwithstanding anything to the contrary in this Agreement, the City acknowledges and agrees that no annexation of the District shall be valid or effective unless the City has fully paid, or made arrangements with the Developer in writing signed by the Developer and the City to fully pay, the Unreimbursed Developer Costs and Expenses, as reflected in the Final Notice of Unreimbursed Developer Costs and Expenses, in cash to the Developer prior to such annexation.

Section 3.02 Continuation as a Limited District

A. Conversion of District to Limited District.

Pursuant to Section 43.0751(f)(6) of the Act, the District shall automatically convert into a limited district on the Full Purpose Annexation Conversion Date and shall thereafter be known as the "Light Farms Limited District". The Limited District shall be a conservation and reclamation district under the provisions of Article XVI, Section 59 of the Texas Constitution. For purposes of the administration and general operation, of the Limited District, the provisions of Chapters 49 and 54 of the Texas Water Code shall control. However, the powers of the limited District shall be expressly limited to those necessary to effectuate its functions and responsibilities as provided in Section 3.03 of this Agreement. Further, those persons serving as directors of the District on the Full Purpose Annexation Conversion Date shall continue to serve as directors for the Limited District.

B. Boundaries of Limited District

The boundaries of the Limited District shall be coextensive with the District boundaries as described on Exhibit A hereto.

C. Ownership of Open Space Property

The Limited District shall retain full ownership of the Open Space Property, except for rights-of-way. To the extent any portion of the Open Space Property is located within rights-of-way, the Limited District shall have the right to own, operate, and maintain such property pursuant to an easement or license agreement in a form to be approved by the City; which approval will not be unreasonably withheld.

D. Term of Limited District

The Limited District shall exist for an initial term of ten years from the Full Purpose Annexation Conversion Date. The term of the Limited District may be renewed successively by mutual written agreement of the governing bodies of the City and the Limited District.

Section 3.03 Functions and Responsibilities of the Limited District.

A. Maintenance Only

(i) The functions and responsibilities of the Limited District shall be limited to ownership, operation, maintenance and control of the Open Space Property. The City will not provide, or charge or bill the Limited District or its residents for services the Limited District provides, however taxes and fees assessed or imposed by the City shall not be reduced for costs incurred by the Limited District.

(ii) The Limited District shall (a) have and may exercise only those functions, powers, and authority vested in the District necessary to carry out its functions and responsibilities set forth herein, and (b) not exercise any other function, power, or authority, including but not limited to issuance of bonds, notes, or other obligations for any purpose.

(iii) The Limited District shall retain an amount of money (the "Maintenance Funds") from the District's General Operating Fund to pay costs of its functions and responsibilities as set forth herein. The amount of the Maintenance Funds shall equal the average annual operation and maintenance expenses reasonably incurred with respect to the Open Space Property for the three (3) years preceding the Full Purpose Annexation Conversion Date as evidenced by the District's audited financial statements and shall exclude payments to directors for services and administrative costs not specifically related to the Open Space Property.

B. Limitations on City Obligations

The Parties agree that the City shall have no obligation during the existence of the Limited District to perform the functions and responsibilities of the Limited District established in this Agreement. However, the City agrees to grant to the Limited District all easements or license agreements necessary for the operation, maintenance, repair, and replacement of any Open Space Property located in street right of way within the Limited District.

C. Limitation on Actions by Limited District

(i) The Limited District may not sell, convey, lease, mortgage, transfer, assign, or otherwise alienate any of the Open Space Property to a third party. The Limited District may not approve a program or project that requires the use or taking of the Open Space Property or that would otherwise require the findings under Section 26.001 of the Texas Parks and Wildlife Code. However, this subsection C shall not prohibit the Limited District from contracting with management and operating firms to manage and operate any of the Open Space Property.

(ii) The Limited District may not sell, convey, lease, mortgage, transfer, assign, or otherwise alienate any surplus Open Space Property to a third party without the prior approval of the City, unless the third party is a homeowner's association within which the Open Space Property is located.

(iii) The Limited District may acquire, purchase, or lease additional park land, trails, open space or green space and expand any existing Open Space Property and may purchase equipment materials and facilities to maintain, replace or upgrade Open Space Property.

(iv) The Limited District may hire employees, agents, representatives, and consultants to manage, operate and maintain the Open Space Property and perform services related to the Limited District's operations and activities.

Section 3.04 Limited District Approval and Election

A. Action by Board

The Board of Directors for the Limited District shall place the adoption and ratification of this Agreement on the agenda of its first meeting following the conversion of the District into a Limited District.

(i) If the Board of Directors of the Limited District fails to adopt and ratify this Agreement within sixty days of the conversion of the District into the Limited District, the Limited District shall be automatically dissolved sixty days after the date of conversion without the necessity of any further action by the Limited District or the City, and all assets, obligations, indebtedness, and liabilities of the Limited District shall be assumed by the City.

(ii) The Limited District shall continue to exist after the failure to adopt or ratify this Agreement for the sole purpose of doing any and all acts or things necessary to transfer its assets, obligations, indebtedness, and liabilities to the City. Upon the completion of the transfer of its assets, obligations, indebtedness, and liabilities to the City, the Limited District shall cease to exist.

B. Ratification and Election

If the Board of Directors of the Limited District adopts and ratifies this Agreement pursuant to the Section 3.04.A of this Agreement, the Board of Directors of the Limited District shall call an election no later than the first practicable uniform election date, as determined in the reasonable judgment of the Board of Directors, after such adoption and ratification at which time the Limited District shall place a proposition before the qualified voters of the Limited District for authorization of an ad valorem tax for operation and maintenance of the Limited District (the "Tax Proposition"). The Board of Directors at its option may call the election at the same meeting at which it acts on the adoption and ratification of this Agreement or at a subsequent meeting, provided that the election date is no later than the first practicable election date after adoption and ratification of this Agreement, as determined in the reasonable judgment of the Board of Directors.

(i) The maximum tax rate to be included within the Tax Proposition shall be at the discretion of the Board of Directors of the Limited District provided that it is not greater than \$0.25 per \$100 of assessed valuation. The Tax Proposition shall also provide that any District maintenance tax authorization in existence before the tax election provided for in this subsection shall be rescinded upon approval of the Tax Proposition by the voters.

(ii) If a majority of the qualified voters voting at this election do not approve the Tax Proposition, the Limited District shall automatically be dissolved sixty days after the date of the election without the necessity of any further action by the Limited District or the City, and all

assets, obligations, indebtedness, and liabilities of the Limited District shall be assumed by the City.

(iii) If the Tax Proposition election fails, the Limited District shall continue to exist after such failure for the sole purpose of doing any and all acts or other things necessary to transfer its assets, obligations, indebtedness, and liabilities to the City.

ARTICLE IV PROVISION OF MUNICIPAL SERVICES

Section 4.01 Services Prior to Full Purpose Annexation Conversion Date

Beginning within 30 days after the Ratepayer Appeal is withdrawn and until the Full Purpose Annexation Conversion Date (a) the City shall charge all residential, residential and open space irrigation, and homeowners association retail water and sewer customers within the District the same amounts as are charged to in-city ratepayers; and (b) the District shall continue to develop, own, operate and maintain District assets and provide services for the benefit of the District. Following payment to the Developer by the City of all Unreimbursed Developer Costs and Expenses and upon the Full Purpose Annexation Conversion Date, the City will develop, own, operate and maintain water, wastewater, roadway, and drainage systems serving the Property.

Section 4.02 Annexation Service Plan

Upon the Full Purpose Annexation Conversion Date, the City shall provide municipal services to the Property in accordance with the Annexation Service Plan attached as **Exhibit B**. The District hereby consents to the City's full purpose annexation of all the Property in the District in accordance with this Agreement. The District agrees to and accepts the Annexation Service Plan. The terms of this Agreement are binding on the City, the District and each owner and future owner of land within the District's boundaries in accordance with the Act, and the consent to annexation granted herein.

ARTICLE V ADDITIONAL PROVISIONS

Section 5.01 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 the Board, 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.

Section 5.02 Term

This Agreement shall continue in effect until such time as (1) the City completes full purpose annexation and conversion of the District to the Limited District in accordance with the terms of this Agreement following payment to the Developer by the City of all Unreimbursed Developer Costs and Expenses; and (2) until the date of dissolution of the Limited District in accordance with the terms of this Agreement.

Section 5.03 Notices

All notices required or contemplated by this Agreement (or otherwise given in connection with this Agreement) 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 E-mail; (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 (with a confirming copy sent by E-mail). Notices given pursuant to this section shall be addressed as follows:

To the City:

Attn: City Manager
City of Celina
142 North Ohio
Celina, Texas 75009
E-mail: jlaumer@celina-tx.gov

With a copy to:

Attn: Julie Fort
Messer Fort & McDonald, PLLC
6371 Preston Road, Suite 200
Frisco, Texas 75034
E-mail: julie@txmunicipallaw.com

To the District:

Attn: President, Board of Directors
c/o Crawford & Jordan LLP
19 Briar Hollow Lane, Suite 245
Houston, Texas 77027
E-mail: ccrawford@crawlaw.net

With a copy to:

Attn: Clay Crawford
Crawford & Jordan LLP
3100 McKinnon Street, Suite 1100
Dallas, Texas 75201
E-mail: ccrawford@crawlaw.net

To the Developer:

Attn: Jake Wagner
Republic Property Group
400 S. Record Street, Suite 1200
Dallas, Texas 75202
E-mail: jwagner@republicpropertygroup.com

With a copy to:

Attn: Misty Ventura
Shupe Ventura, PLLC
9406 Biscayne Blvd.
Dallas, TX 75218
E-mail: misty.ventura@svlandlaw.com

Section 5.04 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 more 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 time to cure may be extended beyond 30 days by the Party giving notice of default, if the receiving Party, within such 30 days provides a written explanation of the steps being taken to cure the default and a detailed explanation of why more than 30 days is reasonably necessary to cure. Notwithstanding the foregoing, however, a Party shall be in default of its obligation to make any payment required under this Agreement if such payment is not made on the date that it is due.

Section 5.05 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 JUDGEMENT ACT, SPECIFIC PERFORMANCE, MANDAMUS, AND INJUNCTIVE RELIEF. NOTWITHSTANDING THE FOREGOING, HOWEVER, NO DEFAULT UNDER THIS AGREEMENT SHALL: ENTITLE THE AGGRIEVED PARTY TO TERMINATE THIS AGREEMENT; OR ADVERSELY AFFECT OR IMPAIR THE CURRENT OR FUTURE OBLIGATIONS OF THE CITY TO PROVIDE WATER OR SEWER SERVICE OR ANY OTHER SERVICE TO ANY PORTION OF THE DISTRICT; OR ADVERSELY IMPACT OR IMPAIR THE FULL PURPOSE ANNEXATION CONVERSION DATE OR THE CITY'S ABILITY TO ANNEX THE DISTRICT FOR FULL PURPOSES PROVIDED THE CITY IS IN FULL COMPLIANCE WITH THIS AGREEMENT; OR ENTITLE THE AGGRIEVED PARTY TO SEEK OR RECOVER EXEMPLARY DAMAGES; OR ALLOW THE CITY TO ANNEX THE DISTRICT OR ANY PORTION THEREOF PRIOR TO DECEMBER 31, 2027.

Section 5.06 Waiver of Immunity

Neither Party waives or surrenders any of its respective governmental powers, immunities or rights, except as specifically waived in this Section 5.06. The City acknowledges

an express waiver of its governmental immunity from suit and immunity from liability as to any action brought by the District, the Limited District, or a third party beneficiary to pursue the remedies available under this Agreement, but only to the extent necessary to pursue such remedies. The District acknowledges an express waiver of its governmental immunity from suit and immunity from liability as to any action brought by the City or a third party beneficiary to pursue the remedies available under this Agreement, but only to the extent necessary to pursue such remedies. By adoption and ratification of this Agreement by the Board of Directors of the Limited District pursuant to Section 3.04 above, the Limited District acknowledges an express waiver of its governmental immunity from suit and immunity from liability as to any action brought by the City or a third party beneficiary to pursue the remedies available under this Agreement, but only to the extent necessary to pursue such remedies. Nothing in this Section 5.06 shall waive any claims, defenses or immunities that either Party has with respect to suits against them by persons or entities not a party to this Agreement or specifically enumerated as a third party beneficiary in Section 5.13 hereof.

Section 5.07 Assignment

No Party may assign this Agreement in whole or in part without the prior written consent of all of the other Parties.

Section 5.08 Interpretation

The Parties and the Developer 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 or the Developer, regardless of which Party originally drafted the provision.

Section 5.09 Authority to Execute

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. The District represents and warrants that this Agreement has been approved by order duly adopted by the Board of Directors of the District 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 District has been duly authorized to do so.

Section 5.10 Entire Agreement; Severability; Changes in State or Federal Laws

This Agreement, together with the Development Agreement, the Development Agreement Amendment, and the Settlement Agreement constitute all of the agreements between the Parties and supersedes all prior agreements, whether oral or written, covering the subject

matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by the Parties whose rights and obligations are being amended, which amendment shall require the prior written approval of the Developer if the Developer's rights will be impacted by such modification or amendment. 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; (c) the amount of money to be received or paid by any Party or third party beneficiary shall not be reduced; and (d) 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 provided the Full Purpose Annexation Conversion Date remains in effect. If any State or federal law changes so as to make it impossible for the City or District to perform its obligations under this Agreement, the Parties will cooperate to amend this Agreement in such a manner that is most consistent with the original intent of this Agreement as legally possible, including maintenance of the Full Purpose Annexation Conversion Date, provided such amendment shall require the prior written approval of the Developer if the Developer's rights will be impacted by such modification or amendment. This Agreement relies on the statutory authority provided by Texas Local Government Code Sections 43.0715, 43.075 and 43.0751. If there is a conflict, such conflict shall be resolved in a manner that harmonizes the reading of these statutes in a manner that results in the terms of this Agreement being enforceable.

Section 5.11 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 Collin County, Texas. Venue for any action to enforce or construe this Agreement shall be in Collin County, Texas.

Section 5.12 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.

Section 5.13 Third Party Beneficiaries

Except as otherwise provided in this Section 5.13, this Agreement only inures to the benefit of, and may only be enforced by, the Parties. Developer shall be a third party beneficiary of this Agreement benefited by and entitled to enforce 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.

Section 5.14 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.

Section 5.15 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.

Section 5.16 Document to be Recorded; Binding Effect

Pursuant to Section 43.0751(c) of the Act, this Agreement, upon adoption, shall be filed in the real property records of Collin County, Texas, and shall bind each owner and each future owner of land included within the District's boundaries on the Effective Date. The City shall be responsible for recording this Agreement in the real property records of Collin County, Texas.

Section 5.17 Exhibits

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

| | |
|-----------|-----------------------------|
| Exhibit A | Description of the Property |
| Exhibit B | Annexation Service Plan |
| Exhibit C | Open Space Property |

Section 5.18 Effective Date

This Agreement becomes effective and binding upon the Parties at such time as all of the following events have occurred:

A. The Development Agreement Amendment has been duly executed by all Parties thereto and recorded in the Real Property Records of Collin County, Texas;

B. The dismissal of the lawsuit filed by the City styled City of Celina vs. Collin County Municipal Utility District No. 1; Keller Webster, Gordon Greeson, Kenneth Prater, Andy Harvey, Lissa Shepard in the 471st Judicial District Court of Collin County, Texas, Cause No. 471-02643-2020; and

C. The withdrawal of the appeal filed by certain City water ratepayers within the District and styled Petition by Outside Ratepayers Appealing the Water Rates Established in the City of Celina in the Public Utility Commission, Docket No. 49225.

IN WITNESS WHEREOF, the Parties have executed this Agreement in multiple copies, each of which shall be an original.

City of Celina, Texas

By: _____
Name: _____
Title: _____
Date: _____

STATE OF TEXAS

§
§
§

COUNTY OF COLLIN

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be one of the persons whose names are subscribed to the foregoing instrument; he acknowledged to me he is the duly authorized representative for the City of Celina, Texas, and he executed said instrument for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this ____ day of _____, 2020.

Notary Public in and for the State of Texas
My Commission Expires: _____

Collin County Municipal Utility District No. 1

By: _____
Name: _____
Title: President
Date: _____

STATE OF TEXAS

§
§
§

COUNTY OF _____

BEFORE ME, the undersigned authority, on this day personally appeared Keller W. Webster, known to me to be one of the persons whose names are subscribed to the foregoing instrument; he acknowledged to me he is the duly authorized representative for Collin County Municipal Utility District No. 1, and he executed said instrument for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this ____ day of _____, 2020.

Notary Public in and for the State of Texas
My Commission Expires: _____

Exhibit A
Description of the Property

TRACT A

Being a 597.17 acre tract of land situated in the John Ragsdale Survey, Abstract No. 734, and the Collin County School Land Survey No. 14, Abstract No. 167, and being all of Tract A, a 597.17 acre tract of land as described in instrument to LFC Land Company, LLC, as recorded in Document Number 20120423000464780, Land Records, Collin County, Texas, all of a 1.00 acre tract of land as described in instrument to Frederick L Albrecht, as recorded in Document Number 20070510000634680, Land Records, Collin County, Texas, all of a 1.00 acre tract of land as described in instrument to Keller Webster, as recorded in Document Number 20070510000634710, Land Records, Collin County, Texas, all of a 1.00 acre tract of land as described in instrument to Andy Harvey, as recorded in Document Number 20070510000724440, Land Records, Collin County, Texas, all of a 1.00 acre tract of land as described in instrument to Gordon Greeson, as recorded in Document Number 2007051000634740, Land Records, Collin County, Texas, all of a tract of 1.00 acre tract of land as described in instrument to Kenneth Prater, as recorded in Document Number 20070510000634770, Land Records, Collin County, Texas, and a portion of Collin County Road 51. Said 597.17 acre tract, with reference bearing of grid north, Texas State Plane Coordinates, North Central Zone, HARN NAD 83 (93) datum, being more particularly described by metes and bounds as follows:

Commencing at ½ inch iron rod found for the northwest corner of a called 161.4193 acre tract of land conveyed by deed to the Board of Regents of the Texas A&M University System recorded in Volume 2513, Page 274, Land Records, Collin County, Texas, and being on the west line of aforesaid John Ragsdale Survey, and being on the east line of the F.D. Gary Survey, Abstract No. 361;

THENCE, North 89 degrees 56 minutes 06 seconds East, along the North line of aforesaid 161.4193 acre tract of land, a distance of 950.04 feet to the POINT OF BEGINNING and being the most southerly southwest corner of said Lucas Celina tract;

THENCE, North 00 degrees 36 minutes 37 seconds West, along a west line of said Lucas Celina tract a distance of 1,513.85 feet to a 5/8 inch iron rod found;

THENCE, North 30 degrees 59 minutes 39 seconds East, continuing along a northwesterly line of said Lucas Celina tract a distance of 867.40 feet to a 1/2 inch iron rod found at an inner ell corner of said Lucas Celina tract;

THENCE, South 59 degrees 00 minutes 21 seconds East, departing the northwesterly line of said Lucas Celina tract a distance of 50.00 feet to a 5/8 inch iron rod found with cap stamped "Huitt-Zollars" on a northwesterly line of said 408.510 acre tract;

THENCE, North 30 degrees 59 minutes 39 seconds East, along a northwesterly line of said 408.510 acre tract a distance of 575.60 feet to a 5/8 inch iron rod found with cap stamped "Huitt-Zollars";

THENCE, North 59 degrees 00 minutes 21 seconds West, departing the northwesterly line of said 408.510 acre tract a distance of 260.21 feet to a 5/8 inch iron rod found with cap stamped "Huitt-Zollars" and being the beginning of a non-tangent curve to the left having a radius of 3,644.79 feet;

THENCE, in a northerly direction along said curve to the left through a central angle of 36 degrees 57 minutes 20 seconds, an arc distance of 2,350.88 feet and being subtended by a chord bearing North 09 degrees 52 minutes 14 seconds East, a distance of 2,310.34 feet;

THENCE, North 08 degrees 36 minutes 26 seconds West, a distance of 1,585.77 feet to a 5/8 inch iron rod found with cap stamped "Huitt-Zollars";

THENCE, North 89 degrees 27 minutes 32 seconds East, passing at 322.72 feet a 5/8 inch iron rod found at the most northerly southwest corner of said 408.510 acre tract, passing at 1,521.70 feet a 5/8 inch iron rod found at an inner ell corner of said 408.510 acre tract, continuing for a total distance of 1,571.93 feet to a 5/8 inch iron rod found with cap stamped "Huitt-Zollars";

THENCE, North 04 degrees 53 minutes 56 seconds East, a distance of 1,990.49 feet to a 5/8 inch iron rod found with cap stamped "Huitt-Zollars";

THENCE, North 03 degrees 20 minutes 56 seconds East, a distance of 52.00 feet to a 5/8 inch iron rod found with cap stamped "Huitt-Zollars" on the north line of said 408.510 acre tract;

THENCE, North 89 degrees 32 minutes 06 seconds East, along the north line of said 408.510 acre tract a distance of 657.83 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "Carter Burgess" found for corner at the northeast corner of said 408.51 acre tract and the common northeast corner of said John Ragsdale Survey and the southwest corner of the M.D. Bullion Survey, Abstract No. 137 and being on the west line of Collin County School Land Survey No. 14, Abstract No. 167 and the west line of a tract of land conveyed to Richard C. Smith and wife, Janet L. Smith by deed recorded in County Clerk's File No. 97-0086916, Land Records, Collin County, Texas.

THENCE, South 01 degrees 06 minutes 02 seconds East, along the east line of said 408.510 acre tract and the west line of said Collin County School Land Survey No. 14, Abstract No. 167 and the common west line of said Smith Tract, and the common west line of a 100.593 acre tract conveyed by deed to the Walton Bradford Family Partnerships, L.P. recorded in Volume 5050, Page 00784, Land Records, Collin County, Texas, and the west line of tract of land conveyed by deed to Albert Mokhtar, trustee, recorded in Volume 2722, Page 333, Land Records, Collin County, Texas, a distance of 3,004.05 feet to a point for corner;

THENCE, North 89 degrees 28 minutes 05 seconds East, passing at a distance of 35.43 feet a 1" iron pipe found for the northwest corner of aforesaid 151.289 acre tract and continuing along the north line of said 151.289 acre tract and the common south line of aforesaid Albert Mokhtar Tract, a total distance of 1,948.01 feet to a 1/2 inch iron rod found for the northeast corner of said

151.289 acre tract and the southeast corner of said Albert Mokhtar Tract and being on the west right-of-way of the Red River Texas & Southern Railway Company, Tract No. 54, by deed recorded in Volume 121, Page 20, Land Records, Collin County, Texas.

THENCE, South 11 degrees 20 minutes 28 seconds West, along the east line of aforesaid 151.289 acre tract and the common west line of aforesaid Red River Texas & Southern Railway Company Tract No. 54, a distance of 4,816.17 feet to a ½ inch iron rod found for the southeast corner of said 151.289 acre tract and point on the north line of a called 81.68 acre tract of land, conveyed to Graham S. Stelzer and wife, Doris Stelzer by deed recorded in Volume 587, Page 146, Land Records, Collin County, Texas;

THENCE, South 89 degrees 32 minutes 42 seconds West, along the south line of aforesaid 151.289 acre tract and the common north line of aforesaid 81.68 acre tract, passing at a distance of 884.15 feet a 3/8 inch iron rod found for the southeast corner of said 151.289 acre tract and continuing a total distance of 910.34 feet to a point for corner on the east line of aforesaid 408.510 acre tract;

THENCE, South 01 degrees 06 minutes 02 seconds East, along the east line of said 408.510 acre tract, a distance of 1,090.95 feet to a 5/8 inch iron rod with a yellow plastic cap stamped “Carter Burgess” set for corner at the southeast corner of said 408.510 acre tract and the northeast corner of aforesaid 161.4193 acre tract;

THENCE, along the south line of said 408.510 acre tract and the common north line of said 161.4193 acre tract, the following courses and distances:

NORTH 89 degrees 44 minutes 17 seconds West, a distance of 138.60 feet to a point for corner;

NORTH 82 degrees 40 minutes 54 seconds West, a distance of 632.77 feet to a point for corner;

SOUTH 89 degrees 19 minutes 08 seconds West, a distance of 1,314.05 feet to a point for corner;

SOUTH 87 degrees 52 minutes 29 seconds West, a distance of 475.03 feet to a point for corner;

SOUTH 89 degrees 56 minutes 06 seconds West, a distance of 722.47 feet to the POINT OF BEGINNING and containing 597.17 acres of land, more or less.

TRACT B

Being a 209.022 acre tract of land situated in the Collin County School Land Survey No. 14, Abstract No. 167, Collin County, Texas, and being all of Tract B, a 209.022 acre tract of land as described in instrument to LFC Land Company, LLC, recorded in Document No. 20120423000464780, Land Records, Collin County, Texas, said 209.022 acre tract, with bearing basis of grid north, Texas State Plane Coordinates, north central zone, harn nad 83 (93) datum, being more particularly described by metes and bounds as follows:

Beginning at ½ inch iron rod found for the northeast corner of aforesaid 209.022 acre tract and being the southeast corner of a called Tract 4, conveyed to Ownsby 1880 Farms, LTD. by deed recorded in County Clerk's File No. 99-0005737, Land Records, Collin County, Texas and being on the west line of a called Tract 1, conveyed to Ownsby 1880 Farms, LTD. by deed recorded in County Clerk's File No. 99-0005737, Land Records, Collin County, Texas;

THENCE, South 00 degrees 28 minutes 05 seconds east, along the east line of aforesaid 209.022 acre tract, and the west line of aforesaid Tract 1 and a called Tract 2 & Tract 3, conveyed to Ownsby 1880 Farms, LTD. by deed recorded in County Clerk's File No. 99-0005737, Land Records, Collin County, Texas, a distance of 4058.21 feet to a 60D Nail found for the southwest corner of aforesaid Tract 3;

THENCE, continuing along the east line of aforesaid 209.022 acre tract and the west line of a called 139.708 acre tract of land, conveyed to Keeran Family Partnership, LTD., recorded in County Clerk's File No. 2001-0083876, Land Records, Collin County, Texas, the following courses and distances:

SOUTH 00 degrees 28 minutes 43 seconds East, a distance of 658.85 feet to a ½ inch iron rod found for corner;

SOUTH 00 degrees 26 minutes 50 seconds East, a distance of 2675.40 feet to a 3/8 inch iron rod found for corner in the approximate centerline of Business Highway No. 289 (A variable prescriptive width right-of-way) and being the southeast corner of aforesaid 209.022 acre tract and the southwest corner of aforesaid 139.708 acre tract, from said corner a 60D nail bears north 00 degrees 52 minutes 30 seconds West, a distance of 33.68 feet found for witness;

THENCE, South 89 degrees 29 minutes 44 seconds West, along the south line of aforesaid 209.022 acre tract and with the approximate centerline of aforesaid Business Highway No. 289, a distance of 1322.70 feet to a 3/8 inch iron rod found for the southwest corner of said 209.022 acre tract and the southeast corner of a called 7.438 acre tract of land, conveyed to Lotti Loraine Couch by deed recorded in County Clerk's File No. 97-0002825, Land Records, Collin County, Texas, from said corner a 60D nail bears north 01 degrees 13 minutes 49 seconds west, a distance of 37.84 feet found for witness;

THENCE, North 00 degrees 42 minutes 12 seconds West, along a west line of aforesaid 209.022 acre tract and the common east line of aforesaid 7.438 acre tract, a distance of 605.95 feet to a ½ inch iron rod found for the northeast corner of said 7.438 acre tract;

THENCE, North 00 degrees 18 minutes 06 seconds West, continuing along a west line of aforesaid 209.022 acre tract and the common east line of a called 81.68 acre tract of land, conveyed to Graham S. Stelzer and wife, Doris Stelzer by deed recorded in Volume 587, Page 146, Land Records. Collin County, Texas, a distance of 2067.07 feet to a ½ inch iron rod found for the insider ell corner of said 209.022 acre tract and the northeast corner of said 81.68 acre tract;

THENCE, South 89 degrees 31 minutes 56 seconds West, along a south line of aforesaid 209.022 acre tract and the common north line of aforesaid 81.68 acre tract, a distance of 353.59 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "Carter Burgess" set for corner on the east right-of-way of the Red River Texas & Southern Railway Company Tract No. 54 by deed recorded in Volume 121, Page 20, Land Records, Collin County, Texas;

THENCE, North 11 degrees 20 minutes 28 seconds East, along the west line of aforesaid 209.022 acre tract and the west line of aforesaid 69.81 acre tract and the common east line of aforesaid Red River Texas & Southern Railway Company Tract No. 54, a distance of 4816.78 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "Carter Burgess" set for the northwest corner of said 209.022 acre tract and the southwest corner of aforesaid Tract 4;

THENCE, North 89 degrees 04 minutes 39 seconds East, along the north line of aforesaid 209.022 acre tract and the common south line of aforesaid Tract 4, a distance of 687.89 feet to the POINT OF BEGINNING and containing 209.022 acres of land, more or less.

Tract C - Keeran Tract

BEING all that certain lot, tract or parcel of land situated in the City of Celina, Collin County, Texas, out of the Collin County School Land No. 14 Survey, Abstract 167, and being a part of the 134.88 acres of Land described in Deeds to Keeran Family Partnership, Ltd., as recorded in County Clerk's file Number 2001-0083874 and 2001-0083876 of the Real Property Records of Collin County, Texas, and being more particular described by metes and bounds as follows:

BEGINNING AT A ½" IRON ROD FOUND FOR THE Northwest corner of said 134.88 acre tract, said point also being in the East line of a 209.022 acre tract of land conveyed to LFC Land Company as recorded in County Clerk's file No. 2012-0423000464780 of the Real Property Records of Collin County, Texas, said point also being the Southwest corner of tract of land conveyed to Ownsby Farms, Ltd., as recorded in Volume 4332, Page 1047, Deed Records, Collin County, Texas;

THENCE North 89 degrees 35 minutes 26 seconds East (North 89 degrees 58 minutes West Deed), (Basis of Bearings per North Central Texas Zone 4203 State Plane Coordinates) South line of said Ownsby Farms Ltd. Tract for distance of 1334.62 feet (1335.30 feet Deed) to a 1/2" iron rod found for the Northeast corner of said 134.88 acre tract , said point also being the Northwest corner of a called 15.211 acre tract of land conveyed to J. Altus Inc. Profit Sharing Trust & Metroplex Properties LLC & Dall Developments, Inc. as recorded in Volume 5870 at Page 5025 of the Deed Records of Collin County, Texas;

THENCE South 00 degrees 15 minutes 00 seconds East (South 00 degrees 00 minutes 38 seconds West Deed), and following along the East line of said 134.88 acre tract, and the West line of said 15.211 acre J. Altus tract and also along the West line of a 15.28 acre tract of land conveyed to John Feizy by Deed and recorded in County Clerk's file No. 93-0056727, for a distance of 1045.61 feet to a 1/2" iron rod found for corner, said point being the Southwest corner of a 3.99 acre tract of land conveyed to Terry Barnes by Deed as recorded in Volume 2006, Page 93180, of the Deed Records of Collin County, Texas;

THENCE South 00 degrees 54 minutes 17 seconds East and continuing along the East line of the Keeran Family 134.88 acre tract and the West line of said 3.99 acre Terry Barnes Tract, for a distance of 527.61 feet to a point for the Southwest corner of said 3.99 acre Terry Barnes Tract, same being the Northwest corner of 12.0734 acre tract of land conveyed to J. Altus Inc. Profit Sharing by Deed and Recorded in Volume 5826 at Page 5441 of the Deed Records of Dallas County, Texas;

THENCE South 00 degrees 03 minutes 36 seconds West and following along the West line of said 12.0734 acre J. Altus Inc. Profit Sharing Tract, for a distance of 417.19 feet to a 1/2" iron rod found for the Southwest corner of said 12.0734 acre J. Altus Inc. Profit Sharing Tract;

THENCE South 00 degrees 30 minutes 27 seconds East across said 134.88 acre tract for a distance of 1341.14 feet to a railroad spike set in asphalt for corner in the center of Business Highway No. 289 Also known as County Road No. 5 and also known as North Coleman Street (an undedicated variable width prescriptive right of way);

THENCE South 89 degrees 29 minutes 33 seconds West and following along the center of said roadway and the South line of said 134.88 acre tract, for a distance of 1332.51 feet to a 3/8" iron rod found for the Southwest corner of said 134.88 acre tract, same being the Southeast corner of the aforementioned 209.022 acre tract;

THENCE North 00 degrees 26 minutes 47 seconds West (North 00 degrees 05 minutes West Deed), and following along the West line of said 134.88 acre tract and the East line of said 209.22 acre tract for a distance of 2674.96 feet (2675.16 feet Deed) to a 1/2" iron rod found for corner;

THENCE North 00 degrees 29 minutes 23 seconds West (North 0 degrees 12 minutes West Deed) , and continuing along the West line of said 134.88 acre tract and the East line of said 209.022 acre tract for a distance of 658.83 feet (659.2 feet Deed) to the point of Beginning and Containing 101.9292 acres of Land, more or less of which 0.9177 acres of land lies within the aforesaid Business Highway No. 289, leaving 101.0115 acres of land net of right of way.

Tract D - Texas A&M Tract

BEING a tract of land situated in the John Ragsdale Survey, Abstract No. 734, Collin County, Texas and being all of a tract of land described in instrument to the Board of Regents of the Texas A & M University System as recorded in Volume 2513, Page 274 of the Deed Records, Collin County, Texas and being more particularly described as follows;

BEGINNING at a P.K. Nail found at the southeast corner of said Texas A & M University System tract, said point being at the approximate intersection of CR 5 and CR 51;

THENCE along the approximate centerline of CR 5, South 89 degrees 26 minutes 49 seconds West a distance of 4,240.33 feet (Deed 4,239.94 feet) to a 1/2 inch iron rod found at the southwest corner of said Texas A & M University System tract and being at the approximate intersection of CR 5 and CR 50;

THENCE departing the approximate centerline of CR 5, North 00 degrees 36 minutes 39 seconds West a distance of 1,674.54 feet (Deed 1,673.98 feet) to a 1/2 inch iron rod found at the northwest corner of the aforementioned Texas A & M University System tract;

THENCE along the northerly line of said Texas A & M University System tract and the approximate centerline of a drainage ditch the following;

North 89 degrees 56 minutes 00 seconds East a distance of 1,672.59 feet (Deed 1,669.51 feet) to a point for corner;

North 87 degrees 52 minutes 29 seconds East a distance of 475.03 feet to a point for corner;

North 89 degrees 19 minutes 08 seconds East a distance of 1,314.05 feet to a point for corner;

South 82 degrees 40 minutes 54 seconds East a distance of 632.77 feet to a point for corner;

South 89 degrees 44 minutes 17 seconds East a distance of 138.60 feet (Deed 138.11 feet) to a 5/8 inch iron rod found with plastic cap stamped "Huitt-Zollars" in the approximate centerline of the aforementioned CR51;

THENCE along the approximate centerline of the aforementioned CR51, South 01 degrees 06 minutes 06 seconds East a distance of 1,587.75 feet to the POINT OF BEGINNING and containing 161.51 Acres of land, more or less.

Exhibit B
Annexation Service Plan

ANNEXATION SERVICE PLAN

A) SERVICE PLAN GENERALLY

- 1) This service plan has been prepared in accordance with Chapter 43 of the Texas Local Government Code. Municipal facilities and services to the annexed area will be provided or made available on behalf of the City of Celina in accordance with the following plan. The City of Celina shall provide the annexed tract the levels of service, infrastructure, and infrastructure maintenance that are comparable to the levels of service, infrastructure, and infrastructure maintenance available in other parts of the City of Celina with similar topography, land use, and population density.
- 2) For purposes of this service plan, to “provide” services includes having services provided by any method or means by which the City provides municipal services to any other areas of the City, and may include causing or allowing private utilities, governmental entities and other public service organizations to provide such services by contract or right, in whole or in part, and may include duties on part of the private landowner with regard to such services.

B) EMERGENCY SERVICES

1) POLICE PROTECTION

- a) Police protection from the City of Celina Police Department shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas on the effective date of the annexation. Some of these services include:
 - i) Normal patrol and responses;
 - ii) Handling of complaints and incident reports;
 - iii) Special units, such as traffic enforcement and investigations; and
 - iv) Coordination with other public safety support agencies.
- b) As development commences in these areas, sufficient police protection, including personnel and equipment will be provided to furnish these areas with the level of police services consistent with the characteristics of topography, land utilization and population density of the areas.
- c) Upon ultimate development, police protection will be provided at a level consistent with other similarly situated areas within the city limits.

2) FIRE PROTECTION

- a) The Celina Fire Department will provide emergency and fire prevention services to the annexed area. These services include:
 - i) Fire suppression and rescue;
 - ii) Pre-hospital medical services including triage, treatment and transport by Advanced Life Support (ALS) fire engines, trucks and ambulances;
 - iii) Hazardous materials response and mitigation;
 - iv) Emergency prevention and public education efforts;
 - v) Technical rescue response; and
 - vi) Construction Plan Review and required inspections.

- b) Fire protection from the City of Celina shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas of the City of Celina on the effective date of the annexation.
- c) As development commences in these areas, sufficient fire protection, including personnel and equipment will be provided to furnish these areas with the level of services consistent with the characteristics of topography, land utilization and population density of the areas. It is anticipated that fire stations planned to service areas currently with the City of Celina will be sufficient to serve the annexed area.
- d) Upon ultimate development, fire protection will be provided at a level consistent with similarly situated areas within the city limits.

3) **EMERGENCY MEDICAL SERVICES**

- a) The Celina Fire Department will provide emergency and safety services to the annexed area. These services include:
 - i) Emergency medical dispatch and pre-arrival First Aid instructions;
 - ii) Pre-hospital emergency Advanced Life Support (ALS) response and transport; and
 - iii) Medical rescue services.
- b) Emergency Medical Services (EMS) from the City of Celina shall be provided to the annexed area at a level consistent with current methods and procedures presently provided to similar areas of the City of Celina on the effective date of the annexation.
- c) As development commences in these areas, sufficient EMS, including personnel and equipment, will be provided to furnish these areas with the level of services consistent with the characteristics of topography, land utilization, and population density of the areas.
- d) Upon ultimate development, EMS will be provided at a level consistent with similarly situated areas within the city limits.

C) SOLID WASTE

- 1) Solid Waste and Recycling Collection Services will be provided to the annexed area immediately upon the effective date of the annexation at a level consistent with current methods and procedures presently provided to similar areas within the City. Private solid waste collection service providers operating in the affected area immediately prior to annexation and currently providing customers with service may continue to provide their existing service for up to two (2) years in accordance with Texas Local Government Code Section 43.056(n).

D) WASTEWATER FACILITIES

- 1) As development commences in these areas, sanitary sewer mains as defined by the Certificate of Convenience and Necessity (CCN) Number 20764, as issued by the Texas Commission on Environmental Quality (TCEQ) will be extended in accordance with the provisions of the City's codes, ordinances, regulations and policies. City participation in the costs of these extensions shall be in accordance with applicable City codes, ordinances, regulations and policies. Capacity and extensions shall be provided consistent with the characteristics of topography, land utilization, and population density of the areas. If the annexed area is in the CCN of another provider, wastewater service shall be provided in accordance with the policies of the CCN holder. In some instances, the City might acquire the CCN rights and become the new wastewater provider, in time.
- 2) Sanitary sewer mains and lift stations installed or improved to City standards, and accepted by the City, within the annexed area which are located within dedicated easement, rights-of-way, or any other acceptable location approved by the City Manager or his designee, shall be maintained

by the City on the effective date of the annexation.

- 3) Operation and maintenance of wastewater facilities in the annexed area that are within the certificated service area of another wastewater utility will be the responsibility of that utility. Operation and maintenance of private wastewater facilities in the annexed area will be the responsibility of the owner.

E) WATER FACILITIES

- 1) Connections to existing City of Celina water distribution mains for water service as defined by Certificate of Convenience and Necessity (CCN) Number 12667, as issued by the Texas Commission on Environmental Quality (TCEQ) will be provided in accordance with existing City codes, ordinances, regulations and policies. Upon connection to existing distribution mains, water service will be provided at rates established by City ordinance. If the annexed area is in the CCN of another provider, water service shall be provided in accordance with the policies of the CCN holder. In some instances, the City might acquire the CCN rights and become the new water provider, in time.
- 2) As development commences in these areas, water distribution mains will be extended in accordance with City of Celina codes, ordinances, regulations and policies. City participation in the costs of these extensions shall be in accordance with the City of Celina's codes, ordinances, regulations and policies. Water service extensions and capacity shall be provided consistent with the characteristics of topography, land utilization, and population density of the area.
- 3) Operation and maintenance of existing water facilities in the annexed area that are within the service area of another water utility will be the responsibility of that utility. Operation and maintenance of private water facilities in the annexed area will be the responsibility of the owner.

F) ROAD AND STREETS

- 1) Emergency street maintenance shall be provided within the annexed area on the effective date of the applicable ordinance of acceptance. Routine maintenance will be provided within the annexed area and will be scheduled as part of the City's annual program and in accordance with the City's current codes, ordinances, regulations, policies and procedures defined therein and/or as established by the City Council.
- 2) Any construction or reconstruction will be considered within the annexed area on a City-wide basis and within the context of the City's Capital Improvement Plan and/or yearly fiscal budgetary allotments by the City Council. As development, improvement or construction of streets to City standards commences within this property, the policies of the City of Celina with regard to participation in the costs thereof, acceptance upon completion and maintenance after completion shall apply.
- 3) Roadway signage and associated posts will be replaced in priority of importance starting with regulatory signs, then warning signs, then informational signs and in conformance with fiscal allotments by the City Council. If a sign remains, it will be reviewed and placed on the City's inventory listed for routine re-placement. All existing signs will be reviewed for applicability and based upon an engineering study. New signs will be installed when necessary and based upon an engineering study.
- 4) Routine maintenance of road/street markings will be placed on a priority listing and scheduled within the yearly budgetary allotments by the City Council.
- 5) The City will coordinate any request for improved road and street lighting with the local electric provider. Any and all road and street lighting will be pursuant to the rules, regulations and fees of such electric utility and shall be maintained by the applicable utility company.

G) ENVIRONMENTAL HEALTH, INSPECTIONS AND CODE ENFORCEMENT SERVICES

- 1) Enforcement of the City’s environmental health ordinances and regulations, including but not limited to, weed and brush ordinances, junked and abandoned vehicle ordinances and animal control ordinances, shall be provided within this area sixty (60) days of the effective date of the annexation ordinance. These ordinances and regulations will be enforced through the use of existing personnel.
- 2) Inspection services including the review of building plans, the issuance of permits and the inspection of all buildings, plumbing, mechanical and electrical work to ensure compliance with City codes and ordinances will continue to be provided after the effective date of the annexation ordinance. Existing personnel will be used to provide these services.
- 3) The City’s zoning, subdivision, sign and other ordinances shall be enforced in this area beginning upon the effective date of the annexation.
- 4) All inspection services furnished by the City of Celina, but not mentioned above, will be provided to this area beginning within sixty (60) days of the effective date of the annexation.
- 5) As development and construction commence in this area, sufficient personnel will be provided to furnish this area the same level of environmental health, inspection and code enforcement services as are furnished throughout the City.

H) PLANNING AND ZONING SERVICES

- 1) The Planning and zoning jurisdiction of the City will extend to this area upon the effective date of the annexation. City planning will thereafter encompass this property, and it shall be entitled to consideration for zoning in accordance with the City’s Zoning Ordinance and Comprehensive Plan.

I) PARKS, PLAYGROUNDS, LIBRARIES, SWIMMING POOLS

- 1) Residents within the annexed area may utilize all existing park and recreation facilities, on the effective date of the annexation. Fees for such usage shall be in accordance with current fees established by ordinance.
- 2) As development commences in the area, additional park and recreation facilities shall be constructed based on park policies defined in the Park Master Plan and as specified in the Park Dedication Ordinance. The general planned locations and classifications of parks will ultimately serve residents from the current City limits and residents from areas being considered for annexation.

J) PUBLICLY OWNED FACILITIES

- 1) Any publicly owned facility, building, or service located within the annexed area, and not otherwise owned or maintained by another governmental entity, shall be maintained by the City of Celina on the effective date of the annexation.

K) OTHER SERVICES

- 1) Other services that may be provided by the City of Celina, such as municipal and general administration will be made available on the effective date of the annexation. The City of Celina shall provide levels of service, infrastructure, and infrastructure maintenance that are comparable to the levels of services, infrastructure, and infrastructure maintenance available in other parts of the City of Celina with similar topography, land use, and population density similar to those reasonably contemplated or projected in the area.

L) UNIFORM LEVEL OF SERVICES IS NOT REQUIRED

- 1) Nothing in this Service Plan shall require the City of Celina to provide a uniform level of full municipal services to each area of the City, including the annexed areas, if different characteristics of topography, land use, and population density are considered a sufficient basis for provided different levels of service. The City Council finds and determines that this Service Plan will not provide any fewer services, and it will not provide a lower level of services, than were in existence in the annexed area at the time immediately preceding the annexation process.
- 2) The City of Celina’s codes, ordinances, regulations and policies that apply throughout the City may be reviewed at City Hall and at <http://www.franklinlegal.net/codes.html>.

M) TERM

- 1) This Service Plan shall be valid for a term of ten (10) years. Renewal of the Service Plan shall be at the discretion of the City Council and must be approved by ordinance.

N) AMENDMENTS

- 1) This Service Plan may be amended if the City Council determines at a public hearing that changed conditions or subsequent occurrences make this Service Plan unworkable or obsolete. The City Council may amend the Service Plan to conform to the changed conditions, subsequent occurrences or any other legally sufficient circumstances exist pursuant to the LGC or other Texas or Federal laws that make this service plan unworkable, obsolete or unlawful.

O) CONFLICTS; NO WAIVER

In the event of a conflict between this Service Plan and any development agreement governing the property annexed (the "Development Agreement"), the Development Agreement shall control. Nothing in this Service Plan shall waive any of the rights or obligations of the parties to the Development Agreement.

Entered into this ___ day of _____, 20__.

CITY OF CELINA

By: _____

Name: _____

Title: City Manager

Date: _____

Exhibit C
Description of Open Space Property

DRAFT