

AFTER RECORDING, RETURN TO:

City Secretary  
City of McKinney  
P.O. Box 517  
401 E. Virginia Street  
McKinney, Texas 75069

**City of McKinney, Texas**  
**ANNEXATION AND DEVELOPMENT AGREEMENT**  
**For**  
**Approximately 37.879 Acres of Land**  
**South Side of FM 1461 in an Area North of CR 163 and**  
**Generally Northeast of Highland Lakes Subdivision**  
**Owned by Sheryl Lynn Bates**

This ANNEXATION AND DEVELOPMENT AGREEMENT ("Agreement"), is entered into pursuant to Chapter 43 and Section 212.172 of the Texas Local Government Code and Article 3 of the Unified Development Code of the City of McKinney, Texas ("UDC"), contained in Chapter 150 of the Code of Ordinances, City of McKinney, Texas ("McKinney Code") effective the day of \_\_\_\_\_, 202\_, by and between the **CITY OF MCKINNEY**, a Texas municipal corporation and home-rule city ("CITY"), and **SHERYL LYNN BATES, individually and as TRUSTEE OF THE BATES MARITAL EXEMPT TRUST**, whose address is 4660 CR 1006, McKinney, Texas 75071, being the present owner of the subject property at the time of the execution of this Agreement ("OWNER"), witnesseth that:

WHEREAS, OWNER owns certain real property located within the extraterritorial jurisdiction ("ETJ") of the CITY that is more particularly described herein below and identified as the "Property"; and

WHEREAS, OWNER has voluntarily requested that the CITY acting by and through its City Council annex the Property into the CITY's corporate limits; and

WHEREAS, OWNER understands that the:

- (1) OWNER is not required to enter into this Agreement; and
- (2) CITY may only annex the Property in accordance with the requirements of Tex. Loc. Gov't Code Chapter 43; and
- (3) CITY's annexation of the Property requires the consent of OWNER; and

WHEREAS, OWNER intends to develop the Property as a residential single-family development consisting of up to approximately 170 single-family residential dwelling units as further described in this Agreement, and the Property the Property shall conform to the development regulations of the City's R5 Residential zoning district described in this Agreement; and

WHEREAS, OWNER and the CITY have entered into this Agreement pursuant to the authority provided by Chapter 43 and Section 212.172, *et seq.*, of the Texas Local Government Code; and

WHEREAS, OWNER and the CITY have entered into this Agreement to allow the CITY to annex the Property into the CITY's corporate limits as soon as allowed by Texas law; 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(s) and/or any Developer(s) 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 subsequent 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 OWNER of the CITY's development requirements; and

WHEREAS, OWNER, together with 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 OWNER, its representatives, grantees, assigns, successors, trustees and all others holding any interest in the Property now or in the future.

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

A. INCORPORATION OF RECITALS

The Recitals set forth above, are hereby approved and incorporated into the body of this Agreement as if copied in their entirety.

B. PROPERTY

This Agreement is for a tract of land containing approximately 37.979 acres of land, more or less, located in the ETJ of the City of McKinney, in an area situated on the south side of FM 1461 in an area north of CR 163 and generally northeast of the Highland Lakes subdivision, and is more fully described in Exhibit "A" attached hereto and fully incorporated herein by reference for all purposes allowed by law (the "Property").

C. ANNEXATION AND COVENANT RUNNING WITH THE LAND

1. It is specifically understood and agreed that the Property is outside the CITY's corporate limits and within the ETJ. **OWNER has voluntarily requested that the CITY annex the Property identified in Exhibit A into the CITY's corporate limits for all purposes allowed by law, subject to the terms of this Agreement. In the event of any conflict between this Agreement and any annexation services agreement or service plan for the Property, this Agreement shall control**
2. It is also specifically understood and agreed that but for 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 ETJ.
3. OWNER and the CITY hereby specifically agree that the entirety of the Property shall be annexed into the CITY's corporate limits as soon as permissible by applicable law; and, that this obligation to annex the Property shall constitute and thereafter be a covenant running with the land.
4. OWNER and OWNER's respective successors, assigns, and heirs shall hereafter notify every purchaser of all, or any part, portion, tract, or lot situated within and about the Property of this covenant running with the land to annex the Property into the CITY's corporate limits.
5. It is further understood and agreed that the CITY does not have public improvements in place to serve the Property and/or the proposed development of the Property. It is also understood and agreed that the CITY does not have any plans to improve or construct the roadways, extend all of 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.

6. **OWNER acknowledges that the Property is within the CITY's extra-territorial jurisdiction and represents to the CITY that 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. 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 OWNER's responsibility and obligation to design, extend and construct such public improvements.**
7. **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. In addition, OWNER hereby waives any vested rights they may otherwise have under Section 43.002(a)(2), Section 212.172(g), and Chapter 245 of the Texas Local Government Code to develop the Property in whole or in part in any manner that conflicts with the provisions of this Agreement.**

**D. ZONING, PLATTING, AND DEVELOPMENT**

1. It is hereby agreed by and between OWNER and CITY pursuant to Tex. Loc. Gov't Code § 212.172(b) that until such time as the Property is annexed into the corporate limits of the CITY, the Property shall be developed in accordance with the following requirements:
  - a. All uses of land within, upon, over, across, and about the Property shall conform to, comply with, and be limited to those permitted uses and space limits allowed in Section 204.H "R5 - Residential," of the UDC; and
  - b. The Property and all proposed development on the Property shall be platted, if required by applicable ordinance or state law, in accordance with Article 3 of the UDC (hereinafter referred to as the "Subdivision Regulations") and Engineering Design Manual, and Standard Details for Construction together with any variances thereto, then in force, before any Development Permit will be issued by CITY for the development of the Property; and
  - c. The Property and all development on the Property shall also be subject to all other requirements of the UDC and McKinney Code, specifically including, but not limited to, Chapter 42, "Fire Prevention

and Protection,” Chapter 90, “Streets and Sidewalks,” Chapter 94, “Standards for Public Swimming Pools, Spas, and Public Interactive Water Features and Fountains,” Chapter 110, “Utilities,” Chapter 122, “Construction Regulations,” Chapter 130, “Land Development Regulations,” and Chapter 138, “Special Use Regulations,” save and except that all building permits will be obtained by and through Collin County, Texas until such time as the Property is annexed into the CITY’s corporate limits; and

- d. In accordance with Section 309 of the UDC, OWNER shall dedicate parkland to the CITY or pay money in lieu of dedicating land, as further explained in Paragraph F below; and,
- e. All rights-of-ways and easements necessary to serve the Property shall be obtained by OWNER and dedicated to CITY at no cost to CITY in a form acceptable to CITY; and
- f. All public improvements including but not limited to roadways, water lines, storm water lines, and sanitary sewer lines shall be designed and constructed by OWNER at no cost to CITY, subject to the availability of any offsets or credits, and permitted, and inspected by CITY in strict accordance with the requirements of the McKinney Code and as further explained in Paragraph E below; and
- g. All buildings, structures, and site improvements shall be designed and constructed by OWNER in strict accordance with the requirements of the McKinney Code; and
- h. OWNER further agrees that OWNER, and her successors, heirs and assigns shall pay fees to Collin County, Texas and obtain permits and inspections from Collin County, Texas for all buildings, structures, and related appurtenances thereto designed, constructed and installed on the Property until such time as the Property is annexed into the CITY’s corporate limits; and
- i. OWNER also agrees that OWNER shall, following the approval by Collin County, Texas of each requested building permit, submit the Collin County approved site plan / plot plan showing the building setbacks (in accordance with the standards required by this Agreement) in the submittal package for any water meter request to the CITY; and
- j. OWNER hereby agrees that OWNER shall make any required modifications to the above-referenced approved site plan / plot plan that may be identified by CITY as being necessary to comply with the setback requirements of the McKinney Code, and that any failure by

OWNER to so act shall empower and authorize the CITY to withhold approval of the issuance of requested water meters until corrected or cured.

2. It is hereby agreed by and between OWNER and CITY pursuant to Tex. Loc. Gov't Code § 212.172(b) that upon the annexation of the Property into the corporate limits of the CITY, the Property shall be zoned "R5 - Residential", and as amended, per Section 204.H, of the UDC, and the Property shall conform to the supplemental development regulations of the City's R5 - Residential zoning district.
3. Any additional or further development or redevelopment of the Property following the annexation thereof shall also be platted, if required by applicable ordinance or state law, in accordance with the UDC and Engineering Design Manual, and Standard Details for Construction together with any variances thereto, then in force, before any Development Permit or Building Permit will be issued for the development of the Property.

E. PUBLIC IMPROVEMENTS

All public improvements necessary to serve the Property, including utility lines, drainage structures and lines, easements, roadways, sidewalks, hike and bike trails, street lighting, street signage, rights-of-ways, parkland dedication (or fees in lieu thereof) and all other required improvements and dedications shall be designed, constructed and provided to the CITY by OWNER, at no cost to the CITY, in accordance with the UDC and all other applicable provisions of the McKinney Code which are then in effect.

F. CONVEYANCE OF LAND FOR RECREATIONAL AREAS & FACILITIES

OWNER shall comply with the parkland dedication requirements contained in Article 3, Section 309 of the UDC, as may be amended from time to time, which as a condition of subdivision development may require OWNER to dedicate land for parks or pay a fee in lieu of dedicating land or a combination of both, as approved by the CITY's Director of Parks and Recreation. In addition to the parkland dedication requirement, OWNER may be required to pay a park development fee, subject to the regulations contained therein.

G. 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.

CITY agrees that the Property's sanitary sewer basin may be either the Franklin Branch Sewer Basin or the Stover Creek Sewer Basin. If an alternative route for sanitary sewer service to the Property can reasonably be justified by OWNER's engineers, the CITY will grant the request subject to the review and reasonable approval of the CITY engineer.

1. Assistance with Off-Site Utility Easement Acquisition to Construct the Water Lines in their Proposed Ultimate Location.
  - a. OWNER agrees to obtain an independent appraisal of all the necessary off-site utility easements ("Appraisal" whether one or more) and use commercially reasonable efforts to obtain any and all off-site infrastructure easements necessary for the construction of the utility lines that are to serve the Property. If OWNER has previously obtained CITY's approval of the general location of proposed off-site utility easements and OWNER is unable to acquire all of the necessary easements for the off-site utility easements within a six (6) month period beginning upon written notice to CITY and following OWNER's submission of a best and final offer accompanied by the Appraisal to each owner of the property(ies) upon which each of the off-site utility easements is proposed to be situated (collectively "Landowners"), and OWNER provides CITY evidence that reasonable and diligent efforts have been pursued to obtain such off-site utility easements then CITY agrees to use its eminent domain authority, upon written request by OWNER, to the extent permitted by law to acquire such off-site utility easements. OWNER shall provide copies of all correspondence related to the acquisition of said off-site utility easements to the CITY upon request.
  - b. CITY's exercise of eminent domain authority shall also be subject to CITY's determination, in its sole discretion, that the off-site utility easements are necessary for and serve a public use and that OWNER exercised commercially reasonable and diligent efforts including, but not limited to, making a legitimate offer to Landowners to purchase the off-site utility easements. CITY's obligation, if any, to exercise its eminent domain authority pursuant to this Paragraph G shall also be subject to the approval and finding of a public necessity being served by the City Council as required by Chapter 2206 of the

Texas Government Code.

- c. OWNER shall pay all costs and expenses in eminent domain, whether incurred by CITY or otherwise, in connection with such eminent domain actions and the acquisition and purchase of such off-site utility easements requested by OWNER including, but not limited to, settlements, court awards, damages, interest, expert witness fees, mediation fees, attorney's fees, staff time/costs, deposition costs, photocopy charges, courier fees, telephone and facsimile charges, postage, travel charges, costs associated with the preparation of exhibits and demonstrative aids, and taxable costs of court (collectively "Costs and Expenses") as such are billed to CITY by its designated legal counsel; provided that CITY provides documentation of such Costs and Expenses in accordance with Subparagraph d. below.
- d. From time to time and upon ten (10) calendar days written or electronic notice from CITY, including the City Attorney, OWNER shall advance, by wire transfer, funds to CITY to pay such Costs and Expenses. Each such notice to OWNER shall itemize, in reasonable detail, the purposes (as described above) for which the funds are required, including the estimated line-item costs. CITY shall undertake all eminent domain actions in accordance with Chapter 2206 of the Texas Government Code, wherein CITY shall have the unilateral right to make the necessary determinations of which interests are necessary for public use. If it is determined by a Court of competent jurisdiction that an interest to be acquired by CITY on behalf of OWNER does not constitute or qualify as a public use, the CITY shall have no obligation to continue acquisition thereof, and OWNER shall have the continuing obligation to comply with this Paragraph G.

CITY shall provide to OWNER copies of all appraisal reports, including updates, if any, prior to all offers being made to Landowners. CITY shall also provide to OWNER prior notice of the attorneys, appraisers, and other consultants that CITY will engage to assist in connection with the acquisitions. CITY shall provide to OWNER an accounting of all Costs and Expenses paid or incurred by CITY in connection with this Paragraph G. OWNER's default in payment of any advance requested under this Paragraph G shall provide CITY the immediate right to cease any actions or efforts to acquire easements until full payment of all Costs and Expenses is actually received. In addition, CITY shall have the right to immediately cease performance of this Agreement and withhold any further development approvals and permits for the Property if OWNER fails to make any payment or advance under this Paragraph

G. CITY shall also have the right to assert a priority lien against the Property in the full amount of any unpaid amounts due and owing to CITY under this Paragraph G plus interest until paid.

In the event of any conflict between the CITY's Capital Improvement Plan or Master Utility Plan and this Agreement relative to size or width of offsite utility line easements whereby such location, size, or width is altered, increased, or reduced, the CITY's Capital Improvement Plan or Master Utility Plan shall control.

H. CITY DEVELOPMENT REGULATIONS

OWNER shall develop the Property in accordance with the standards set forth in the UDC and all other applicable provisions of the McKinney Code, 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. OWNER expressly acknowledges that by entering into this Agreement, 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 UDC or any other ordinance of the CITY, as applicable.

I. TREE PRESERVATION REGULATIONS

OWNER expressly acknowledges the City's Tree Preservation regulations, as contained in Article 4 of the City's UDC, as amended, and the duty to develop the Property in accordance with the standards contained therein and any amendments to those standards.

J. STORMWATER MANAGEMENT REGULATIONS

OWNER agrees to abide by all terms of the City's Stormwater Management regulations contained in Article 8 of the City's UDC, as amended.

K. 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's Code of Ordinances. For any applicable off-site facilities in place as of the date of the development of the Property, OWNER shall be responsible to pay applicable pro-rata fees in the amount of one-half (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 OWNER utilizes such facilities for the Property. If, however, the water or sewer facilities are bounded on both sides by the Property then 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 OWNER utilizes such facilities. Should OWNER construct off-site water and sewer facilities such that pro-rata fees are due to OWNER, the CITY agrees to collect any fees due to 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. OWNER shall submit final construction costs to the CITY for approval prior to final acceptance of the improvements for use in determining the utility impact fee credits to be credited to OWNER.

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 stie in to.

L. PROPORTIONALITY FEE

OWNER, or OWNER's successor(s)-in-interest (including a builder-owner), shall pay to the CITY a Proportionality Fee ("Fee") for development of the approximately 37.879 acres of the Property that is 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 OWNER's submission of each request for a water meter for any development on the Property. OWNER, or 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, OWNER shall receive credits for excess vehicle miles contributed by 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 will only be issued to OWNER 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. Any credits shall not include OWNER's individual costs for eminent domain, if any.

M. 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, 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 L, 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 (Water & Wastewater), 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 OWNER and CITY which agreement shall supersede and control.

N. NO WAIVER

OWNER expressly acknowledge that by entering into this Agreement, OWNER and her 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 UDC in force by the CITY, except as specifically herein agreed.

O. REVOCACTION

In the event 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 OWNER's Property; and in the alternative, the CITY shall be authorized to levy an assessment against the Property for public improvements actually constructed by the CITY to be held as a tax lien against the Property by CITY.

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

**OWNER has been represented by legal counsel in the negotiation of this Agreement and been advised, or have had the opportunity to have legal counsel review this Agreement and advise OWNER, regarding her rights under Texas and federal law. 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.) OWNER specifically reserves her right to appeal the apportionment of municipal infrastructure costs in accordance with Tex. Loc. Gov't Code § 212.904. However, notwithstanding the foregoing, 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 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 OWNER pursuant to this Agreement, are necessary and attributable to development of the Property. The financial obligation of OWNER herein set forth shall relieve 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. 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 OWNER's dedication, construction, or payment obligations under this Agreement. OWNER further release the CITY from any and all claims based on excessive or illegal exactions; it being agreed that the amount of 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 the development. 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 OWNER acknowledges the receipt of good and valuable consideration for the release and waiver of such claims. 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 and her 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.

Q. CONTINUITY

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

R. ASSIGNMENT

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

S. TERMINATION AND RELEASE

Upon satisfactory completion by 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 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 earlier of the following to occur:

- a. The requirements and obligations of all parties have been fulfilled; or
- b. The passage of forty-five (45) years from the effective date of this Agreement.

T. MAINTENANCE BOND

Prior to final acceptance of the public improvements to the Property, the 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.

U. CONFLICT OF INTEREST

OWNER shall comply with the requirements of Texas Government Code § 2252.908 by completing and submitting Form 1295 to the Texas Ethics Commission (“Commission”) at the time OWNER submits this signed Agreement to CITY, and as follows:

Form 1295 Filing Process: The Commission has made available on its website a new filing application that must be used to file Form 1295. OWNER must use the application to enter the required information on Form 1295 and print a copy of the completed form, which will include a certification of filing that will contain a unique certification number. An authorized agent of OWNER must sign the printed copy of the form and complete the “unsworn declaration” which includes, among other things, the date of birth and address of the authorized representative signing the

form. The completed Form 1295 with the certification of filing must be filed with the CITY.

The CITY must notify the Commission, using the Commission's filing application, of the receipt of the filed Form 1295 with the certification of filing not later than the 30th day after the date the Agreement binds all parties to the Agreement. The Commission will post the completed Form 1295 to its website within seven business days after receiving notice from the CITY.

Form 1295 Availability: Certificate of Interested Parties Form is available from the Texas Ethics Commission website at the following address:

[https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm)

For questions regarding and assistance in filling out Form 1295, please contact the Texas Ethics Commission at 512-463-5800.

V. NO BOYCOTTING OF ISRAEL

In accordance with Chapter 2271, Texas Government Code, a Texas governmental entity may not enter into a contract with a company for the provision of goods or services unless the contract contains a written verification from the company that it:

- (i) does not boycott Israel; and
- (ii) will not boycott Israel during the term of the contract.

Chapter 2271 does not apply to (1) a company that is a sole proprietorship; (2) a company that has fewer than ten (10) full-time employees; or (3) a contract that has a value of less than One Hundred Thousand Dollars (\$100,000.00). Unless the company is not subject to Chapter 2271 for the reasons stated herein, the signatory executing this contract on behalf of the company verifies by its signature on this Agreement that the company does not boycott Israel and will not boycott Israel during the Term of this Agreement.

W. NO BOYCOTTING ENERGY COMPANIES

In accordance with Chapter 2276, Texas Government Code, a Texas governmental entity may not enter into a contract with a company for the provision of goods or services unless the contract contains a written verification from the company that it:

- (i) does not boycott energy companies; and
- (ii) will not boycott energy companies during the term of the contract.

Chapter 2276 does not apply to (1) a company that has fewer than ten (10) full-time employees; and (2) a contract that has a value of less than One Hundred Thousand Dollars (\$100,000.00). Unless the company is not subject to Chapter 2274 for the reasons stated herein, the signatory executing this Agreement on behalf of the company verifies by its signature on this Agreement that the company does not boycott energy companies and will not boycott energy companies during the Term of this Agreement.

X. NO BOYCOTTING FIREARM ENTITIES OR FIREARM TRADE ASSOCIATIONS

In accordance with Chapter 2274, Texas Government Code, a Texas governmental entity may not enter into a contract with a company for the provision of goods or services unless the contract contains a written verification from the company that it:

- (i) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and
- (ii) will not discriminate during the term of the contract against a firearm entity or firearm trade association.

Chapter 2274 does not apply to (1) a company that has fewer than ten (10) full-time employees; and (2) a contract that has a value of less than One Hundred Thousand Dollars (\$100,000.00). Unless the company is not subject to Chapter 2274 for the reasons stated herein, the signatory executing this Agreement on behalf of the company verifies by its signature on this Agreement that the company does not discriminate against any firearm entity or firearm trade association and will not discriminate against any firearm entity or firearm trade association during the Term of this Agreement. Notwithstanding the foregoing, such provision does not apply to a governmental entity that:

- (i) contracts with a sole-source provider; or
- (ii) does not receive any bids from a company that is able to provide the required written verification.

Y. GENERAL PROVISIONS

- a. OWNER agrees that construction shall not begin on any proposed improvements to the Property prior to City Council approval of this Agreement.
- b. 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 OWNER. Likewise, coordination with agencies requiring special conditions (i.e., railroads and the Texas Department of Transportation) shall be the responsibility of OWNER.

- c. 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 regulations, including but not limited to provisions regarding drainage, erosion control, pro rata payments, tree preservation, Street Design Standards, Public Improvements Policy and construction standards.

[Signature Page Follows]

**CITY OF MCKINNEY**

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

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

ATTEST:

\_\_\_\_\_  
EMPRESS DRANE  
City Secretary  
TENITRUS PARCHMAN  
Deputy City Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
MARK S. HOUSER  
City Attorney

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 the CITY's behalf.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE  
DAY OF \_\_\_\_\_, 20\_\_.

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

OWNER

*Sheryl*  
SHERYL LYNN BATES

Date Signed: 2-26-2026

*Sheryl*  
SHERYL LYNN BATES, Trustee of  
Bates Marital Exempt Trust

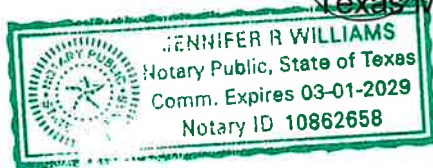
Date Signed: 2-26-2026

THE STATE OF TEXAS § COUNTY OF COLLIN §

This instrument was acknowledged before me on Feb. 26, 2026 by SHERYL LYNN BATES, individually and as Trustee of the Bates Marital Exempt Trust, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same on behalf of and as the act of the Estate.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, THIS THE 26 DAY OF Feb, 2026

*Jennifer Williams*  
Notary Public Collin County,  
Texas My commission expires 03/01/2029



**EXHIBIT A**  
**DESCRIPTION OF PROPERTY**

BEING a tract of land situated in the Joel F. Stewart Survey, Abstract No. 838, City of McKinney, Collin County, Texas, being the remainder of a tract described as Tract 5, conveyed to Sheryl Lynn Bates, by deed recorded in Document No. 2022000161867 of the Official Public Records of Collin County, Texas with the subject tract being more particularly described as follows:

BEGINNING at a 5/8" iron rod with plastic cap stamped "TXDOT SURVEY MARKER RIGHT OF WAY MONUMENT" found at the southeast corner of a right-of-way dedication, conveyed to the State of Texas, by deed recorded in Document No. 2023000115697, of said Official Public Records, at the southwest corner of a right-of-way dedication, conveyed to the State of Texas, by deed recorded in Document No. 2024000083067, of said Official Public Records, and being the northeast corner of the remainder of a tract, conveyed to HRC WCD Partners, L.P., by deed recorded in Volume 5867, Page 3876, of the Deed Records of Collin County, Texas;

THENCE N 89°33'49" E, 1197.79 feet, with the south line of said right-of-way dedication (2024000083067), to a 5/8" iron rod with plastic cap stamped "TXDOT SURVEY MARKER RIGHT OF WAY MONUMENT" found at a west corner of a right-of-way dedication, conveyed to the State of Texas, by deed recorded in Document No. 20220322000456740, of said Official Public Records, and being the northwest corner of the remainder of a tract of land conveyed to Snehal Jasani, Praful Madhani, and Harsha Madhani, by deed recorded in Document No. 20220322000456740, of said Official Public Records;

THENCE S 00°28'12" E, 1380.83 feet, with the west line of said Snehal Jasani, Praful Madhani, and Harsha Madhani tract, to a 1" iron pipe found at the southwest corner of said Snehal Jasani, Praful Madhani, and Harsha Madhani tract and being in the north line of a tract of land conveyed to Relianse Global, LLC, by deed recorded in Document No. 20220127000148290, of said Official Public Records;

THENCE S 89°52'03" W, 1197.63 feet, with said north line of Relianse Global, LLC tract, the north line of a tract of land conveyed to Charles E. Shannon and Norah H. Shannon, by deed recorded in Document No. 20150831001099690, the north line of a tract of land conveyed to Haresh Surti and Priti H Surti, by deed recorded in Document No. 20190730000903450, and the north line of a tract of land conveyed to Mohammad Imran Haq and Sarah Vantrump, by deed recorded in Document No. 20141125001290170, all of said Official Public Records, to a 2" iron pipe found at the northwest corner of said to Mohammad Imran Haq and Sarah Vantrump tract, and in the east line of said HRC WCD Partners, L.P. tract;

THENCE N 00°28'39" W, 1374.48 feet, with said east line of HRC WCD Partners, L.P. tract, to the POINT OF BEGINNING with the subject tract containing 1,650,016 square feet or 37.879 acres of land.