

AFTER RECORDING, RETURN TO:

City Secretary
City of McKinney
P.O. Box 517
222 N. Tennessee Street
McKinney, Texas 75069

STATE OF TEXAS §
§
COUNTY OF COLLIN §

DEVELOPMENT AGREEMENT
(Three-Year Ad Valorem Tax Reimbursement)

This Development Agreement ("Agreement") is made and entered into as of this ____ day of _____, 2017, ("Effective Date") by and between the City of McKinney, Texas, ("City") and _____ (hereinafter referred to as "Owner," whether one or more) on the terms and conditions hereinafter set forth.

WHEREAS, Owner owns approximately _____ acres, more or less, situated in the _____ Survey, Abstract No. _____, Collin County, Texas, as is more particularly described in Exhibit "A," attached hereto and incorporated herein for all purposes allowed by law ("Property"); and

WHEREAS, the City desires to involuntarily annex certain lands including the Property; and

WHEREAS, the City has offered to reimburse the Owner for certain *ad valorem* tax payments made to the City by Owner, in consideration for which the Owner agrees to enter into this Agreement and waive and withhold any and all objections to annexation; and

WHEREAS, the City does not make any guarantee as to the Property retaining any specific tax status or classification, as such tax classifications are determined by the Central Appraisal District of Collin County and not by the City; and

WHEREAS, this Agreement is entered into pursuant to Section 212.172 of the Texas Local Government Code, in order to resolve any Owner objections to annexation; and

WHEREAS, the Owner and the City acknowledge that this Agreement is binding upon the City and the Owner and their respective successors and assigns for the Full Term (as defined in Section 3 of this Agreement); and

WHEREAS, this Development Agreement is to be recorded in the Real Property Records of Collin County;

NOW, THEREFORE, in consideration of the mutual benefits and premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and Owner agree as follows:

1. Land Subject to Agreement. The land that is subject to this Agreement is the Property. Owner represents that it is the sole owner of the Property.

2. All Owners of the Property are Parties to this Agreement. The Owner acknowledges that each and every owner of the Property shall sign this Agreement in order for the Agreement to take full effect, and **the Owner who signs this Agreement covenants and agrees, jointly and severally, to indemnify, hold harmless, and defend the City against any and all legal claims, by any person claiming an ownership interest in the Property who has not signed the Agreement, arising in any way from the City's reliance on this Agreement.**

3. Term. This Agreement is an agreement authorized by Section 212.172 of the Texas Local Government Code. This Agreement is effective as of the date that both the City and the Owner have duly approved, executed and delivered this Agreement. The term of this Agreement shall be from November 7, 2017 to April 1, 2021.

4. Reimbursement of Ad Valorem Taxes. City agrees that City shall reimburse to Owner that portion of the *ad valorem* taxes assessed on Owner's Property by the City over the next three (3) tax years, save and except any roll-back taxes assessed against the Property during that period. **The Owner's Property will not be assessed ad valorem taxes by the City for Tax Year 2017. The three (3) Tax Years covered by this Agreement are Tax Years 2018-2020.** Any reimbursement of such *ad valorem* taxes assessed against the Property by the City is specifically subject to: (1) Owner's continued ownership of the Property; and (2) Owner's payment of the City's portion of the *ad valorem* taxes on the Property. It is specifically understood and agreed that rollback taxes arising out of the change in use of the Property by the Owner are excluded from this reimbursement process. City agrees to pay Owner *ad valorem* tax reimbursements for the applicable Tax Years on March 1, 2019, March 1, 2020 and March 1, 2021 for City *ad valorem* taxes paid on Owner's Property.

5. Owner's Consent to Annexation. Owner agrees that the Owner will not in any manner object to, oppose, or contest any annexation of the Property or any portion thereof initiated by the City. In connection with annexation pursuant to this section, the Owner hereby waives any vested rights Owner may have under Section 43.002(a)(2) and Chapter 245 of the Texas Local Government Code that would otherwise exist by virtue of any plat or construction the Owner may initiate during the time prior to the execution of this Agreement and extending through the institution of annexation proceedings by the City.

The Owner, and all of the Owner's heirs, successors and assigns, agrees that the annexation of the Property shall be conclusively presumed voluntary and the Owner hereby consents to such annexation as though a petition for such annexation had been tendered by the Owner with the consent of all appropriate and necessary persons and entities. As an express condition to City's right to annex the Property, the City must approve a service plan to provide full municipal services to any portion of the Property annexed in the manner set forth in Chapter 43.056 of the Texas Local Government Code, as such provisions exist as of the effective date of this Agreement. The Owner further agrees that the Owner will not in any manner contest any annexation of the Property or any portion thereof initiated by the City.

6. Default. If any party breaches any of the terms of this Agreement, then that party shall be in default ("Defaulting Party") of this Agreement ("Event of Default"). If an Event of Default occurs, the non-defaulting party shall give the Defaulting Party written notice of such Event of Default, and if the Defaulting Party has not cured such Event of Default within thirty (30) days of said written notice, this Agreement is breached. Each party is entitled to all remedies available to it at law or in equity.

7. Notice. Any notice required or permitted to be delivered hereunder shall be deemed to be delivered, whether or not actually received, when deposited in the United States Mail, postage pre-paid, certified mail, return receipt requested, addressed to either party, as the case may be, at the addresses contained below:

City: City of McKinney
P.O. Box 517
222 N. Tennessee Street
McKinney, Texas 75069
Attn: City Manager

With copy to: Mark S. Houser, City Attorney
Brown & Hofmeister, L.L.P.
740 E. Campbell Road
Suite 800
Richardson, Texas 75081

Owner: **NAME**
ADDRESS
CITY, STATE ZIP

8. Miscellaneous.

(a) Agreement Runs With the Property. This Agreement shall run with the Property and shall be binding on and inure to the benefit of the Owner's successors and assigns.

(b) Entire Agreement. This Agreement contains the entire agreement of the parties with respect to the matters contained herein and may not be modified or terminated except upon the mutual written agreement of the parties hereto.

(c) Venue. This Agreement shall be construed in accordance with the laws of the State of Texas and shall be performable in Collin County, Texas. Exclusive venue shall be in Collin County, Texas.

(d) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.

(e) Savings/Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held by a court of competent jurisdiction 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 construed as if such invalid illegal or unenforceable provision had never been contained herein.

(f) Subsequent Statutory Changes. Unless specifically citing its retroactive effect, no subsequent change in the law regarding annexation shall affect the enforceability of this Agreement or the City's ability to annex the properties covered herein pursuant to the terms of this Agreement.

(g) No Chapter 245 Permit. Pursuant to Section 43.035(e) of the Texas Local Government Code this Agreement, and any requirement contained in this Agreement, shall not constitute a "permit" as defined in Chapter 245 of the Texas Local Government Code. **THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.**

IN WITNESS WHEREOF, the parties have executed this Agreement and caused this Agreement to be effective on the latest date as reflected by the signatures below.

CITY OF MCKINNEY

By: _____
PAUL G. GRIMES
City Manager

Date Signed: _____

ATTEST:

SANDY HART, TRMC, MMC
City Secretary
DENISE VICE, TRMC
Assistant City Secretary

OWNERS:

By: _____
[OWNER NAME]

Date Signed: _____

By: _____
[OWNER NAME]

Date Signed: _____

THE STATE OF TEXAS §
COUNTY OF COLLIN §

Development Agreement
(Three-Year Ad Valorem Tax Reimbursement)
Name

BEFORE ME, the undersigned authority, in and for said County, Texas, on this day personally appeared **PAUL G. GRIMES**, City Manager of the City of McKinney, a Texas Municipal Corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he has executed the same on CITY's behalf.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE _____
DAY OF _____, 20____.

Notary Public _____ County, Texas
My commission expires _____

THE STATE OF TEXAS,
COUNTY OF _____

This instrument was acknowledged before me on this day by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes set forth therein.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE _____
DAY OF _____, 20____.

Notary Public _____ County, Texas
My commission expires _____

THE STATE OF TEXAS,
COUNTY OF _____

This instrument was acknowledged before me on this day by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes set forth therein.

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DAY OF _____, 20____.

Notary Public _____ County, Texas
My commission expires _____

TEMPLATE

Exhibit "A"
Description and Depiction of Property

TEMPLATE