

MAINTENANCE REIMBURSEMENT AGREEMENT

This Maintenance Reimbursement Agreement (“Agreement”) is entered into as of January 1, 2015 by and among the **CITY OF MCKINNEY**, a Texas municipal corporation (the “City”), **NEWLAND COMMUNITIES** (“Stonebridge”), and **STONEBRIDGE RANCH COMMUNITY ASSOCIATION, INC.** (the “Association”).

RECITALS

- A. Stonebridge, as the owner of undeveloped areas of Stonebridge Ranch, is the “Developer” under that certain Development Agreement executed between the City and Gibraltar Savings Association dated as of January 21, 1986, as amended (the “Development Agreement”).
- B. In separate agreements between the Association and Stonebridge’s predecessor, the Association assumed certain maintenance obligations with respect to those areas described in Section VIII(A)(2) of the Development Agreement (the “Maintenance Obligations”).
- C. The parties desire to enter into this Agreement to describe the City’s financial contributions with respect to the Maintenance Obligations.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and or other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City, the Association, and Stonebridge hereby agree as follows:

- 1. Term. The term of this Agreement shall be from January 1, 2015 through December 31, 2016.
- 2. City’s Obligations. The City acknowledges that on or about December 31, 1993 issued certificates of occupancy for 1,051 dwelling units within the Stonebridge Ranch Development. As a result, the City is responsible to perform the Maintenance Obligations.
- 3. Association’s Obligations. In consideration of sums payable by the City as set below, except for maintenance of the hike-and-bike trails, the Association shall continue to perform the Maintenance Obligations during the term of this Agreement. The City shall maintain the concrete surface and sub-base of the hike-and-bike trails. Any maintenance issue not governed by Section VIII(A)(2) of the Development Agreement shall be governed by applicable ordinances of the City.
- 4. Payment. As payment for the Association performing the Maintenance Obligations during the term of this Agreement, the City shall pay to the Association the total annual sum of \$187,405.00 payable as follows:

March 31	\$46,851.25
June 30	\$46,851.25
September 30	\$46,851.25
December 31	\$46,851.25

5. Maintenance Standard. The Association shall maintain the facilities and areas subject of this Agreement to a level equivalent to current maintenance standards. Included therein are the requirements of mowing, watering, fertilizing, pruning, planting, replanting, and erosion control. This list is not exhaustive but is merely illustrative. The parties agree to hold semi-annual meetings to evaluate maintenance issues and to address continued conservation of resources. Stonebridge Ranch shall support and promote the central objectives of the City of McKinney's water conservation plan to reduce water waste and improve efficient water. Rain and freeze sensors capable of multiple programming will be used in all new irrigation installations, and retrofitting existing systems with such sensors shall continue. Reasonable efforts to prevent irrigation spray on impervious surfaces and non-irrigated areas will be utilized. Stonebridge Ranch will adhere to all water restrictions during the City of McKinney's drought stages.

6. Association's Default. Should the Association fail to perform hereunder within a reasonable period of time and to the standards set forth herein, the City may initiate maintenance (upon written notice outlining the default and providing a reasonable time period for cure based upon the nature of default) and deduct its actual costs (at actual hourly rates) in performing such maintenance from the next payment due

7. Miscellaneous.
 - a. Time. Time is of the essence of every term and provision in this Agreement in which time is an element.

 - b. Attorney's Fees. In the event that any action is instituted between the parties connection with this Agreement, the prevailing party, whether before the trial of fact or on appeal, shall be entitled to recover from the losing party all of the prevailing party's expenses, including costs, expert witness fees and reasonable attorney's fees.

 - c. Successors and Assigns. This Agreement shall be a binding one and shall inure to the benefit of the parties and their respective successors and assigns.

 - d. Counterparts. The parties may execute this Agreement in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

 - e. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Texas.

 - f. Further Assurances. The parties agree to take such further actions and to sign such further documents as may be reasonably necessary or appropriate to fulfill the intent of, and to complete the transactions described in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date written above.

**STONEBRIDGE RANCH COMMUNITY
ASSOCIATION, INC.**

By: _____

Printed Name: JON DELL'ANTONIA

Title: President

Date: _____

CITY OF MCKINNEY

By: _____

Printed Name: TOM MUEHLENBECK

Title: Interim City Manager

Date: _____

ATTEST:

SANDY HART, TRMC, MMC

City Secretary

DENISE VICE

Assistant City Secretary

Date: _____