

**TAX INCREMENT REINVESTMENT ZONE #1, BAKER BOULEVARD
MEETING AGENDA
CITY HALL, 3200 DIANA DRIVE
JULY 10, 2023 at 6:30 PM**

The Richland Hills Tax Increment Reinvestment Zone #1 meeting is open to the public. If Executive Session is required, it will be held in the City Hall Conference Room and is closed to the public. Please note that although the Board will generally consider the items on the agenda in the order shown below, they may elect to re-order items in order to accommodate the needs of the Board, city staff, presenters, or the public generally. Therefore, members of the public interested in any agenda item are encouraged to be in attendance at the start of the meeting.

1. CALL TO ORDER

2. EXECUTIVE SESSION

A. Executive Session: Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, Section 551.071. **Executive Session may be held, under these exceptions, at any time during the meeting that a need arises for the Tax Increment Reinvestment Zone #1 to seek advice from the City Attorney as to the posted subject matter of this Tax Increment Reinvestment Zone #1 meeting.**

B. Reconvene: Action necessary on items discussed in Executive Session

3. PUBLIC COMMENTS

This is the public's opportunity to address the Tax Increment Reinvestment Zone #1 Board about non-agenda items. In compliance with the Texas Open Meetings Act, Board members and city staff are prevented from discussing non-agenda items and may only respond with statements of factual information or existing city policy.

REGULAR AGENDA

4. Approve minutes from the July 25, 2022 Tax Increment Reinvestment Zone #1 meeting
5. Consider Ordinance 1475-23 amending TIRZ Board membership
6. Consider First Amendment to TIRZ Development Agreement between the City of Richland Hills, Tax Increment Financing Reinvestment Zone Number One, City of Richland Hills, Texas and RC 51 Townhome Lots, LTD

7. ADJOURNMENT

CERTIFICATE

I hereby certify that the above agenda was posted on this the 6th day of July 2023, by 5:30 p.m., on the official bulletin board at the Richland Hills City Hall, 3200 Diana Drive, Richland Hills, Texas, pursuant to the Texas Government Code, Chapter 551.

Lindsay Rawlinson

Lindsay Rawlinson
City Secretary



ACCESSIBILITY STATEMENT

The Facility is wheelchair accessible. If you plan to attend this public meeting and have a disability that requires special arrangements, please notify the City Secretary 48 hours in advance at (817) 616-3810 and reasonable accommodations will be made to assist you.

Memorandum

To: Tax Increment Reinvestment Zone #1 Board of Directors

From: Lindsay Rawlinson, City Secretary

Date: July 10, 2023

Subject: Minutes from the July 25, 2022 Richland Hills Tax Increment Reinvestment Zone #1 Meeting

Agenda Item:

Approval of July 25, 2022 Richland Hills Tax Increment Reinvestment Zone #1 Meeting Minutes

Background Information:

N/A

Financial Considerations:

N/A

Board/Citizen Input:

N/A

Attachments:

July 25, 2022 Draft Minutes

Board Action Requested:

Motion to approve the minutes from the July 25, 2022 Richland Hills Tax Increment Reinvestment Zone #1 meeting

**Richland Hills Tax Increment Reinvestment Zone #1, Baker Boulevard
Board of Directors Meeting
Minutes**

Monday, July 25, 2022

5:30 P.M.

**Richland Hills City Hall
3200 Diana Drive**

Board Members Present:

Edward Lopez
Travis Malone
Douglas Knowlton
Curtis Bergthold
Javier Alvarez
G.W. Estep
Rebecca Barksdale

Staff

Candice Edmondson, City Manager
Lindsay Wells, City Secretary

1. CALL TO ORDER

Mayor Lopez called to order at 5:33 p.m.

2. EXECUTIVE SESSION

A. Executive Session: Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, Section 551.071. **Executive Session may be held, under these exceptions, at any time during the meeting that a need arises for the Tax Increment Reinvestment Zone #1 to seek advice from the City Attorney as to the posted subject matter of this Tax Increment Reinvestment Zone #1 meeting.**

Motion: Motion was made by Board Member Bergthold and seconded by Board Member Knowlton to convene into Executive Session. Time: 5:34 p.m.

Motion carried by a vote of 6-0.

B. Reconvene: Action necessary on items discussed in Executive Session.

Mayor Lopez reconvened from Executive Session at 5:46 p.m.

3. PUBLIC COMMENTS

This is the public's opportunity to address the Tax Increment Reinvestment Zone #1 Board on any matter not posted on the agenda. Citizen comments emailed to Lindsay Wells (lwells@richlandhills.com) on an item either listed on this agenda or not listed on this agenda will be heard at this time.

None.

REGULAR AGENDA

4. Approve minutes from the April 11, 2022 Tax Increment Reinvestment Zone #1 meeting

Motion: Motion was made by Board Member Bergthold and seconded by Board Member Knowlton to approve the April 11, 2022 TIRZ #1 meeting minutes.

Motion carried by a vote of 6-0.

5. Approved Development Agreement for the property described as Block L Lots 7 and 8A Richland Hills Addition, otherwise known as 7145 Baker Boulevard, Richland Hills, Texas 76118 and Block L Lot 6 Richland Hills Addition, otherwise known as 7151 Baker Boulevard, Richland Hills, Texas 76118

City Manager Candice Edmondson presented the Development Agreement and advised that MetroCom Properties represented by Robert Maxey has applied for a Planned Development on the property at 7145 and 7151 Baker Boulevard. The proposed Planned Development will have a base zoning of MF-2 Multiple Family Residential Medium Density and the developer is proposing to build 51 single-family townhomes on the property to be known as Richland Crossing.

A Planned Development for 24 single-family garden style homes and 24 townhomes called Richland Villas was previously approved for the property in November 2018. The developer for the project completed the platting process but ultimately decided not to move forward with development. MetroCom Properties is interested in creating a new Planned Development with a similar site plan as what was previously approved.

As part of the proposal, MetroCom Properties is requesting financial participation for the project from the Baker Boulevard Tax Increment Reinvestment Zone (TIRZ). They are seeking \$400,000 in reimbursements for public infrastructure improvements to be paid after completion and City acceptance of the public improvements.

MetroCom Properties is also requesting an annual reimbursement equal to 35 percent of the ad valorem tax contributions the development is expected bring to the Baker Boulevard TIRZ each year up to a maximum contribution amount of \$324,619. Based on the financial pro forma provided by MetroCom Properties, the Richland Crossing development is anticipated to contribute an estimated \$927,482 (using current City and County tax rates) to the Baker Boulevard TIRZ by 2030. If the maximum contribution

amount of \$324,619 was paid to the developer, a balance of \$602,863 would remain in the TIF Fund for other projects in the TIRZ district.

The total reimbursement request by MetroCom Properties equals a maximum of \$724,619.

At the end of FY 2022, the TIF Fund is projected to have an ending fund balance of \$1,057,000. Should the \$400,000 reimbursement request be approved, \$657,000 would remain in the TIF fund balance for future projects.

All revenues and expenditures related to the Baker Boulevard TIRZ are contained in the City's Tax Increment Financing (TIF) Fund. Revenue accrued by the TIRZ district can only be used for those projects listed on the approved Baker Boulevard TIRZ Project Plan until the expiration of the TIRZ in 2029.

Discussion ensued regarding the approximate amount of funds received annually.

Ms. Edmondson advised that the TIRZ fund receives approximately \$150,000 in revenue annually that can solely and exclusively be used for improvements within the reinvestment zone along Baker Boulevard. Additionally, she clarified that no funding can come from the City's General Fund.

Motion: Motion was made by Board Member Bergthold and seconded by Board Member Malone to approve a Development Agreement for the property described as Block L Lots 7 and 8A Richland Hills Addition, otherwise known as 7145 Baker Boulevard, Richland Hills, Texas 76118 and Block L Lot 6 Richland Hills Addition, otherwise known as 7151 Baker Boulevard, Richland Hills, Texas 76118.

Motion carried by a vote of 6-0.

6. ADJOURNMENT

There being no further business to come before the Board, Mayor Lopez declared the meeting adjourned at 6:04 p.m.

ATTEST:

APPROVED:

Lindsay Rawlinson, City Secretary

Edward Lopez, Mayor

Memorandum

To: Tax Increment Reinvestment Zone #1 Board Members

From: Lindsay Rawlinson, City Secretary

Date: July 10, 2023

Subject: Amending the TIRZ board membership

Agenda Item:

Consider Ordinance 1475-23 amending the TIRZ board membership

Background Information:

When Tax Increment Reinvestment Zone #1 was created in 2009, the board was made up of the five taxing entities within the Zone (City of Richland Hills, Tarrant County, the Hospital District, Birdville ISD, and Tarrant County College) totaling 11 members: six from the City (Council), one each from the other taxing entities, and a citizen member. In 2019, the rules were amended to remove the Hospital District, Birdville ISD, and TCC from being voting members as they did not contribute to the fund. The current board makeup is six members of Council and one Tarrant County representative.

With the recent addition of Council, Place 6, the makeup of the TIRZ board needs to be amended to include the entire Council. Additionally, the proposed ordinance will again allow for a citizen member so the board will have an odd number of members. Consideration for the new citizen member position will be considered during the boards and commissions appointment process in September.

Financial Considerations:

N/A

Legal Review:

City Attorney has reviewed and approved the proposed ordinance.

Board/Citizen Input:

N/A

Attachments:

Ordinance 1475-23

Council Action Requested:

Motion to approve Ordinance 1475-23, revising the Tax Increment Reinvestment Zone #1 number of directors.

ORDINANCE NO. 1475-23

AN ORDINANCE OF THE CITY OF RICHLAND HILLS, TEXAS AMENDING 1136-09 BY AMENDING SECTION 3 “ZONE BOARD OF DIRECTORS” BY REVISING THE NUMBER OF DIRECTORS, PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Richland Hills is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City Council finds that this ordinance is in the best interests of the citizens of the City of Richland Hills and the businesses within the Tax Increment Reinvestment Zone Number One.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RICHLAND HILLS, TEXAS, THAT;

SECTION 1.

Ordinance 1136-09 of the City of Richland Hills is hereby amended by amending Section 3 “Zone Board of Directors” as follows:

A board of directors for the Zone (“Board”) is hereby created. The Board shall consist of nine (9) members who shall serve for terms of two (2) years each. These nine (9) members shall consist of one (1) County representative and eight (8) City representatives. The governing body of the County shall provide the name and address of their designated representative to the City Council for appointment to the TIF Board. The City Council of the City shall appoint their designated representatives to the TIF Board. Failure to appoint a member by the county within forty-five (45) days of the effective date of this ordinance shall entitle the City Council shall appoint whatever number of members are necessary to fill the vacant position(s) on the Board. Such members may be members of the City Council.

The initial board of directors shall be appointed by resolution of the governing bodies of the City and the taxing units as provided herein within sixty (60) days of the effective date of this Ordinance. All members appointed to the board shall meet eligibility requirements as set forth in the Act.

The terms of the board members shall be for two years. The governing body of the City shall designate a member of the board to serve as chairman of the board of directors, and the board shall elect from its members a vice chairman and other officers as it sees fit.

The board of directors shall make recommendations to the City concerning the administration of the Zone. It shall prepare and adopt a project plan and a reinvestment

zone financing plan for the Zone and must submit such plans to the City Council for its approval.

**SECTION 2.
PROVISIONS CUMULATIVE**

This ordinance shall be cumulative of all provisions of ordinances and of the Code of Ordinances of the City of Richland Hills, Texas, as amended, except where the provisions of the is ordinance are in direct conflict with the provisions of such ordinances and such Code are hereby repealed.

**SECTION 3.
PROVISIONS SEVERABLE**

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this ordinance are severable, and if any phrase, clause, sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

**SECTION 4.
EFFECTIVE DATE**

This ordinance shall be in full force and effect from and after its passage and publication as required by law, and it is so ordained.

APPROVED AND ADOPTED at a regular meeting of the Richland Hills City Council on July 10, 2023, by a vote of _____ ayes, _____ nays, and _____ abstentions.

APPROVED:

The Honorable Mayor Edward Lopez

ATTEST:

Lindsay Rawlinson, City Secretary

Memorandum

To: Tax Increment Reinvestment Zone #1 Board Members

From: Candice Edmondson, City Manager

Date: July 10, 2023

Subject: Amendment to Richland Crossing TIRZ Development Agreement

Agenda Item:

Consider First Amendment to TIRZ Development Agreement between the City of Richland Hills, Tax Increment Financing Reinvestment Zone Number One, City of Richland Hills, Texas and RC 51 Townhome Lots, LTD

Background Information:

On July 25, 2022, the Tax Increment Reinvestment Zone (TIRZ) Board and City Council approved a Development Agreement for the Richland Crossing Planned Development located at the northwest corner of Baker Boulevard and Popplewell Street. The Agreement was fully executed by all parties on September 20, 2022.

The developer, RC 51 Townhome Lots, has recently engaged DR Horton to build the homes. RC 51 Townhome Lots and DR Horton have both indicated that, under the new partnership, they do not plan to seek the annual reimbursement grant from project generated TIRZ revenue as outlined in the original agreement. This would reduce the City's contribution to the project by \$324,619. RC 51 Townhome Lots is still requesting the \$400,000 infrastructure grant to be paid once the City has approved and accepted all public infrastructure within the project.

The proposed amendment to the TIRZ Development Agreement for Richland Crossing is attached to this memo. The amendment allows for the \$400,000 infrastructure grant but does not include the \$324,619 annual reimbursement grant. Section 3.5 of the amendment includes language on the automatic termination and reversion back to the original agreement should RC 51 Townhome Lots and DR Horton terminate their contract. This section allows the developer to seek the annual reimbursement grant as originally approved if the partnership with DR Horton is terminated.

Financial Considerations:

City participation for the project had previously been approved in the amount of \$724,619. Under the First Amendment to the TIRZ Development Agreement, the developer is only seeking the \$400,000 infrastructure grant, therefore reducing the City's contribution to the project by \$324,619.

Legal Review:

The City Attorney has reviewed the First Amendment to the TIRZ Development Agreement and made suggested revisions regarding presenting notice and proof of termination to the City and TIRZ Board.

Board/Citizen Input:

The City Council will consider the First Amendment to the TIRZ Development Agreement on July 10, 2023 following the TIRZ Board meeting.

Attachments:

First Amendment to TIRZ Development Agreement between the City of Richland Hills, Tax Increment Financing Reinvestment Zone Number One, City of Richland Hills, Texas and RC 51 Townhome Lots, LTD

Board Action Requested:

Motion to approve First Amendment to TIRZ Development Agreement between the City of Richland Hills, Tax Increment Financing Reinvestment Zone Number One, City of Richland Hills, Texas and RC 51 Townhome Lots, LTD subject to the City Attorney's recommended revisions

**FIRST AMENDMENT TO
TIRZ DEVELOPMENT AGREEMENT BETWEEN THE CITY OF RICHLAND HILLS,
TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER ONE, CITY OF
RICHLAND HILLS, TEXAS AND RC 51 TOWNHOME LOTS, LTD**

This First Amendment to TIRZ Development Agreement is entered into by and among the City of Richland Hills, Texas (the “City”), the Board of Directors (the “Board”) of the Tax Increment Reinvestment Zone Number One, City of Richland Hills (the “Zone”), and RC 51 Townhome Lots, LTD, a Texas limited partnership (the “Developer”) (this “First Amendment”). The City, the Board, and the Developer are individually referred to as a “Party” and collectively as the “Parties.” The City and the Board are collectively referred to as the “Public Parties.”

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**ARTICLE I
RECITALS**

~~WHEREAS, the on September 14, 2022, the City, the Board, and the Developer executed that certain TIRZ Development Agreement entered into among Between, the City of Richland Hills, Texas, the Board of Directors of the Tax Increment Financing Reinvestment Zone Number One, City of Richland Hills, Texas and RC 51 Townhome Lots, LTD (the “Original Agreement”) was entered into on September 14, 2022 and); and~~

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WHEREAS, the Original Agreement is attached hereto as Exhibit A; and

WHEREAS, the Parties find it in the best interest of the Parties to amend the Original Agreement; and

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the Parties agree as follows:

**ARTICLE II
AMENDMENTS**

2.1 Article IV “Grants and Other Consideration” is hereby amended in its entirety with the following:

**“ARTICLE IV
GRANTS AND OTHER CONSIDERATIONS**

4.1 Developer Reimbursement of Project Costs. Subject to the continued satisfaction of all the terms and conditions of this Agreement by the Developer, the Public Parties agree to reimburse the Developer for Project Costs from the TIRZ Fund as provided in this Agreement. Only those Project Costs approved by the City Manager or their designee as being in compliance with this Agreement will be considered for reimbursement. The TIRZ Fund shall only be used to pay Project Costs in accordance with this Agreement and the Act.

(a) Infrastructure Grant. Within thirty (30) days of the Completion of Infrastructure Construction, and upon submission of evidence satisfactory to the City showing construction costs expended by Developer for the public infrastructure, the City shall make a one-time payment in the amount of four hundred thousand dollars (\$400,000.00) to Developer (the “Infrastructure Grant”).

(b) Notwithstanding any other provision to the contrary, in no event shall the monies on deposit in the TIRZ Fund be used to reimburse the Developer for the Project Costs under this Agreement in excess of the Infrastructure Grant . The obligation of the City to pay the Developer the Project Costs is limited to the extent that there are funds in the TIRZ Fund available during the term of this Agreement in an amount not to exceed the Infrastructure Grant.

(c) The Developer agrees to look solely to the TIRZ Fund, not the City's general fund or other funds, for payment of Project Costs. Nothing in this Agreement shall be construed to obligate the City to provide reimbursement of Project Costs from any other source of funds or to otherwise require the City to pay the Developer for Project Costs in the event there are insufficient funds in the TIRZ Fund to pay Project Costs or in the event the Zone terminates prior to payment in full of the accrued Project Costs (provided the City shall not adopt an ordinance providing for termination of the Zone on a date earlier than provided in the ordinance that established the Zone unless this Agreement has been terminated). Upon the termination of this Agreement or the expiration of the Zone, any Project Costs that remain un-reimbursed or that remain unpaid, due to lack of availability of funds in the TIRZ Fund, or due to the failure of the Developer to satisfy any precondition of reimbursement under this Agreement, shall no longer be considered Project Costs or obligations of the Zone, and any obligation of the Public Parties to provide reimbursement payments to the Developer for Project Costs shall automatically expire and terminate on such date.

4.2 Deferral of Public Works Inspection Fee. Subject to the terms and conditions of this Agreement, the City agrees to defer the payment of its public works inspection fee associated with the Project and that are required for the Project, and instead are due upon Completion of Infrastructure Construction. (“Deferral of Public Works Inspection Fee”).

4.3 Tax Increment Fund Priorities. The funds deposited in the TIRZ Fund shall be applied in the following order of priority: (i) amounts pledged or required for payment of outstanding bonds or debt issued for Zone projects, if any (and provided that bond proceeds are used or reserved to pay City and Board obligations pursuant to this Agreement); (ii) allocation of the maintenance of a minimum balance of \$50,000 in the TIRZ Fund; and (iii) Reimbursement Payments to the Developer for the Project Costs.”

ARTICLE III **ADDITIONAL PROVISIONS**

3.1 Other Terms of the Agreement. Upon execution of this First Amendment, any terms of the Original Agreement not altered herein shall remain in full force and effect.

3.2 Authority and Enforceability. The Public Parties represent and warrant that the individuals executing this First Amendment on behalf of the Public Parties have been duly authorized to do so. The Developer represents and warrants that this First Amendment has been approved by appropriate action of the Developer, and that the individual executing this First Amendment on behalf of the Developer has been duly authorized to do so. Each Party acknowledges and agrees that this First Amendment is binding upon such Party and enforceable against such Party in accordance with its terms and conditions.

3.3 Entire Agreement; Severability. This First Amendment constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this First Amendment. This First Amendment shall not be modified or amended except in writing signed by the Parties. If any provision of this First Amendment is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (i) such unenforceable provision shall be deleted from this First Amendment; (ii) the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Parties; and (iii) the remainder of this First Amendment shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

3.4 Counterparts. This First Amendment may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

3.5 Automatic Termination and Reversion. Notwithstanding anything to the contrary in this First Amendment, this First Amendment shall automatically terminate, be void ab initio and shall be of no further force or effect if Developer notifies the Public Parties that Developer has terminated that certain Contract of Sale by and between Developer and DRHI, Inc. (the "Builder Contract Termination"). For the avoidance of doubt, upon Developer's notification of the Builder Contract Termination, the Agreement shall revert to the terms outlined in the Original Agreement as of September 14, 2022. Specifically, Developer shall be entitled to seek the Annual Reimbursement Grant as identified in Section 4.1(b) of the Agreement.

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IN WITNESS WHEREOF, the Parties have executed this First Amendment to be effective as of the date the final Party executes this First Amendment.

CITY OF RICHLAND HILLS, TEXAS

By: _____
Name: Candice Edmondson

Title: City Manager

Date: _____

STATE OF TEXAS §
COUNTY OF TARRANT §

BEFORE ME on this day personally appeared Candice Edmondson, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that she is the City Manager of the City of Richland Hills, Texas, and that she is authorized by said entity to execute the foregoing instrument as the act of such entity for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ day of _____, 2023.

[Notary Seal]

Notary Public, State of Texas

**TAX INCREMENT FINANCING REINVESTMENT ZONE
NUMBER ONE, CITY OF RICHLAND HILLS, TEXAS**

By: _____
Name: Edward Lopez

Title: Board President

Date: _____

STATE OF TEXAS §
COUNTY OF TARRANT §

BEFORE ME on this day personally appeared Edward Lopez, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he is the Board President of Tax Increment Financing Reinvestment Zone Number One, City of Richland Hills, Texas, and that he is authorized by said entity to execute the foregoing instrument as the act of such entity for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ day of _____, 2023.

[Notary Seal]

Notary Public, State of Texas

RC 51 TOWNHOME LOTS, LTD

a Texas limited partnership

By: _____
RC 51 Townhome Lots Management, LLC,
a Texas limited liability company
its general partner

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By:
Name: Robert Maxey

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Title: Managing Member

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Date: _____

STATE OF TEXAS §
COUNTY OF _____ §

BEFORE ME on this day personally appeared Robert Maxey, known to me to be the person and managing member whose name is subscribed to the foregoing instrument and acknowledged to me that he is the managing member of RC 51 Townhome Lots Management, LLC, general partner for RC 51 Townhome Lots, LTD, and that he is authorized by said entity to execute the foregoing instrument as the act of such entity for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ day of _____, 2023.

[Notary Seal]

Notary Public, State of Texas

EXHIBIT A

[ATTACH EXECUTED COPY OF ORIGINAL ~~DEVELOPMENT~~ AGREEMENT]

**TIRZ DEVELOPMENT AGREEMENT BETWEEN THE CITY OF RICHLAND HILLS,
TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER ONE, CITY OF
RICHLAND HILLS, TEXAS AND RC 51 TOWNHOME LOTS, LTD**

This TIRZ Development Agreement (this “Agreement”) is entered into among the City of Richland Hills, Texas (the “City”), the Board of Directors (the “Board”) of the Tax Increment Reinvestment Zone Number One, City of Richland Hills (the “Zone”), and RC 51 Townhome Lots, LTD (the “Developer”). The City, the Board, and the Developer are individually referred to as a “Party” and collectively as the “Parties.” The City and the Board are collectively referred to as the “Public Parties.”

ARTICLE I
RECITALS

WHEREAS, unless otherwise specified, all references to “Section” mean a section of this Agreement, and all references to “Exhibit” mean the exhibits attached to and made a part of this Agreement for all purposes; and

WHEREAS, RC 51 Townhome Lots, LTD is a Texas Limited Liability Partnership; and

WHEREAS, the City is a home rule municipality of the State of Texas; and

WHEREAS, the Zone (hereinafter defined) is a tax increment reinvestment zone created by the governing body of the City (the “City Council”) in accordance with the Tax Increment Financing Act, Chapter 311, Texas Tax Code, as amended (the “Act”), by Ordinance No. 1136-01-2009 adopted January 27, 2009; and

WHEREAS, on September 22, 2009, the City Council adopted the Project and Finance Plan (the “Project and Finance Plan”) for the Zone; and

WHEREAS, on April 27, 2010 the Tarrant County Commissioners Court approved participation in the City of Richland Hills Tax Increment Reinvestment Zone Number One and payment into the tax increment fund of seventy-five percent (75%) of its collected incremental tax revenue; and

WHEREAS, an amended Project and Finance Plan for the Zone was approved by the Tax Increment Reinvestment Zone Board of Directors on August 24, 2020, the Richland Hills City Council on September 14, 2020 and the Tarrant County Commissioners Court on March 9, 2021; and

WHEREAS, the Act authorizes agreements to implement the Project and Finance Plan; and

WHEREAS, the liability of the Public Parties under this Agreement is limited to amounts required to be deposited into the TIRZ Fund, as defined in the Project and Finance Plan; and

WHEREAS, in accordance with Section 311.010(h) of the Act, the City Council and the Board, as necessary or convenient to implement the Project and Finance Plan, and achieve its

purposes, may establish and provide for the administration of one or more programs for the public purposes of developing and diversifying the economy of the Zone, eliminating unemployment and underemployment in the Zone, and developing or expanding transportation, business, and commercial activity in the Zone, including programs to make grants and loans from the TIRZ Fund of the Zone; and

WHEREAS, by approval of the City Council, the Board has all the powers of a City under Chapter 380, Texas Local Government Code; and

WHEREAS, in accordance with the Project and Finance Plan, the Public Parties find that reimbursements to Developer will be made in furtherance of economic development programs authorized under Chapter 380, Texas Local Government Code, and the Project to be built by Developer is one that will result in investments that support the placemaking goals of the Project and Finance Plan, and is a project that offers a high likelihood of repayment to encourage the regeneration of public funds; and

WHEREAS, the Public Parties find that the reimbursements provided to the Developer under this Agreement are for the public purposes of: (i) developing and diversifying the economy of the Zone and the state; (ii) eliminating unemployment and underemployment in the state and Zone; (iii) developing and expanding commerce in the state; (iv) stimulating business and commerce within the Zone; and (v) promoting development and redevelopment within the Zone; and

WHEREAS, the Public Parties have an interest in creating jobs and expanding the tax base which accomplish a public purpose; and

WHEREAS, the Public Parties have ensured that the public will receive benefits for the reimbursements provided imposing on the Developer performance standards and penalties for any failure to meet the standards.

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the Parties agree as follows:

ARTICLE II
DEFINITIONS

Words and phrases used in this Agreement that have their initial letters capitalized shall have the meanings given to them in the introductory paragraph above, in the recitals, and in this Article II unless the context in which a word or phrase is used clearly requires a different meaning.

“Act” is defined in the Recitals.

“Agreement” is defined in the introductory paragraph of this Agreement.

“Annual Payment Date” shall mean October 1 of each calendar year during the term of this Agreement, except the first Annual Payment Date shall be October 1 of the calendar year following the Commencement Date.

“Approved Plans” shall mean construction plans for the residential buildings and public infrastructure that conform to all City regulations, as certified by Developer’s engineer of record and approved by the City Engineer.

“Board” is defined in the introductory paragraph of this Agreement.

“Capital Investment” means the actual cost incurred by Developer related to the design and construction of the Project, including all labor and materials for construction of the total development, architectural fees, engineering costs, surveying costs, fees of other consultants, permit and inspection fees, development fees, and financing fees.

“Captured Appraised Value” means the total appraised value of all real property taxable by the City and a Taxing Unit and located in the Zone for the calendar year less the Tax Increment Base.

“City” is defined in the introductory paragraph of this Agreement.

“City Code” shall mean the City of Richland Hills Code of Ordinances.

“City Council” is defined in the Recitals.

“Commencement of Construction” shall mean that (i) the plans for the Project have been prepared and all approvals thereof required by applicable governmental authorities have been obtained for construction of the Project on the Property; (ii) all necessary permits for the construction of the Project on the Property pursuant to the respective plans have been issued by all applicable governmental authorities; and (iii) grading of the Property for the construction of the Project has commenced.

“Commencement Date” shall mean the date (i) there is at least \$40,000 on deposit in the TIRZ Fund; (ii) and Developer has achieved Completion of Infrastructure Construction of the Project.

“Completion of Infrastructure Construction” means the City has approved and accepted all public infrastructure within the Project.

“Developer” is defined in the introductory paragraph of this Agreement.

“Effective Date” means the last date of execution of this Agreement by the Parties.

“Expiration Date” means the earlier of: (i) the date of termination of the Zone; and (ii) the date on which Maximum Reimbursement Amount has been paid in full to the Developer.

“Maximum Reimbursement Amount” means \$724,618.38

“Party” and “Parties” are defined in the introductory paragraph of this Agreement.

“Participation Agreement” shall mean an Agreement between the City and a Taxing Unit for the Taxing Unit to contribute Tax Increment to the TIRZ Fund.

“Payment Request” shall mean a written request from the Developer to the City for a Reimbursement Payment accompanied by: (i) copies of invoices, bills, receipts and such other

information as may be reasonably requested by City to document Project Costs; and (ii) satisfactory written proof that all amounts owing to contractors and subcontractors for the Project Costs have been paid in full evidenced by the customary affidavits executed by Developer and/or its contractors. Once the Developer has submitted copies of invoices, bills, and receipts for eligible Project Costs equal to the Maximum Reimbursement Amount, the Developer is not required to include such materials in any subsequent Payment Request.

“Project” means a residential development consisting of a 51 single-family townhome units; 1.07 acres of open space; infrastructure, driveways, parking, landscaping and other improvements reasonably required to be constructed by Developer on the Property, all of the foregoing of which are shown on the site plan and renderings attached hereto as **Exhibit B**.

“Project and Finance Plan” is defined in the Recitals.

“Project Costs” mean the following costs attributable to the construction of the Project: all development cost, including, without limitation, all hard cost of construction; the costs of construction materials, building systems installation; contractor fees; architectural, engineering, design, and planning costs; development fees; insurance; financing costs; permit fees; and testing fees.

“Property” means the real property more particularly described on the attached **Exhibit A**.

“Reimbursement Payment” means the annual payment to the Developer for the Project Costs as set forth herein.

“Residential Buildings” means the 51 single-family townhome units.

“Public Parties” are defined in the introductory paragraph to this Agreement.

“Tax Increment” means the total amount of property taxes levied and collected by the City and a Taxing Unit for a calendar year on the Captured Appraised Value of real property taxable by the City and a Taxing Unit and located in the Zone. The amount of Tax Increment contributed by the City or any other Taxing Unit shall be limited to any maximum amount or other terms set forth in the respective Participation Agreement of such Taxing Unit or, in the case of the City, the participation amount established by ordinance.

“Tax Increment Base” means the total appraised value of all real property taxable by the City and a Taxing Unit and located in the Zone for the calendar year in which the Zone was designated by the City.

“Taxing Unit” shall mean Tarrant County, Texas.

“TIRZ Fund” means the funds deposited by the City and any Taxing Unit in the Tax Increment fund for the Zone.

“Zone” means Tax Increment Reinvestment Zone Number One, City of Richland Hills, Texas.

ARTICLE III
DEVELOPER OBLIGATIONS

3.1 Construction of Infrastructure. Developer agrees to achieve Commencement of Construction of the Project no later than one hundred eighty (180) days after the Effective Date.

- (a) If, in the reasonable opinion of the City Manager, the Developer has made substantial progress toward Commencement of Construction or in the event of Force Majeure, the City Manager may extend the date for Commencement of Construction in her reasonable discretion upon written request from the Developer.

3.2 Completion of Infrastructure Construction. Developer shall complete construction of public infrastructure within twelve (12) months of Commencement of Construction, subject to events of Force Majeure.

3.3 Capital Investment. On or before Completion of Infrastructure Construction, Developer must make a Capital Investment in the Project in an amount of no less than \$1,500,000. Developer must provide sufficient evidence to the City for the Capital Investment in a manner acceptable to the City within sixty (60) days of Completion of Infrastructure Construction.

3.4 Construction Plans; Surveying. Developer shall submit to the City for approval complete construction plans for the public infrastructure, which when approved shall be the Approved Plans. The construction plans shall be prepared by a professional engineer licensed to practice in the State of Texas, at Developer's sole cost. Construction plans shall be in conformity with all state and local ordinances and regulations. Developer shall pay all costs of engineering design and surveying directly to the provider.

3.5. Public Infrastructure Conveyance. Any public infrastructure constructed onsite or offsite shall be conveyed to the City free and clear of all liens, encumbrances, assessments and restrictions other than as provided in this Agreement upon Completion of Infrastructure Construction. At the time of conveyance, Developer shall deliver to the City releases from the contractors, subcontractors, and suppliers of material who have provided labor and materials for the public infrastructure showing they have paid for such labor and materials.

3.6 Easement Acquisition. Developer agrees to dedicate to the City all land within the Property necessary for the construction of the public infrastructure. All public rights-of-way and easements necessary for the construction of public infrastructure shall be dedicated to the City upon final acceptance.

3.7 Bond Requirement. Prior to initiating any construction of the public infrastructure, the Developer shall provide or cause to be provided to the City by contractors constructing the public infrastructure one original and one quality copy of the following construction bonds:

- a. Performance Bond. A good and sufficient Performance Bond in an amount equal to one hundred percent (100%) of the total cost of the Public Improvements, guaranteeing the full and faithful execution of the work and

performance of this Agreement and for the protection of the City against any improper execution of the work or the use of inferior materials.

- b. Payment Bond. A good and sufficient Payment Bond in an amount equal to one hundred percent (100%) of the total cost of the public infrastructure, guaranteeing payment of all labor, materials and equipment used in the construction of the public infrastructure.
- c. Maintenance Bond. A good and sufficient Maintenance Bond in an amount equal to one hundred percent (100%) of the total cost of the public infrastructure, guaranteeing the maintenance in good condition of the public infrastructure for a period of two (2) years from and after the date that a certificate of completion is issued from the City.

Each of the above bonds shall be in a form acceptable to the City. Any surety company through which a bond is written shall be duly authorized to do business in the State of Texas, and the City, through its City Manager, shall retain the right to reject any surety company for any work under this Agreement regardless of such company's authorization to do business in the State of Texas.

3.8 Construction of Residential Buildings. Subject to the City's issuance of building permits, the Developer shall commence construction of the Residential Buildings no later than sixty (60) days after Completion of Infrastructure Construction, with the Project being substantially complete by no later than forty-eight (48) months thereafter, subject to events of Force Majeure, and with an expected ad valorem tax value of \$16,000,000 upon completion.

3.9. Compliance with Laws. Developer agrees to construct the Project in accordance with the site plan and renderings attached hereto as **Exhibit B**, and all applicable federal, state and local laws, codes, and regulations (or valid waiver thereof). The construction of the Project may not deviate from the site plan and renderings on the attached **Exhibit B** without the prior approval of the City Council.

ARTICLE IV **GRANTS AND OTHER CONSIDERATIONS**

4.1 Developer Reimbursement of Project Costs. Subject to the continued satisfaction of all the terms and conditions of this Agreement by the Developer, the Public Parties agree to reimburse the Developer for Project Costs from the TIRZ Fund as provided in this Agreement. Only those Project Costs approved by the City's City Manager or their designee as being in compliance with this Agreement will be considered for reimbursement. The TIRZ Fund shall only be used to pay Project Costs in accordance with this Agreement and the Act., and as illustrated and further described below:

Anticipated Developer Revenue/Reimbursement Schedule - Flow of Funds			
Year	Infrastructure Grant (from TIRZ Cash)	Annual Reimbursement Grant (from Project generated TIRZ Revenue)	Reimbursement Payments
2022			
2023	\$400,000.00		\$400,000.00
2024		\$16,783.05	\$16,783.05
2025		\$33,733.93	\$33,733.93
2026		\$51,613.37	\$51,613.37
2027		\$53,169.44	\$53,169.44
2028		\$54,772.19	\$54,772.19
2029		\$56,423.02	\$56,423.02
2030		\$58,123.38	\$58,123.38
		\$324,618.38	\$724,618.38

(a) Infrastructure Grant. Within thirty (30) days of the Completion of Infrastructure Construction, and upon submission of evidence satisfactory to the City showing construction costs expended by Developer for the public infrastructure, the City shall make a one-time payment in the amount of four hundred thousand dollars (\$400,000.00) to Developer (the “Infrastructure Grant”).

(b) Annual Reimbursement Grant. The City shall make Reimbursement Payments to the Developer on an annual basis within thirty (30) days after receipt of a Payment Request following the first Annual Payment Date that follows the Commencement Date (the “Annual Reimbursement Grant”).

(c) The amount of each annual Reimbursement Payment shall be the lesser of: (i) the amount of the Project Costs then eligible for payment pursuant to paragraph (a) of this Section 4.1 that have not been paid to the Developer; and (ii) the amount of available TIRZ Funds after consideration of the priorities set forth in Section 4.2, below. If there are insufficient funds in the TIRZ Fund for an annual Reimbursement Payment, the unreimbursed Project Costs shall be carried forward to succeeding Annual Payment Dates until payment has been made in full or termination of this Agreement, whichever occurs first.

(d) Notwithstanding any other provision to the contrary, in no event shall the monies on deposit in the TIRZ Fund be used to reimburse the Developer for the Project Costs under this Agreement in excess of the Maximum Reimbursement Amount. The obligation of the City to pay the Developer the Project Costs is limited to the extent that there are funds in the TIRZ Fund available during the term of this Agreement in an amount not to exceed the Maximum Reimbursement Amount.

(e) The Developer agrees to look solely to the TIRZ Fund, not the City's general fund or other funds, for payment of Project Costs. Nothing in this Agreement shall be construed to obligate the City to provide reimbursement of Project Costs from any other source of funds or to otherwise require the City to pay the Developer for Project Costs in the event there are insufficient funds in the TIRZ Fund to pay Project Costs or in the event the Zone terminates prior to payment in full of the accrued Project Costs (provided the City shall not adopt an ordinance providing for termination of the Zone on a date earlier than provided in the ordinance that established the Zone unless this Agreement has been terminated). Upon the termination of this Agreement or the expiration of the Zone, any Project Costs that remain un-reimbursed or that remain unpaid, due to lack of availability of funds in the TIRZ Fund, or due to the failure of the Developer to satisfy any precondition of reimbursement under this Agreement, shall no longer be considered Project Costs or obligations of the Zone, and any obligation of the Public Parties to provide reimbursement payments to the Developer for Project Costs shall automatically expire and terminate on such date.

4.2 Deferral of Public Works Inspection Fee. Subject to the terms and conditions of this Agreement, the City agrees to defer the payment of its public works inspection fee associated with the Project and that are required for the Project, and instead are due upon Completion of Infrastructure Construction. (“Deferral of Public Works Inspection Fee”).

4.3 Tax Increment Fund Priorities. The funds deposited in the TIRZ Fund shall be applied in the following order of priority: (i) amounts pledged or required for payment of outstanding bonds or debt issued for Zone projects, if any (and provided that bond proceeds are used or reserved to pay City and Board obligations pursuant to this Agreement); (ii) allocation of the maintenance of a minimum balance of \$50,000 in the TIRZ Fund; and (iii); and Reimbursement Payments to the Developer for the Project Costs.

4.4 Records. The Developer shall at all times keep complete and accurate books and records in accordance with generally accepted accounting principles and shall allow any representative of the Public Parties, at all reasonable times and with at least three (3) business days' prior written notice, to examine and copy the books and records of the Developer that relate to this Agreement.

ARTICLE V
ADDITIONAL PROVISIONS

5.1 Zone Duration. If upon expiration of the term of the Zone, Project Costs have not been paid to the Developer or its assignees, neither the City nor a Taxing Unit shall have any obligation to pay the shortfall.

5.2 Assignment. The Developer has the right, from time to time without the consent of the City, but upon written notice to the City, to assign this Agreement, in whole or in part, including any obligation, right, title, or interest of the Developer under this Agreement, to the following (an “Assignee”): (i) any person or entity that is or will become an owner of or who leases any portion of the Property; or (ii) any entity that is controlled by or under common control with the Developer. Each assignment shall be in writing executed by the Developer and the Assignee and shall obligate the Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each assignment shall be provided to the City within forty-five (45) days after execution. From and after such assignment and notwithstanding anything to the contrary in this Agreement, the City agrees to look solely to the Assignee for the performance of all obligations assigned to the Assignee and agrees that the Developer shall be released from subsequently performing the assigned obligations and from any liability that results from the Assignee’s failure to perform the assigned obligations; provided, however, if a copy of the assignment is not received by the City within forty-five (45) days after execution, the Developer shall not be released until the City receives such assignment. An Assignee shall be considered the “Developer” and a “Party” for the purposes of this Agreement.

5.3 Collateral Assignment. The Developer shall have the right to collaterally assign, pledge, or encumber, in whole or in part, to any lender as security for any loan in connection with development within the Zone, all rights, title, and interests of the Developer to receive payments under this Agreement. Such collateral assignments (i) shall not require the consent of the Public Parties, (ii) shall require notice to the Public Parties together with full contact information for such lenders, (iii) shall not create any liability for any lender under this Agreement by reason of such collateral assignment unless the lender agrees, in writing, to be bound by this Agreement; and (iv) may give lenders the right, but not the obligation, to cure any failure of the Developer to perform under this Agreement. No collateral assignment shall relieve the Developer from any obligations or liabilities under this Agreement.

5.4 Recitals. The recitals contained in this Agreement: (i) are true and correct as of the Effective Date; (ii) form the basis upon which the Parties negotiated and entered into this Agreement; (iii) are legislative findings of the City Council, and (iv) reflect the final intent of the Parties with regard to the subject matter of this Agreement. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

5.5 Defaults; Remedies.

(a) No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given thirty (30) days to perform. If the default cannot reasonably be cured within such thirty (30) day period, and the Party in default has diligently pursued such remedies as shall be reasonably necessary to cure such default, then the non-defaulting Party may, at its sole option, extend the period in which the default must be cured.

(b) Notwithstanding Section 5.5(a), upon written notice, this Agreement may be terminated by the City in the event Developer fails to achieve Commencement of Construction.

5.6 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the Party at the address set forth below or on the day actually received if sent by courier or otherwise hand delivered:

To the City: City of Richland Hills
Attn: City Manager
3200 Diana Drive
Richland Hills, TX 76118

With a copy to: Taylor, Olson, Adkins, Sralla & Elam, LLP
Attn: James Donovan
6000 Western Place, Suite 200
Fort Worth, Texas 76107

To the Developer: RC 51 Townhome Lots, LTD
Attn: Robert Maxey
611 S. Main Street, Suite #400
Grapevine, Texas 76051 _____

To the Board: City of Richland Hills
Attn: Board President
TIRZ No. 1
3200 Diana Drive
Richland Hills, TX 76118

With a copy to: Taylor, Olson, Adkins, Sralla & Elam, LLP
Attn: James Donovan
6000 Western Place, Suite 200
Fort Worth, Texas 76107

5.7 Authority and Enforceability. The Public Parties represent and warrant that the individuals executing this Agreement on behalf of the Public Parties have been duly authorized to do so. The Developer represents and warrants that this Agreement has been approved by appropriate action of the Developer, and that the individual executing this Agreement on behalf of the Developer has been duly authorized to do so. Each Party acknowledges and agrees that this Agreement is binding upon such Party and enforceable against such Party in accordance with its terms and conditions.

5.8 Entire Agreement; Severability. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (i) such unenforceable provision shall be deleted from this Agreement; (ii) the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Parties; and (iii) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

5.9 Applicable Law; Venue. This Agreement is entered into under and pursuant to and is to be construed and enforceable in accordance with, the laws of the State of Texas, and all obligations of the Parties are performable in Tarrant County, Texas. Exclusive venue for any action to enforce or construe this Agreement shall be in Tarrant County, Texas.

5.10 Non-Waiver. Any failure by a Party to insist upon strict performance by another Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

5.11 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within fifteen (15) days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term "force majeure" shall include events or circumstances that are not within the reasonable control of the Party whose performance is suspended and that could not have been avoided by such Party with the exercise of good faith, due diligence and reasonable care. No force majeure event shall suspend a Party's obligation to perform for longer than thirty (30) days.

5.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

5.13 Term of Agreement. The term of this Agreement shall begin on the Effective Date and shall continue until the Expiration Date.

5.14 Employment of Undocumented Workers. During the term of this Agreement, the Developer agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a (f), the Developer shall repay to the City the funds received by the Developer under this Agreement within one hundred twenty (120) days after the date the Developer is notified by the City of such violation, plus interest at the rate of four percent (4%) compounded annually from the date of violation until paid. Pursuant to Section 2264.101(c), Texas Government Code, a business is not liable for a violation of Chapter 2264 by a subsidiary, affiliate, or franchisee of the business, or by a person with whom the business contracts.

5.15 Right of Offset. The City may offset any amount owed to the Developer for reimbursement of Project Costs against any amount which is lawfully due to the City from the Developer.

5.16 Rough Proportionality. As additional consideration for the reimbursements received by the Developer under this Agreement, the Developer agrees that all dedications, construction costs and other payments made by the Developer related to any public improvements are roughly proportional to the need for such public improvements created by the development of the Property and the Developer hereby waives any claim therefore that it may have. The Developer further acknowledges and agrees that all prerequisites to such a determination of rough proportionality have been met, and that any costs incurred relative to the dedication, construction costs, and other payments for any public improvements are related both in nature and extent to the impact of the Project. The Developer waives and releases all claims against the City related to any and all rough proportionality and individual determination requirements mandated by Section 212.904, Texas Local Government Code, or the Texas or U.S. Constitutions, as well as other requirements of a nexus between development conditions and the projected impact of the Project.

5.17 Attorney's Fees. In the event any Party initiates or defends any legal action or proceeding to enforce or interpret any of the terms of this Agreement, the prevailing party in any such action or proceeding shall be entitled to recover its reasonable costs and attorney's fees (including its reasonable costs and attorney's fees on any appeal).

5.18 No Boycott of Israel. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2271.002, Texas Government Code, the Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to enable compliance with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, "boycott Israel," a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

5.19 Iran, Sudan, and Foreign Terrorist Organizations. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,

<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>,

<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

5.20 No Discrimination Against Fossil Fuel Companies. The Developer hereby verifies that for the purpose of the requirements under Section 2274.002 of the Texas Government Code, as amended, that the Developer does not employ ten (10) or more full-time employees; therefore, Section 2274.002 of the Texas Government Code, as amended, does not apply to this Agreement.

5.21 No Discrimination Against Firearm Entities and Firearm Trade Associations. The Developer hereby verifies that for the purpose of the requirements under Section 2274.002 of the Texas Government Code, as amended, that the Developer does not employ ten (10) or more full-time employees; therefore, Section 2274.002 of the Texas Government Code, as amended, does not apply to this Agreement.

5.22 Affiliate. As used in Sections 5.14, 5.18, and 5.192, the Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

5.23 Form 1295. Submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The Parties understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the City nor its consultants have verified such information.

5.24 Conditions Precedent. This Agreement is subject to and conditioned on: (i) the Parties entering into the Contract of Sale; (ii) the Developer closing its purchase of the Property from the City.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

CITY OF RICHLAND HILLS, TEXAS

By: Candice Edmondson

Name: Candice Edmondson

Title: City Manager

Date: 9-14-2022

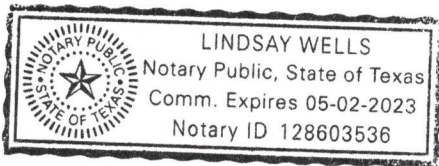
STATE OF TEXAS §
COUNTY OF TARRANT §

BEFORE ME on this day personally appeared Candice Edmondson, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that she is the City Manager of the City of Richland Hills, Texas and that she is authorized by said entity to execute the foregoing instrument as the act of such entity for the purposes and consideration therein expressed, and in the capacity therein stated.

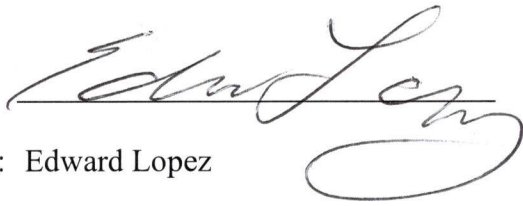
GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 14 day of September, 2022.

[Notary Seal]

Lindsay Wells
Notary Public, State of Texas



**TAX INCREMENT FINANCING REINVESTMENT ZONE
NUMBER ONE, CITY OF RICHLAND HILLS, TEXAS**

By: 

Name: Edward Lopez

Title: Board President

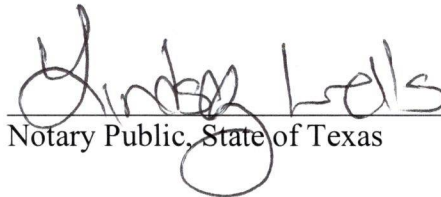
Date: 9.15.2022

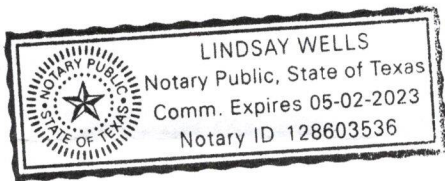
STATE OF TEXAS §
COUNTY OF TARRANT §

BEFORE ME on this day personally appeared Edward Lopez, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he is the Board President of Tax Increment Financing Reinvestment Zone Number One, City of Richland Hills, Texas, and that he is authorized by said entity to execute the foregoing instrument as the act of such entity for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 15 day of September, 2022.

[Notary Seal]


Notary Public, State of Texas



RC 51 TOWNHOME LOTS, LTD

By: Robert Maxey

Name: RC 51 Townhome Lots Management, LLC, general partner

Name: Robert Maxey

Title: Managing Member

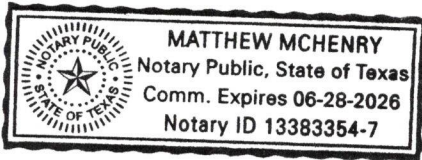
Date: 9/20/22

STATE OF TEXAS §
COUNTY OF Denton §

BEFORE ME on this day personally appeared Robert Maxey, known to me to be the person and managing member whose name is subscribed to the foregoing instrument and acknowledged to me that he is the managing member of RC 51 Townhome Lots Management, LLC, general partner for RC 51 Townhome Lots, LTD and that he is authorized by said entity to execute the foregoing instrument as the act of such entity for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 20 day of September, 2022.

[Notary Seal]



Matthew Mchenry
Notary Public, State of Texas

EXHIBIT A

The Property

BEING all of Lots 6 and 7, and the east 170.00 feet of Lot 8 of Block L of RICHLAND HILLS, an addition to the City of Richland Hills, Tarrant County, Texas, according to the plat recorded in Volume 388-C at Page 168 of the Plat Records of Tarrant County, Texas. And being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" iron rod set for corner at the intersection of the north right-of-way line of Baker Boulevard (State Highway 183) (having a 160-foot-wide right-of-way) with the west right-of-way line of Popplewell Street (having a 50-foot-wide right-of-way); the same point being the southwest corner of the above mentioned Lot 6;

THENCE West along the said north right-of-way line of Baker Boulevard (State Highway No. 183) and along the south line of Lots 6, 7, and 8 for a distance of 641.50 feet to a 5/8" iron rod found for corner;

THENCE North 00 degrees 05 minutes 00 seconds East departing the said north right-of-way line of Baker Boulevard (State Highway No, 183) for a distance of 337.50 feet to a copped Iron rod found for corner in the north line of the above mentioned Lot 8;

THENCE East along the north line of Lots 8, 7, and 6 for a distance of 641.50 feet to a capped iron rod found for corner in the west right-of-way line of Popplewell Street, the some point being the northeast corner of Lot 6;

THENCE South 00 degrees 05 minutes 00 seconds West along the said west right-of-way line of Popplewell Street and along the east line of Lot 6 for a distance of 337.50 feet to the POINT OF BEGINNING;

CONTAINING 4.9703 acres of land, more or less.

EXHIBIT B - SITE PLAN

RESIDENTIAL SITE DATA

GROSS ACREAGE: 4.97 ACRES
 RESIDENTIAL LOTS: 51
 RESIDENTIAL LOT AREA: 2.56 ACRES (51.5%)
 OPEN SPACE TOTALS:
 - OPEN SPACE: 1.07 ACRES (21.5%)
 - 10' LANDSCAPE BUFFER: 0.21 ACRES (4.2%)
 - TOTAL: 1.28 ACRES (25.8%)

POPPLEWELL STREET
 R.O.W. DEDICATION: 0.04 ACRES (0.8%)
 STREET PAVEMENT AREA: 0.53 ACRES (10.7%)
 ALLEY PAVEMENT AREA: 0.56 ACRES (11.3%)

LOT SUMMARY AND DENSITY

RESIDENTIAL LOTS: 51
 MINIMUM LOT AREA: 1,980 SF
 COMMON AREAS: 8
 GROSS ACREAGE: 4.97 ACRES
 DENSITY (LOTS PER ACRE): 10.3 LOTS PER ACRE

PARKING SUMMARY

ONSITE GARAGE PARKING SPACES: 102
 ONSITE DRIVEWAY PARKING SPACES: 97
 INSET PARKING SPACES: 34
 TOTAL PARKING SPACES: 233
 PARKING SPACES PER UNIT: 4.57

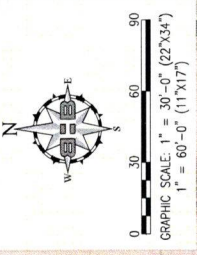
ZONING

EXISTING ZONING: PD MF-2 AND SF-7
 PROPOSED ZONING:
 PD (MF-2) MULTIFAMILY RESIDENTIAL

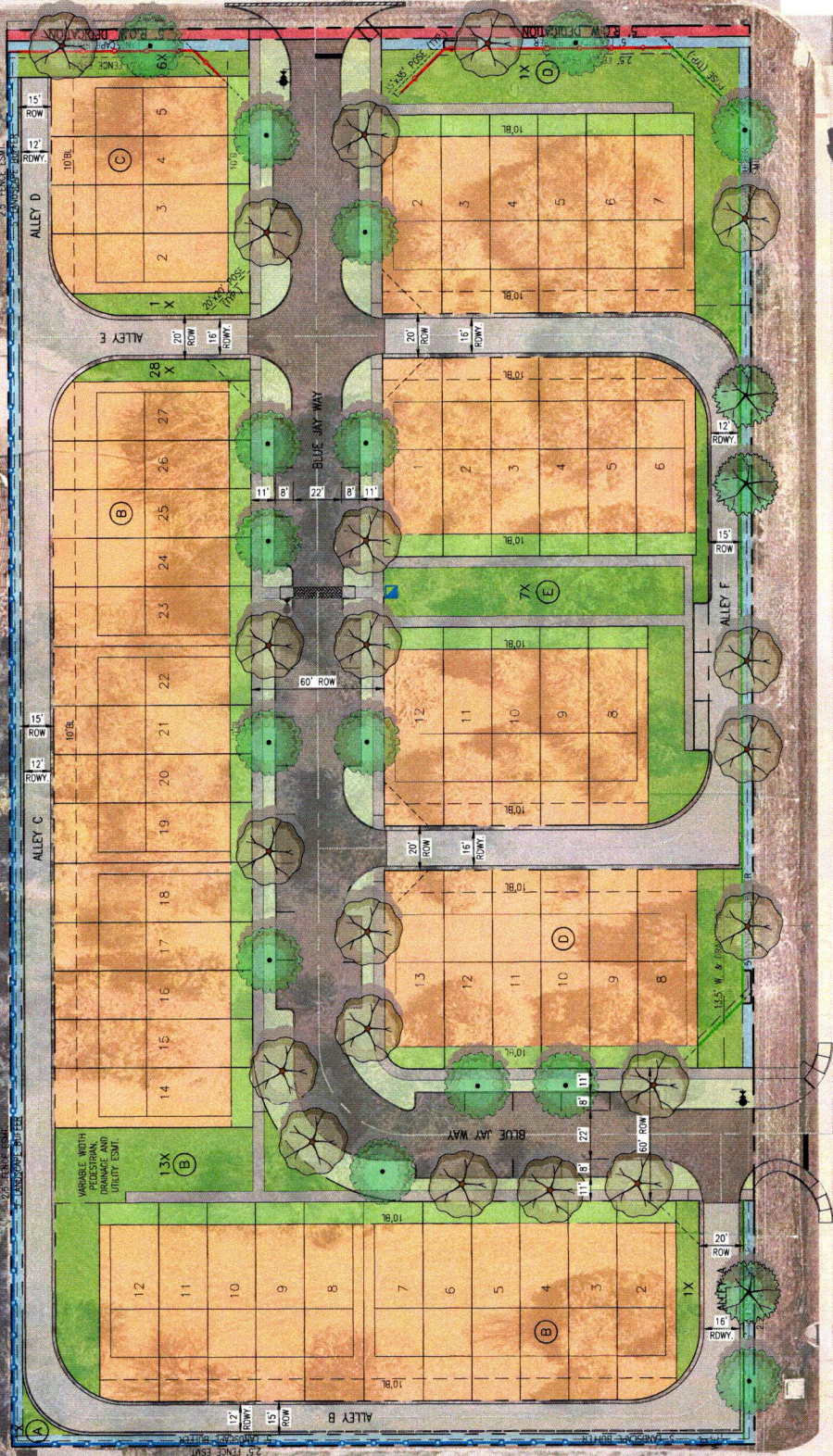
ZONING REGULATIONS

FRONT YARD:
 INTERNAL UNIT - 0' MINIMUM
 EXTERNAL UNIT - 5' MINIMUM
REAR YARD:
 20' MINIMUM
 (EXCEPT 10' MIN. LOT 2, BLK. A; LOT 27, BLK. B;
 LOT 2, BLK. C; LOT 6, BLK. E AND LOT 8, BLK. E)
LOT WIDTH:
 INTERNAL UNIT - 22' MINIMUM
 EXTERNAL UNIT - 27' MINIMUM
LOT DEPTH:
 80' AVERAGE DEPTH
LOT SIZE:
 1,980 S.F. (MINIMUM)
LOT COVERAGE:
 65% MAXIMUM
DENSITY: UP TO 11 UNITS PER GROSS ACRE.

NOTE: ALL PARKING OFF OF BLUE JAY WAY IS TO BE GUEST PARKING ONLY. ALL RESIDENTS MUST USE THEIR REQUIRED PARKING FOR THEIR HOME.



POPPLEWELL STREET



BAKER BOULEVARD

RICHLAND CROSSING
 51 - 90' x 22' TOWN HOME LOTS
 ZONING EXHIBIT
 FROM PD MF-2 AND SF-7
 TO PD MF-2

RICHLAND HILLS, TARRANT COUNTY, TEXAS
 DATE OF PREPARATION
 JUNE 17, 2022
 OWNER:
 185 Popplewell, LLC
 1616 ORACLE DRIVE
 RICHARDSON, TEXAS 75081
 DEVELOPER:
 MetaCom Properties, Inc.
 ROBERT MAXEY
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 GRAPEVINE, TEXAS 76051
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