

AFTER RECORDING, RETURN TO:

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

**City of McKinney, Texas  
ANNEXATION FACILITIES AGREEMENT  
BETWEEN  
THE CITY OF MCKINNEY, TEXAS  
AND  
INNOUT INVESTMENTS, LLC  
FOR THE  
POLLY A BOONE TRACT**

This ANNEXATION FACILITIES AGREEMENT for approximately 39.90 acres of land situated between the east side of State Highway 5 (McDonald Street) and the west side of Fannin Road in an area approximately 550 feet north of County Road 278, entered into effective the \_\_\_\_ day of \_\_\_\_\_, 2021, by and between the **CITY OF MCKINNEY**, a Texas municipal corporation and home-rule city ("CITY"), and **INNOUT INVESTMENTS, LLC**, a Texas limited liability company, whose address is 8765 Stockard Drive, Suite 501, Frisco, Texas, 75034, and who is the present owner of the subject property at the time of annexation into the City of McKinney, ("OWNER"), witnesseth that:

WHEREAS, the OWNER is the owner of certain real property located within the extraterritorial jurisdiction of the CITY; and

WHEREAS, the OWNER has requested the City Council to approve the annexation of the Property; and

WHEREAS, the physical location of the Property and the lack of adequate roadway and utility facilities to serve the Property demonstrate that infrastructure improvements will likely be required as a condition to development in the future; and

WHEREAS, OWNER understands that prior to record platting the Property the CITY's development standards and ordinances will require the then Owner and/or any Developer to fund and construct certain roadway and utility improvements, as set forth in the CITY's Subdivision Ordinance, that are necessitated by the development of the Property and a general statement of such required public improvements (based on existing conditions) is outlined herein; and

WHEREAS, a Construction Facilities Agreement specific to the then proposed use of the Property may be required at such time as development of the Property begins which may supersede or amend this Agreement by setting forth in detail the public improvements that will be required for the Property and until such occurrence all applicable ordinances and the terms of this Agreement shall govern the Property's development and provide notice to the OWNER of the CITY's development requirements; and

WHEREAS, the OWNER, together with the OWNER's grantees, assigns, successors, trustees and all others holding any interest now or in the future, agree and enter into this Agreement which shall operate as a covenant running with the land and be binding upon the OWNER, his representatives, grantees, assigns, successors, trustees and all others holding any interest now or in the future.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein the OWNER and CITY agree as follows:

A. PROPERTY

This Agreement is for approximately 39.90 acres of land located in the extraterritorial jurisdiction (however, the subject of a pending annexation proceeding) of the City of McKinney, along the east side of State Highway 5 (McDonald Street) and the west side of Fannin Road in an area approximately 550 feet north of County Road 278, and is more fully described in Exhibit "A" attached to this Agreement which is fully incorporated herein by reference (the "Property").

B. ANNEXATION.

It is specifically understood and agreed that the Property is outside the CITY's corporate limits and that the CITY has not identified the Property in its Annexation Plan. It is also specifically understood and agreed that but for the OWNER's petition requesting the Property be annexed into the CITY's corporate limits the Property would remain outside the CITY's corporate limits and within the CITY's extra-territorial jurisdiction. It is further understood and agreed that the CITY does not currently have public improvements in place to serve the Property. It is also understood and agreed that the CITY does not have any plans to improve or construct the roadways, extend the water, sanitary sewer and storm sewer lines, and construct the parks necessary to serve the Property. Neither does the CITY have the funds budgeted or otherwise available or projects and bonds approved by the voters to provide the public improvements necessary to serve the Property. **The OWNER acknowledges that the Property is within the CITY's extra-territorial jurisdiction and represents to the CITY that the OWNER has not engaged in any discussions or negotiations with any other city or town seeking to have the Property annexed into the extra-territorial jurisdiction or corporate limits of any municipality or town save and except the CITY. The**

**OWNER specifically understands and agrees that the CITY shall have no obligation to design, extend, construct and provide the public improvements necessary to serve the Property and that should OWNER desire to develop the Property prior to the time that adequate public improvements are on or adjacent to the Property, it shall be the OWNER'S responsibility and obligation to design, extend and construct such public improvements. The OWNER does hereby, in exchange for the annexation of the Property, waive and hold harmless and agree to indemnify the CITY from and against any and all claims or demands that the CITY design, extend, construct and provide the public improvements necessary to serve the Property.**

#### C. ZONING & PLATTING

The Property shall be zoned and platted, if required by applicable ordinance or state law, in accordance with the CITY's Zoning Ordinance and Subdivision Ordinance, then in force, before any Development Permit or Building Permit will be issued for the development of the Property.

#### D. PUBLIC IMPROVEMENTS

All public improvements, including utilities, drainage structures and easements, roadways, sidewalks, hike and bike trails, street lighting, street signage, rights-of-ways, parkland dedication and all other required improvements and dedications shall be constructed and provided to the CITY by the OWNER, at no cost to the CITY, in accordance with the CITY's Ordinances which are then in effect. The following provides a general description of the minimum construction requirements for roadways and utilities which, under current conditions, would be required by OWNER as a condition to development of the Property (subject to the City's approval of phases or partial development):

1. Traffic Impact Analysis. At the time of development, and prior to platting the Property and the issuance of any development permits for the Property the OWNER shall cause a Traffic Impact Analysis ("TIA") to be performed by a professional engineer acceptable to the CITY to determine capacity in and on the roadways in the vicinity of the Property and the ability of such roadways to support the traffic that will be generated by the OWNER's proposed development of the Property. Such TIA shall also identify the offsite roadway improvements that must be constructed at a minimum to serve the OWNER's proposed development of the Property in accordance with the CITY's Street Design Standards, then in effect.

The TIA shall be performed at no cost to the CITY and will be subject to review and approval by the CITY Engineer. The TIA will also be subject to review and approval by the Texas Department of Transportation ("TxDOT") if a TxDOT controlled roadway is involved. The CITY Engineer shall have the right to require the OWNER to perform additional TIA(s), at no cost to

the CITY, if a significant amount of time has passed between the date the previous TIA was performed and the date the Property development commences or if the proposed development of the Property changes from the development assumptions contained in the prior TIA or if in the opinion of the CITY Engineer some other change in conditions has occurred which merits re-evaluation of an earlier TIA.

2. Off-site Roadway Level of Service. The OWNER of the Property must maintain the greater of the then current Level of Service (“LOS”) on the roadway system serving the Property or Level of Service “D” on the roadways between the Property and the nearest major roadway based on the anticipated traffic routes from/to the Property as approved by the CITY Engineer. A major roadway is defined as an improved 4 lane divided roadway (“Arterial Roadway” classification as defined by CITY), TxDOT maintained roadway, or US Highway (i.e., US 75 and US 380).
  - (a) The OWNER will be required to obtain and dedicate to the CITY, at no cost to the CITY, all rights-of-way and easements as may be necessary to construct any off-site roadway improvements identified on the TIA as being necessary to serve the OWNER’s proposed development of the Property.
  - (b) The OWNER will also be required to construct, at no cost to the CITY, any off-site roadway improvements that are identified on the TIA as being necessary to serve the OWNER’s proposed development of the Property in accordance with the CITY’s Street Design Standards, then in effect, or as may be otherwise agreed by the CITY.
  - (c) The CITY may, in its sole discretion, enter into a separate agreement with the OWNER that will allow the OWNER to fulfill its obligations under this Paragraph No. D(2) and also allow the CITY to make any additional roadway improvements that the CITY determines should be made in coordination with the OWNER’s off-site roadway improvements and which additional CITY roadway improvements are not identified in the TIA as being necessary to or required by the development of the Property.
  - (d) The OWNER must provide all appropriate documentation regarding the necessary rights-of-way and off-site roadway construction to the CITY Engineer for approval.
3. Right-of Way Dedication. The OWNER shall dedicate to the CITY, at no cost to the CITY, that amount of right-of-way along perimeter roadways adjacent to the Property which will yield at least one-half (½) of the ultimate right-of-way width that is not already dedicated by plat or legal instrument as road right-of-way, at such time as development occurs. If a Master Plan

roadway is situated on or across the Property the OWNER shall dedicate to the CITY the full right-of-way for such Master Plan roadway at such time as development occurs. The CITY will compensate the OWNER for that portion of the Master Plan roadway right-of-way that is so dedicated and which is not roughly proportionate to the impact the development of the Property will have on the CITY's roadway system. The OWNER shall dedicate all right-of-way for the interior streets serving the Property at the time of development. The OWNER shall also dedicate all easements necessary for construction and safety purposes for roadways on the Property and perimeter roadways adjacent to the Property as required herein-above. The final alignment of right-of-way dedications shall be consistent with the CITY's Thoroughfare Development Plan and as approved by the CITY Engineer.

4. Roadway Plan Approval. All roadway construction plans shall be approved by the CITY's Engineer or his agent prior to approval of a Development Permit for any portion of the Property.
5. Roadway Construction. The OWNER shall construct, at no cost to the CITY, all required roadway improvements in accordance with the CITY's Subdivision Ordinance and Street Design Standards, then in effect. In addition to complying with the CITY's ordinance and standards, the OWNER shall also comply with TxDOT's standards and specifications when the roadway improvements are being made on along, about or to TxDOT roadways. In the event of a conflict between the CITY's requirements and TxDOT's requirements the OWNER shall comply with the more stringent of those requirements.
  - (a) Gravel and seal coat roadways are not acceptable.
  - (b) Roadways along the anticipated traffic routes must be reinforced concrete pavement with appropriate subgrade treatment all of which items must be approved by the CITY Engineer. The pavement on all such roadways must be designed for a minimum service life of twenty (20) years without the need for any major maintenance overhauls.
  - (c) A pavement analysis shall be performed by the OWNER, at no cost to the CITY, to determine the adequacy of the current pavement structure to handle the OWNER's projected traffic along with existing traffic volumes and recommendations by the OWNER must be made based upon the analysis for roadway improvements as needed. The OWNER shall create a pavement design to handle the expected traffic volumes and other criteria as determined by the circumstances surrounding the development of the Property and as approved by the CITY Engineer.

- (d) Additional roadway improvements may be required to maintain safe roadway conditions. The determination regarding what additional improvements may be necessary shall be based upon the engineering judgment of the CITY Engineer and good engineering practices criteria.
  - (e) If the CITY has a project to construct any of the roadways for which the OWNER is responsible, in whole or in part, the CITY and the OWNER may enter into a separate agreement whereby the OWNER is allowed, in the sole discretion of the CITY, to provide the CITY a cash escrow in an amount that will cover the OWNER's roughly proportionate obligation for construction of such roadway(s) in lieu of constructing said roadway improvements.
6. Utility Easement Dedication. The OWNER shall dedicate to the CITY, at no cost to CITY, that amount of easement across the Property as deemed necessary by the CITY Engineer to facilitate the construction of water and wastewater utilities as shown on the CITY's Master Plans for Water and Wastewater (hereafter referred to collectively as the "Master Plans") and as approved by the CITY Engineer. The final alignment of easement dedications shall be consistent with the City's Master Plans and as approved by the City Engineer.
7. Utility Plan Approval. All utility plans and improvements are subject to the approval of the CITY Engineer, and all utility lines shall be constructed of materials of a quality and grade meeting at least the minimum standards specified by the CITY's Engineering Department. Upon approval of all utility construction plans for the Property by the CITY Engineer, or his designee, the OWNER may develop in accordance with such approved plans.
8. Utility Construction. The OWNER shall construct, at his sole cost, all necessary utility lines up to twelve inches (12") in diameter to provide service to the Property in accordance with the CITY's standards or as required by the Master Plans, at such time as demand on the Property requires or concurrent with the development of the Property, as determined by the CITY. The OWNER shall also construct, at no cost to the CITY, all necessary utility lines to serve the interior of the Property; said lines shall be at least eight inches (8") in diameter or larger as demand of the development on the Property requires. In addition to the requirements stated herein, the OWNER shall construct any necessary off-site and/or oversized utility improvements up to the sizes shown on Master Plans and as per City of McKinney standards. In the event the proposed development of the Property requires utility improvements in excess of the CITY's minimum standards and Master Plans the OWNER shall construct any off-site and oversized utility improvements as may be required to serve the Property. No septic systems shall be permitted.

9. Hike and Bike Trail. To the extent that the CITY's Master Trail Plan shows a hike and bike trail along, across or adjacent to the Property, the OWNER shall, at no cost to the CITY, dedicate the easement or right-of-way for and construct all required concrete hike and bike trail improvements in accordance with the CITY's Subdivision Ordinance and Master Trail Plan. The hike and bike trail shall be tied in or connected to the CITY's trail system or to the location(s)/area(s) identified as planned future extensions of the trail system specifically including, but not limited to, school sites, parkland sites and planned connections to creek and river greenways. Final location and all hike and bike trail construction plans shall be subject to review and approval by the Director of Parks and Recreation. All hike and bike trail construction plans must be approved by CITY's Parks Director or his agent prior to approval of a Development Permit for any portion of the Property being developed.

#### E. PARKLAND

The OWNER shall dedicate required parkland, if any, concurrent with platting and development of the Property to provide for the recreational needs created by the development of the Property in accordance with the Subdivision Ordinance then in effect, or such other ordinance as may hereafter be adopted by the CITY regarding parkland dedication, and as determined by the CITY's Parks Department. The following provides a general description of the minimum requirements for parkland dedication which, under current conditions, would be required by OWNER as a condition to development of the Property (subject to the City's approval of phases or partial development):

1. Any parkland that the OWNER of the Property is required to dedicate to the CITY shall be shown on the plat of the Property as a fee simple conveyance to the CITY and shall be conveyed to the CITY by General Warranty Deed free of all liens and encumbrances, save and except the encumbrances affecting the Property at the time of the OWNER's acquisition thereof, and at no cost to the CITY. The OWNER shall also provide the CITY with an owner's title policy of insurance in an amount equal to the value of the land conveyed, which amount shall be determined by the CITY.
2. Subject to any waivers the CITY Council may grant for the conveyance of an amount of land in excess of the minimum park land dedication requirements, the OWNER shall also be responsible for, and pay the costs of, providing convenient access by improved streets and sidewalks, and providing adequate drainage improvements so that the parkland site is suitable for the purpose intended, and shall provide water, sewer and electrical utilities to the parkland site in accordance with the procedures applicable to other public improvements as specified in the Subdivision Ordinance of the CITY.

3. In the alternative and subject to the determination of the Director of the CITY's Parks Department all or part of the OWNER's parkland dedication requirements may be satisfied by the payment of money in lieu of land. The amount of cash to be paid in lieu of parkland dedication shall be determined based upon the Collin Central Appraisal District's most recent appraisal of all or part of the Property at the time the fees are paid for any future phase of development and shall be computed under the current ordinance requirement of one (1) acre of parkland dedication, outside of any floodplain on the Property, for each fifty (50) single-family residential lots.
4. If the CITY allows the Property to be developed in phases and approves the dedication of the parkland or cash in lieu of dedication in conjunction with the phasing of the Property's development, the OWNER shall dedicate parkland as the residential lots or school sites, if any, adjacent to the particular parkland areas are platted, unless requested by the Director of Parks and Recreation prior to such time in order to serve the development of the Property. The OWNER's payment of cash in lieu of dedication, if approved, shall be made in proportion to the number of residential lots being platted at the time each such phase is platted. In any event, all required parkland shall be dedicated or cash in lieu of dedication shall be paid to the CITY by the OWNER prior to the platting of the last phase of development of the Property. The OWNER shall not be allowed to file the plat for the last phase of the Property until the parkland dedication or cash payment is satisfied.
5. Any parkland the OWNER designates for dedication or dedicates to the CITY shall be left in its natural state unless previously agreed otherwise in writing by the CITY's Director of Parks and Recreation. In addition, such parkland shall not be used to provide topsoil for the development of the Property. Further, said parkland shall not be used for construction staging and/or storage or the operation and parking of vehicles. The parkland so designated for dedication or dedicated to the CITY shall not be used for the relocation of dirt from the Property or for fill unless the site must be altered for health and safety concerns and the placement of fill on the parkland is previously agreed to in writing by the CITY's Director of Parks and Recreation.

F. AVAILABILITY OF WATER AND WASTEWATER SERVICE IN THE FUTURE

The CITY makes no guarantee that water supply or wastewater treatment capacity will be available at any particular time or place, it being fully understood by both parties hereto that the ability of the CITY to supply water and wastewater services is subject to its contract with the North Texas Municipal Water District, a governmental agency and body politic and corporate, hereinafter referred to as "N.T.M.W.D.", and that this Agreement will only allow utilization of the CITY's water and wastewater system capacity when and if capacity is present and available from



the N.T.M.W.D. Notwithstanding the foregoing, the CITY will supply the development on the Property with water supply and wastewater treatment capacity if such capacity is present and available from N.T.M.W.D. The CITY shall be the sole judge of the availability of such capacity of water supply and/or wastewater services, provided, however, that the CITY will attempt to insure that said water supply and wastewater treatment capacity is available.

G. CITY DEVELOPMENT ORDINANCES

The OWNER shall develop the Property in accordance with the standards set forth in the CITY's Zoning, Subdivision and land development ordinances, including but not limited to provisions regarding drainage, erosion control, pro-rata payments, parkland dedication, storm water management, tree preservation, Street Design Standards, Public Improvements Policy and construction standards. The OWNER expressly acknowledges that by entering into this Agreement, the OWNER, its successors, assigns, vendors, grantees, and/or trustees, shall not construe any language contained herein or in any exhibits attached hereto as waiving any of the requirements of the CITY's Zoning Ordinance or Subdivision Ordinance or any other ordinance of the CITY, as applicable.

H. TREE ORDINANCE

OWNER expressly acknowledges the McKinney Tree Preservation Ordinance and the duty to develop the Property in accordance with the standards contained therein and any amendments to those standards.

I. STORMWATER

OWNER agrees to abide by all terms of the McKinney Storm Water Ordinance No. 2014-09-063, as amended.

J. PRO-RATA FEES

Off-site water and sewer facilities may be subject to either pro rata payments paid to third parties or reimbursements collected from third parties in accordance with City Ordinances. For any applicable off-site facilities in place as of the date of OWNER's development of the Property, the OWNER shall be responsible to pay applicable pro-rata fees in the amount of one-half ( $\frac{1}{2}$ ) of the actual construction and engineering costs of up to a twelve-inch (12") diameter pipe if off-site facilities have been constructed adjacent to the Property by the CITY or any other party prior to the date hereof and the OWNER utilizes such facilities for the Property. If, however, the water or sewer facilities are bounded on both sides by the Property then the OWNER shall be responsible to pay applicable pro-rata fees in the full amount of the actual construction and engineering costs of up to a twelve-inch (12") diameter pipe if the OWNER utilizes such facilities. Should the OWNER construct off-site water and sewer facilities such that pro-rata fees are due to the

OWNER, the CITY agrees to collect any fees due to the OWNER related to the construction of the line(s) as those properties utilizing such facilities are developed during the period of ten (10) years after OWNER's installation of such off-site water and sewer facilities. The OWNER shall submit final construction costs to the CITY for approval prior to final acceptance of the improvements for use in determining pro-rata fees to be collected on behalf of the OWNER.

The OWNER shall not be required to pay pro-rata fees for any major transmission line(s) that may be constructed upon, through, under, across or adjacent to the Property that merely transport(s) water or wastewater to or from a treatment facility and to which line(s) Owner is not permitted any right to tap or tie in to.

K. PROPORTIONALITY FEE

The OWNER, or the OWNER's successor(s)-in-interest (including a builder-owner), shall pay to the CITY a Proportionality Fee ("Fee") for development of the approximately 39.90 acres of the Property that is currently situated in the CITY's extraterritorial jurisdiction, which Fee represents a roughly proportional amount necessary to offset the roadway infrastructure capacity needs of the Property. The Fee shall be the equivalent of the roadway impact fee assessed in the adjacent (abutting) roadway impact fee service area (or that service area nearest to the Property if not adjacent) in effect at the time of building permit and shall be paid at the time of issuance of any building permits for any improvements on the Property. The OWNER, or the OWNER's successor(s)-in-interest (including a builder-owner), shall also pay (at the time of building permit issuance) to the CITY a water and wastewater proportionality fee in an amount equivalent to the then existing fee charged for a particular use in accordance with the CITY's utility impact fee ordinance.

In accordance with the methodology and provisions of the CITY's roadway impact fee ordinance, the OWNER shall receive credits for excess vehicle miles contributed by the OWNER (as such compare to the amount of vehicle miles of demand the entire Property creates) for right-of-way dedication and construction of on-site and adjacent roadways required by this Agreement. Such credits shall be issued to the OWNER only for construction of impact fee eligible system roadways, or roadways which become impact fee eligible system roadways, completed to CITY standards and accepted by the CITY. Upon completion by the OWNER and acceptance by the CITY of such on-site and adjacent roadways, the CITY shall issue credits to a credit pool in the OWNER's name that may be drawn down to pay Fees and roadway impact fees. Said credits shall not include the OWNER's individual costs for eminent domain, if any.

L. IMPACT FEES

If the CITY's Impact Fee Capital Improvement Plan is updated and the Property is designated as falling within a specific roadway service area and/or a specific utility

service area before the Property is developed, the Owner shall pay roadway impact fees and/or utility impact fees on the proposed development of the Property rather than paying the roadway proportionality fee and/or the water and wastewater proportionality fee discussed in Paragraph K, herein above. In such event, Impact fees for the Property shall be charged in accordance with Ordinance No. 2020-12-091 (Roadway) and Ordinance No. 2020-12-092 (Utility), and as these ordinances may be amended in the future. These fees shall be due upon the time established by these Ordinances save and except only to the extent any waiver of or variance from said Ordinances is granted by the CITY and is contained in a separate agreement between DEVELOPER and CITY which agreement shall supersede and control.

M. NO WAIVER

The OWNER expressly acknowledges that by entering into this Agreement, the OWNER, its successors, assigns, vendors, grantees, and/or trustees, shall not construe any language contained herein or in any Exhibits as waiving any of the requirements of the Zoning Ordinance or Subdivision Ordinance in force by the CITY, except as specifically herein agreed.

N. REVOCAION

In the event the OWNER fails to comply with any of the provisions of this Agreement, the CITY shall be authorized to revoke any and all Certificates of Occupancy that may have been previously issued in relation to the subdivision and/or development of the Property; and the CITY shall be further authorized to file this instrument in the records of Collin County as a Mechanic's Lien against the OWNER's property; and in the alternative, the CITY shall be authorized to levy an assessment against the OWNER's property for public improvements actually constructed by the CITY to be held as a tax lien against the Property by CITY.

O. RELATIONSHIP TO ROADWAY AND SEWER/WATER IMPACT FEES AND WAIVER OF CLAIMS.

**The OWNER has been represented by legal counsel in the negotiation of this Agreement and been advised, or has had the opportunity to have legal counsel review this Agreement and advise the OWNER, regarding the OWNER's rights under Texas and federal law. The OWNER hereby waives any requirement that the CITY retain a professional engineer, licensed pursuant to Chapter 1001 of the Texas Occupations Code, to review and determine that the exactions required by the CITY as a condition of approval for the development of this Property are roughly proportional or roughly proportionate to the proposed development's anticipated impact. (These exactions may include but are not limited to the making of dedications or reservations of land, the payment of fees, the construction of facilities, and the payment of construction costs for public facilities.) The OWNER**

specifically reserves its right to appeal the apportionment of municipal infrastructure costs in accordance with Tex. Loc. Gov't Code § 212.904. However, notwithstanding the foregoing, the OWNER hereby releases the City from any and all liability under Tex. Loc. Gov't Code § 212.904 regarding or related to the cost of those municipal infrastructure improvements required for the development of the Property.

It is the intent of this Agreement that the provision for roadway and utility improvements made herein constitutes a proportional financial allocation of the OWNER's responsibility for roadway and utility improvements for its Property and that the financial contribution, including the proportionality fee and in-kind construction of improvements made by the OWNER pursuant to this Agreement, are necessary and attributable to development of the Property. The financial obligation of the OWNER herein set forth shall relieve the OWNER of any obligation for roadway and water/sewer impact fees for the Property unless impact fees are applicable to this Property, or as otherwise provided herein above. The OWNER further waives any statutory or state constitutional takings claims under the Texas Constitution and Chapter 395 of the Tex. Loc. Gov't. Code, any federal constitutional claims, and any claims for reimbursement under any existing or future impact fee ordinances of the City of McKinney to the extent such claims are based on the OWNER's dedication, construction, or payment obligations under this Agreement. The OWNER further releases the CITY from any and all claims based on excessive or illegal exactions; it being agreed that the amount of the OWNER's infrastructure contribution proportionality fee (after receiving all contractual offsets, credits and reimbursements) is roughly proportional to the demand that is placed on the CITY's roadway and utility systems by OWNER's development. The OWNER further acknowledges that the benefits of annexation, zoning and platting have been accepted with full knowledge of potential claims and causes of action which may be raised now and in the future, and the OWNER acknowledges the receipt of good and valuable consideration for the release and waiver of such claims. The OWNER shall indemnify and hold harmless the CITY from and against any claims and suits of any third parties, including but not limited to OWNER's successors, assigns, grantees, vendors, trustees or representatives, brought solely pursuant to this Agreement and/or asserting the claims or types of claims described in this paragraph.

P. CONTINUITY

This Agreement shall be a covenant running with the land, and be binding upon the OWNER, its successors, heirs, assigns, grantees, vendors, trustees, representatives, and all others holding any interest now or in the future.

Q. ASSIGNMENT

This Agreement shall not be assignable by the OWNER without the prior written consent of the CITY, and such consent shall not be unreasonably withheld, conditioned or delayed.

R. TERMINATION AND RELEASE

Upon satisfactory completion by the OWNER and final acceptance by the CITY of all requirements of this Agreement, this Agreement shall terminate and the CITY will execute a release of covenant to the OWNER, its heirs, successors, assigns, grantees, vendors, trustees, representatives, and all others holding any interest now or in the future. This Agreement shall not terminate until the requirements of all parties have been fulfilled.

S. MAINTENANCE BOND

Prior to final acceptance of the public improvements to the Property, the OWNER shall furnish to the CITY a good and sufficient maintenance bond in the amount of fifteen percent (15%) of the contract price of such public improvements, or in such amount as approved by the City Engineer, with a reputable and solvent corporate surety, in favor of the CITY, to indemnify the CITY against any repairs arising from defective workmanship or materials used in any part of the construction of the public improvements to the Property, for a period of at least two (2) years from the date of final acceptance of such public improvements.

T. GENERAL PROVISIONS

1. The OWNER agrees that construction shall not begin on any proposed improvements to the Property prior to City Council approval of this Agreement.
2. The OWNER agrees that all coordination required with public and/or private utility agencies to eliminate conflicts with proposed street grades or underground improvements shall be the responsibility of the OWNER. Likewise, coordination with agencies requiring special conditions (i.e., railroads and the Texas Department of Transportation) shall be the responsibility of the OWNER.
3. It is understood that any obligation on the part of the CITY to make any refunds with respect to infrastructure improvements constructed within the Property shall cease, with respect to such improvements, on the tenth (10<sup>th</sup>) anniversary after the improvements are completed, inspected, and accepted by the CITY. Such 10-year period may be extended for good cause and agreed to in writing by the CITY and the OWNER.

4. This Agreement does not constitute a "permit" under Chapter 245 of the Texas Local Government Code and no "rights" are vested by this Agreement; however, nothing in this Agreement shall constitute a waiver by OWNER of any rights of OWNER under said Chapter 245 to the extent only that such rights may vest through some other application not related to the annexation of the Property.
5. Save and except to the extent specifically stated herein to the contrary, the Property shall be developed in accordance with the standards set forth in the City of McKinney Zoning, Subdivision and land development ordinances, including but not limited to provisions regarding drainage, erosion control, pro rata payments, tree preservation, Street Design Standards, Public Improvements Policy and construction standards.

CITY OF MCKINNEY

By: \_\_\_\_\_  
PAUL G. GRIMES  
City Manager

Date Signed: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
EMPRESS DRANE  
City Secretary  
JOSHUA STEVENSON  
Deputy City Secretary

INNOUT INVESTMENTS LLC  
a Texas limited liability company

By: \_\_\_\_\_  
Name: PRAVEEN BILLA  
Title: Owner

Date Signed: 01/10/2022

THE STATE OF TEXAS §  
COUNTY OF COLLIN §

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 \_\_\_\_\_, 2021.

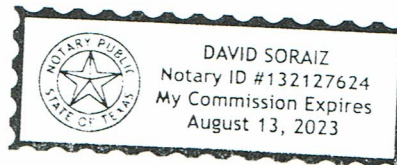
\_\_\_\_\_  
Notary Public \_\_\_\_\_ County, Texas  
My commission expires \_\_\_\_\_

THE STATE OF TEXAS §  
COUNTY OF Collin §

<sup>DS</sup>  
<sub>2022</sub> This instrument was acknowledged before me on the 10<sup>th</sup> day of January, 2021, by PRAVEEN BILLA, in his capacity as owner of INNOUT INVESTMENTS LLC, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that PRAVEEN BILLA is the Owner of INNOUT INVESTMENTS LLC, a Texas limited liability company, and that he executed the same on behalf of and as the act of INNOUT INVESTMENTS LLC.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE Tenth DAY OF January, 2021.

David Soraiz  
\_\_\_\_\_  
Notary Public Collin County, Texas  
My commission expires August 13, 2023

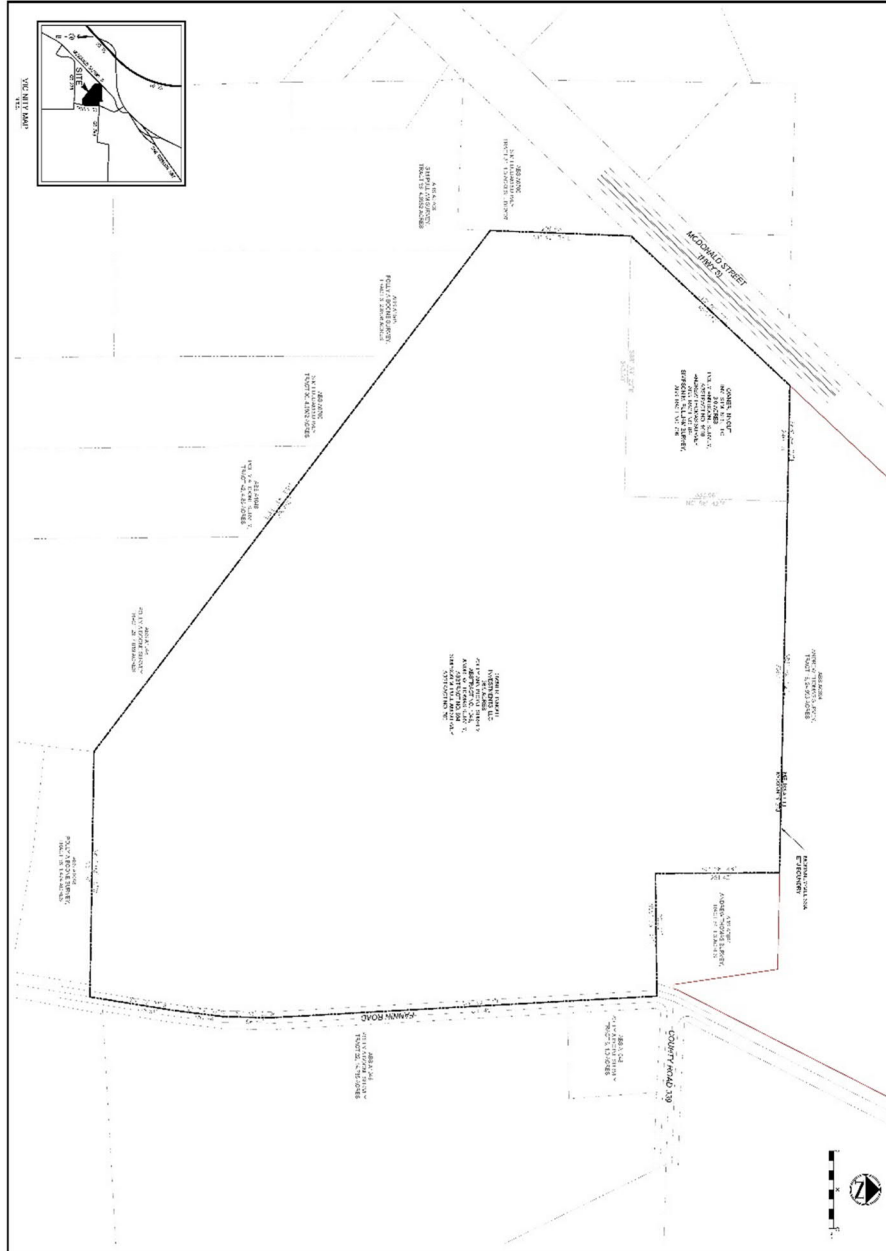


# EXHIBIT A

## DEPICTION AND DESCRIPTION OF PROPERTY

*(Containing Approximately 39.90 Acres of Land)*

*(Consisting of the following four pages.)*



<p><b>ANNEXATION EXHIBIT A</b>          PLANS DEVELOPED BY: APT &amp; CO          85-14 DONALD STREET          COLLIN COUNTY, TEXAS</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;">NO.</th> <th style="width: 15%;">DATE</th> <th style="width: 60%;">DESCRIPTION</th> <th style="width: 20%;">BY</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>05/20/12</td> <td>TO SURVEY</td> <td>AL</td> </tr> <tr> <td>2</td> <td>08/06/12</td> <td>REVISION</td> <td>AP</td> </tr> <tr> <td>3</td> <td>08/06/12</td> <td>REVISION</td> <td>AP</td> </tr> <tr> <td>4</td> <td>07/17/13</td> <td>FINAL SET</td> <td>AP</td> </tr> </tbody> </table>	NO.	DATE	DESCRIPTION	BY	1	05/20/12	TO SURVEY	AL	2	08/06/12	REVISION	AP	3	08/06/12	REVISION	AP	4	07/17/13	FINAL SET	AP	<p>SCALE: 1" = 40'</p> <p><b>TRIANGLE ENGINEERING LLC</b>          1000 WEST 11TH STREET, SUITE 100          FORT WORTH, TEXAS 76104          TEL: 817-335-1111 FAX: 817-335-1112          WWW.TRIANGLEENGINEERING.COM</p>
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6514 N. McDonald St.

Metes and Bounds Description: (3.000 Acres)

Being a tract of land, situated in Collin County, Texas, and being in the Andrew Thomas Survey, Abstract No. 894, and in the Polly Ann Boon Survey, Abstract No. 1048, and also in the Simpson M. Pulliam Survey Abstract No. 706, said tract being all of that called 3.0 acre tract of land, described by deed to Joe L. Sullivan, as recorded in Volume 5666, Page 2715, of the Deed Records, Collin County, Texas (D.R.C.C.T.), said tract being more particularly described as follows:

BEGINNING at a 1/2" iron rod found for the northwesterly corner of said 3.0 acre tract, some being the most southerly southwest corner of that called 33.487 acre tract, described by deed to Melissa 121-5 Partnership, as recorded under Document No. 20091015001274350, of the Official Public Records, Collin County, Texas (O.P.R.C.C.T.), said corner also being in the southeasterly monumented line of McDonald Street (State Highway No. 5);

THENCE South 88°11'38" East, along the common line between said 33.487 and 3.0 acre tracts, a distance of 240.17 to a point for corner, being the northeasterly corner of said 3.0 acre tract, some being the most northerly northwest corner of that called 34.976 acre tract, as described in Exhibit "A", by deed to Ross Orenduff, Jr., as recorded in Volume 3561, Page 210, D.R.C.C.T., from which a 1/2" iron rod with a plastic cap stamped "COLLIS" found bears, South 13°45'01" East, a distance of 0.67';

THENCE along the common line between said 3.0 and 34.976 acre tracts, the following courses and distances:

South 01°47'27" West, a distance of 333.96' to a 1/2" iron rod found for the southeasterly corner of said 3.0 acre tract;

North 88°11'38" West, a distance of 542.54' to a point for corner, being the southwesterly corner of said 3.0 acre tract, some being the most westerly northwest corner of said 34.976 acre tract, same also being the most northerly corner of a tract of land, described by deed to Thomas Randall Burns, as recorded under Document No. 20131127001591390, O.P.R.C.C.T., said point for corner also being in the aforementioned southeasterly monumented line of McDonald Street (State Highway No. 5), from which a 3/8" iron rod found bears, South 20°16'19" West, a distance of 1.79';

THENCE North 43°57'21" East, along the northwesterly line of said 3.0 acre tract, same being the southeasterly monumented line of McDonald Street (State Highway No. 5), a distance of 450.45' to the POINT OF BEGINNING and containing 3.000 acres of land, more or less.

Situated in the County of Collin, State of Texas, being a part of the Polly Ann Boon Survey, Abstract No. 1048, the Andrew Thomas Survey, Abstract No. 894, and the Simpson M. Pulliam Survey, Abstract No. 706, and being a part of the same tract of land described as 34.976 acres conveyed to Ross Orenduff, Jr. by Partition Deed dated May 16, 1991, recorded in Volume 3561, Page 210, Deed Records, Collin County, Texas, and also being a remaining portion of the same tract of land described as 80 acres, from which said 34.976 acre tract was severed, conveyed by Ross Orenduff, Sr. to Rodd Orenduff, Jr. et ux by deed dated January 25, 1960, recorded in Volume 562, Page 17, said Deed Records, and being more particularly described by metes and bounds as follows:

Beginning at a 1/2" steel rod found maintaining the Southwest corner of the said 34.976 acre tract and the Northerly angle corner of the same tract of land described as 8.551 acres and referred to as Tract 2 as conveyed by Kenneth Gracy and Karen Gracy to Steve Furlong and Judy Furlong by deed dated January 3, 2006, recorded in Volume 6084, Page 5006, Official Public Records, Collin County, Texas, in the East line of the same tract of land described as 1.300 acres conveyed by Thomas Randall Burns, as Independent Executor to Thomas Randall Burns and Glenda Jo Smith by deed dated November 26, 2013, recorded in Document No. 20131127001591390, said Official Public Records;

Thence North 01°49'33" East a distance of 296.57 feet to a metal corner post maintaining an angle point in the West line of the said 34.976 acre tract and the most Northerly corner of the said 1.300 acre tract in the East right-of-way line of State Highway No. 5, said post also being the Southwest corner of the same tract of land described as 3.0 acres previously severed from said 34.976 acre tract and subsequently conveyed by Andrea Lynette Peel and Keith Ernest Peel to Joe L. Sullivan by deed dated April 26, 2004, recorded in Volume 5666, Page 2715, said Official Public Records;

Thence North 88°59'22" East a distance of 543.50 feet to a 1/2" steel rod found maintaining the Southeast corner of the said Sullivan tract;

Thence North 00°58'42" East a distance of 333.96 feet to a 1/2" steel rod found maintaining the Northeast corner of the said Sullivan tract in the North line of the said 34.976 acre tract and South line of the same tract of land described as 33.487 acres conveyed by Trination Creative Investments to Melissa 121-5 Partnership by deed dated October 15, 2009, recorded in Document No. 20091015001274350, said Official Public Records;

Thence South 88°59'22" East with the South line of the said 33.487 acre tract a distance of 766.12 feet to a 1/2" steel rod found maintaining the most Northerly Northeast corner of the said 34.976 acre tract and the Northwest corner of the same tract of land described as 1.30 acres conveyed by Indo-American Investments - II to the City of McKinney, Texas by deed dated August 2, 1989, recorded in Volume 3103, Page 466, said Deed Records;

Thence South 00°28'48" East a distance of 261.43 feet to a 1/2" steel rod found maintaining the Southwest corner of the said 1.30 acre tract and an inside "L" corner to the said 34.976 acre tract;

Thence North 89°33'06" East a distance of 253.91 feet to a 1/2" steel rod found maintaining the most Easterly Northeast corner of the said 34.976 acre tract and the Southeast corner of the said 1.30 acre tract in County Road No. 388 and the West line of the same tract of land described as one acre conveyed by Dorothy L. Aycock to R&D Aycock, Ltd by deed dated December 18, 2001, recorded in Volume 5071, Page 3433, said Official Public Records;

Thence South 03°20'17" East entering and continuing with the general center of said road, passing the Southwest corner of the said one acre tract and the most Westerly Northwest corner of the same tract of land described as 14.735 acres conveyed by Bill A. Daniel et ux to Billy A. Daniel and Patricia R. Daniel, Trustees by deed dated October 29, 2010, recorded in Document No. 20101101001187740, said Official Public Records, and continuing for a total distance of 801.49 feet to an angle point;

Thence South 01°35'03" West continuing with said center of road a distance of 96.84 feet to an angle point;

Thence South 07°14'37" West continuing with said center of road a distance of 107.86 feet to an angle point;

Thence South 09°18'31" West departing the center of pavement of said road and continuing for a total distance of 176.61 feet to a P.K. nail found maintaining the Northeast corner of the same tract of land described as 1.474 acres conveyed by Shari L. Degan to Frank Rose et ux by deed dated December 14, 2012, recorded in Document No. 20121219001614540, said Official Public Records;

Thence North 89°02'45" West, passing a 1/2" steel rod found in the West line of said road at 24.87 feet and continuing for a total distance of 501.78 feet to a 1/2" steel rod found maintaining the most Southerly Southwest corner of the said 34.976 acre tract, the Northwest corner of the said Rose tract, and the Northeast corner of the same tract of land described as 7.019 acres conveyed by Erin Smoyer and Daniel Smoyer to Floy William Spaulding et ux by deed dated December 22, 2011, recorded in Document No. 20111229001405400, said Official Public Records;

Thence North 52°44'33" West with the Southwest line of the said 34.976 acre tract and the North line of the said Spaulding tract, the North line of the same tract of land described as 4.255 acres conveyed by Craig W. Farmer et ux to Joan K. Norwood et vir by deed dated July 26, 2007, recorded in Document No. 20070809001108810, said Official Public Records, the North line of the same tract of land described as 4.86 acres conveyed by Roger A. McCranie et ux to Kathleen K. Baird by deed dated August 18, 2006, recorded in Document No. 20060823001211160, said Official Public Records, and the North line of the said Furlong tract for a total distance of 1357.89 feet to the Point-of-Beginning and containing 36.9 acres of land, more or less.