



Project would promote local economic development and stimulate business and commercial activity within the Village;

**WHEREAS**, the Village has determined that the Program will directly establish a public purpose and that all transactions involving the use of public funds and resources in the establishment and administration of the Program contain controls likely to ensure that the public purpose is accomplished;

**WHEREAS**, the Parties desire to establish certain commitments to be imposed and made in connection with the development of the Land; to provide increased certainty to the Village and the Owners concerning development rights, entitlements, arrangements, and commitments, including the obligations and duties of the Owners and the Village, for a period of years; and to identify planned land uses and permitted intensity of development of the Land before and after annexation as provided in this Agreement, as allowed by applicable law including, but not limited to *Section 212.172 of the Texas Local Government Code* ("Section 212.172"); and

**WHEREAS**, because of the nature and scope of the Project, the Owners and Village desire to enter into this Agreement, which will provide an alternative to the Village's regulatory process and ordinances for development to encourage innovative and comprehensive master-planning of the Land, recruitment of an entertainment venue and businesses, provide certainty of regulatory requirements throughout the term of this Agreement, and result in a high-quality community for the benefit of the present and future residents of Village and the Project.

**NOW, THEREFORE**, in consideration of the foregoing premises and the mutual promises and agreements of the Parties contained in this Agreement, the Parties agree as follows:

**I.  
DEFINITIONS**

In addition to the terms defined elsewhere in this Agreement or in Village's ordinances, capitalized terms not otherwise defined shall have the meanings set forth below:

**1.01** "Agreement" means this Master Development Agreement.

**1.02** "Applicable Regulations" means the Village Ordinances and codes in effect as of August 1, 2015, subject to the amendments, variances and waivers to the Village Ordinances hereby agreed to by the Parties as provided in Exceptions to Village Ordinances, **Exhibit "C"** of this Agreement attached hereto, as more particularly set forth below.

**1.03** "Conceptual Master Plan" means the concept plan for the Land that is attached as **Exhibit "B"**.

**1.04** "County" means Bell County, Texas.

**1.05** "Design Guidelines" the currently proposed architectural and landscape design guidelines for development of the Land attached as **Exhibit "D"**.

**1.06** "Effective Date" means the date this Agreement is last executed by the Parties.

1.07 “ETJ” means extraterritorial jurisdiction.

1.08 “ETJ Land” means that portion of the Land located in the ETJ of Village, consisting of approximately 276 acres of real property being more particularly described on **Exhibit “A”**.

1.09 “Exceptions to Village Ordinances” means the exceptions to the Applicable Regulations, as set forth in **Exhibit “C”**.

1.10 “Final Plat” means a map of a subdivision, addition or development of property within the Land to be recorded in the Plat Records after approval by Village in accordance with the Applicable Regulations.

1.11 “Hotel Occupancy Tax Revenues” means the amount of hotel occupancy tax receipts actually received by the Village pursuant to *Chapter 351 of the Texas Tax Code* from hotels located within the Land during the Hotel Tax Reimbursement Term.

1.12 “Hotel and Property Tax Reimbursement Term” means a period of time between the Effective Date and the 45th annual anniversary of the Effective Date.

1.13 “Land” means 297 acres of land, more or less, more particularly described on **Exhibit “A”**, and illustrated in the Conceptual Master Plan attached as **Exhibit “B”**.

1.14 “Major Amendments” means amendments to the Conceptual Master Plan that meet the following criteria: an increase in commercial square footage, hotel rooms, or residential units equal to or more than 20% of the square footage, rooms or units currently shown in the Conceptual Master Plan.

1.15 “Master Association” means one or more non-profit entities whose membership includes the owners of real property within the Land and to which dues are paid for the maintenance and repair of certain improvements serving the Project including without limitation, privately owned roads, drainage facilities, common open space and park areas, together with other common and related facilities and areas within the Land.

1.16 “Minor Amendments” means amendments to the Conceptual Master Plan that do not qualify as Major Amendments.

1.17 “Parties” means Village and the Owners.

1.18 “PID” means a public improvement district to be created upon, and encompassing, the Land in accordance with the PID Act.

1.19 “PID Act” means *Chapter 372 of the Texas Local Government Code*.

1.20 “PID Project Costs” shall mean any of the acquisition, design, construction, assembly, installation and implementation costs of one or more of the PID Project Facilities with associated costs, including but not limited to the fees and expenses of engineers, attorneys and other consultants related to PID Project Facilities and the administrative and operating costs of the PID, and any other costs for which PID Bonds may be issued under the PID Act.

1.21 “PID Project Facilities” means all public improvements that are eligible for financing or reimbursement under the PID Act.

1.22 “Preliminary Plat” means a map showing the salient features of a proposed subdivision submitted to the Village in accordance with the Applicable Regulations for the purpose of preliminary consideration and approval prior to the submission of a Final Plat.

1.23 “Project” means the mixed use development of the Land, together with parkland, open space, and other facilities, as shown on the Conceptual Master Plan.

1.24 “Reimbursement Funds” means separate funds created and maintained by Village, or a subaccount of any existing fund or account of the Village, into which (i) eighty percent (80%) of the Hotel Occupancy Tax Revenues, and (ii) eighty percent (80%) of all Village *ad valorem* property taxes, shall each be deposited as and when such taxes are received by Village, either directly, or from the Bell County Tax Office or the Texas Comptroller of public Accounts, as applicable.

1.25 “Related Agreements” means certain agreements to be executed simultaneously herewith consisting of the following: (i) this Master Development Agreement; (ii) a temporary access easement agreement across the Land to provide access by the Village to the Wastewater Treatment Plant during construction; (iii) the Chapter 380 Economic Development Agreement as described below; and (iv) the Tourism Marketing Agreement as described below.

1.26 “Salado WSC” means Salado Water Supply Corporation.

1.27 “Subdivision Improvements” means the wastewater, roadways, storm water drainage and other facilities within the Project required to serve development of subdivided lots in the Land and that will be conveyed to the Village upon their completion.

1.28 “TCEQ” means the Texas Commission on Environmental Quality, or successor agency.

1.29 “Village” means the Village of Salado.

1.30 “Village Administrator” means the Village’s Administrator, and his or her successor(s).

1.31 “Wastewater Service Agreement” means the Wastewater Service Agreement previously entered into by the Village and Sanctuary Development Company, LLC, as amended from time to time.

## II. PURPOSES, CONSIDERATION AND AUTHORITY

**2.01 General Benefits.** The Owners will benefit from the certainty and assurance of the development regulations applicable to the development of the Land and by virtue of the services and economic incentives that will be made available to the Land pursuant to the terms of this Agreement. The Owners have voluntarily elected to enter into and accept the benefits of this Agreement and will benefit from: (a) the certainty and assurance of the development and use of the Land in accordance with this Agreement; (b) the establishment of regulations applicable to the development of the Property; and (c) the economic incentives that will be made available to the Land pursuant to the terms of this Agreement. The Village will directly benefit from this Agreement by virtue of its control over the development standards for the Land and by virtue of the economic development and tourism generated by the Project. The Parties expressly confirm and agree that development of the Land will be best accomplished through this Agreement and will substantially advance the legitimate interests of the Village. The Village, by approval of this Agreement, further finds the execution and implementation of this Agreement is not inconsistent or in conflict with any of the policies, plans, or ordinances of the Village.

**2.02 Acknowledgement of Consideration.** The benefits to the Parties set forth above, plus the mutual promises expressed herein, are good and valuable consideration for this Agreement, the sufficiency of which is hereby acknowledged by the Parties. The Village acknowledges that each Owner will, during the term of this Agreement, proceed with the development of each Owner's Tract in reliance upon the terms of this Agreement. The Village acknowledges and agrees that the enforcement of the terms of this Agreement by any affected Owner, would not interfere with or impede the exercise or performance of any governmental function of the Village.

**2.03 Authority.** This Agreement is entered into, in part, under the statutory authority of Section 212.172, which authorizes the Village to make written contracts with the owners of land establishing lawful terms and considerations that the parties agree to be reasonable, appropriate, and not unduly restrictive of business activities. The Parties intend that this Agreement authorize certain land uses and development of the Land, provide for the uniform review and approval of plats and development plans for the Land, provide exceptions to certain ordinances; and provide other terms and consideration including the continuation of land uses and zoning after annexation of each portion of the Land. This Agreement is also entered into, in part, under the statutory authority of Chapter 380. The Parties further intend that this Agreement set forth certain economic incentives to the Owners related to the Project.

## III. ANNEXATION MATTERS

**3.01 Annexation.** The Owners consent to and request that the Village approve annexation of the ETJ Land. Each Owner of a Tract within the ETJ Land agrees that it shall request annexation of such Tract within the ETJ Land as provided in this Agreement. An annexation petition for any particular portion of the ETJ Land in a form substantially similar to that set forth in **Exhibit "E"** requesting annexation of such portion of the ETJ Land may be executed by the owner of such portion of the ETJ Land and submitted to the Village at any time

after the Effective Date at the election of such owner, but no later than ten (10) days after (i) an owner of any portion of the ETJ Land files an application for plat approval (whether a Preliminary Plat or Final Plat), site plan approval, building permit or other development approval for the ETJ Land, or (ii) commences development of such portion of the ETJ Land for a use or purpose other as specifically authorized herein, any one or more of such actions being referred to herein as "Development Commencement". The Village acknowledges that the Land will be developed in phases and that annexation of the ETJ Land shall occur on a parcel by parcel basis as requested by an owner but no later than as Development Commencement occurs on each portion of the ETJ Land. The ETJ Land will be annexed into the corporate limits of the Village in accordance with the provisions of this Agreement and in compliance with the applicable notice and hearing requirements of *Chapter 43 of the Texas Local Government Code*. The Village agrees that annexation and zoning of the ETJ Land on a parcel by parcel basis shall occur within one-hundred twenty (120) days after the annexation petition is submitted by an owner of a portion of the ETJ Land. If such owner fails to present to the Village a petition for the annexation of the ETJ Land signed by the landowner of the Land as provided in this section or fails to actively support the annexation the Village may terminate this Agreement and withdraw its consent to the creation of the PID. The Village agrees to not annex any portion of the ETJ Land until such time as an annexation petition is submitted by an owner of a portion of the ETJ Land or Development Commencement occurs over the portion of the ETJ Land, at which time the annexation of such portion of the ETJ Land shall occur as described in this Section 3.01.

**3.02 Continuation of Agricultural Use.** The Village and the Owners agree and acknowledge that portions of the Land are currently used for agricultural purposes and subject to a property tax exemption under *Chapter 23, Texas Tax Code*. It is the intent those Owners that currently use their respective Tracts for such purposes to continue use of such portions of the Land for agricultural or wildlife preservation purposes until such time as they are developed. As portions of the Land are developed and taken out of agricultural use or wildlife preservation use, such Owners intend to continue use of the remaining, undeveloped portions of the Land for agricultural or wildlife preservation purposes. Notwithstanding anything herein to the contrary, the Village agrees that the Owners of such portions of the Land shall be permitted to continue such agricultural use or wildlife preservation use.

**3.03 Continuation of Commercial Uses.** The Village and the Owners agree and acknowledge that portions of the 53-acre Tract south of FM 2268 as described on Exhibit "A" is currently used for commercial purposes and operated under lease agreement with Wildfire Ranch. It is the intent of the Owner of such Tract to continue use of such Tract for commercial purposes until such time as it is redeveloped. Notwithstanding anything herein to the contrary, the Village agrees that the Owners of such portions of the Land shall be permitted to continue such commercial use.

#### IV. DEVELOPMENT MATTERS

**4.01 Phased Development.** Each Owner intends to develop its respective Tract in accordance with the Conceptual Master Plan and in phases. Village consents to such phased development and agrees that portions of the Land not under active development or redevelopment

may remain in use for agricultural, wildlife management, and other existing uses as provided in this Agreement.

**4.02 Conceptual Master Plan.** The Village hereby confirms its approval of the Conceptual Master Plan, the “PD (Planned Development)” zoning designation and specifically approves the land uses, densities, exceptions, utility and roadway alignments and width of the rights-of-way and other matters shown on the Conceptual Master Plan, Land Use Chart and Zoning Site Development Standards. The Conceptual Master Plan depicts general land use designations. The Village further hereby agrees that the Conceptual Master Plan complies with the Village’s objectives as expressed in the Village’s Comprehensive Plan. Notwithstanding anything in the Village Code of Ordinances to the contrary, The Owners shall be entitled to develop the Land in accordance with the Applicable Regulations and the Conceptual Master Plan. The land uses established in the Conceptual Master Plan, along with the maximum square footage, rooms or units associated with each land use, are set forth below:

Village hereby approves the general land use categories identified on the Conceptual Master Plan and Land Use Chart. Each general land use category may be increased by up to twenty percent (20%) without requiring a Major Amendment, so long as the total acreage of the Project does not change.

General Use Categories:

Commercial (e.g. office, retail, restaurants, etc.)	515,000 HSF
Entertainment Venue (performing arts)	40,000 HSF
Lodging	355 Rooms (keys)
Multi-Family (multi-story, including senior housing, rental)	575 Units
Multi-Family (for sale, including condos, townhomes and duplexes)	130 Units
Single Family (for sale)	364 Units
Parking Garage(s)	500 Spaces

Ancillary service buildings, kiosks, band shell, entry monument structures, pools, fountains, artwork, mechanical equipment storage, maintenance buildings, waste water treatment plant.

The specific land uses permitted within each general land use category shall be any of the conditional or permitted uses allowed under the following classifications SF-2, SF-7, SF-PH, SFA, MF-1, MU and C Village’s Zoning Ordinance, amended June 18, 2015, Section 4, as noted and attached hereto as **Exhibit “F”** (the “*Land Use Chart*”). The specific zoning related site development regulations permitted within the project are set forth in **Exhibit “K”** (the “*Zoning Site Development Standards*”). If there is any conflict between the Master Conceptual Plan and the Land Use Chart and/ or Zoning Site Development Standards, the Land Use Chart or Zoning

Site Development Standards (as applicable) will control. The Village confirms that the Conceptual Master Plan has been approved by the Village Board of Aldermen. Preliminary Plats and Final Plats that comply in all material aspects with the Conceptual Master Plan, Applicable Regulations, and state law shall be approved by Village when submitted for review and approval in accordance with the Village's standard procedures.

**4.03 PD (Planned Development Zoning).** It is the intent of the Village to zone all of the Land with a "PD (Planned Development)" zoning district consistent with this Agreement, the Conceptual Master Plan, the Exceptions to Village Ordinances, the Land Use Chart and the Zoning Site Development Standards. The zoning of the Land shall be subject to the process, notices, hearings and procedures applicable to all other properties within the Village, with such process to be commenced upon receipt of an application by an owner of any portion of the Land. Pursuant to Section 212.172(b)(8) of the Texas Local Government Code, the Village agrees that the land uses and development intensity shown on and allowed in the Conceptual Master Plan, the Exceptions to Village Ordinances, the Land Use Chart and the Zoning Site Development Standards shall be allowed for the Land after annexation. If the Village does not zone the Land as provided in this section, then any affected Owner shall have the right to enforce the obligations of the Village under this Section 4.03, including seeking a mandamus action to require the Village to zone the Land in accordance with this Agreement and the Land shall be and remain entitled to the rights and benefits provided in this Agreement notwithstanding such inaction by the Village.

**4.04 Review Process.** Village acknowledges that efficient Village reviews are necessary for the effective implementation of the Project. Therefore, the Village agrees that it will review and respond with substantive comments or approval to all construction and development applications and any requests for approvals under this Agreement within the time frames established by any statutory or internal Village timeframes for development reviews. The Village agrees that if, at any time, an Owner believes that an impasse has been reached with Village staff on any development issue affecting the Project, such Owner may immediately appeal to the Village Administrator for a resolution and that the Village Administrator's decision is immediately appealable to the Village Board of Aldermen at the earliest meeting at which the Village Board of Aldermen agrees to place the item on the agenda for consideration, which will not be unreasonably delayed. The Owners acknowledge that the appeal process described in this section does not supersede any statutory or ordinance requirements for public hearing and notification.

**4.05 Term of Approval.** The Conceptual Master Plan will be effective for the term of this Agreement, unless otherwise amended or revised by mutual agreement of the Parties.

**4.06 Amendments.** Due to the fact that the Project comprises a significant land area and its development will occur in phases over a number of years, each Owner may make Major Amendments or Minor Amendments to the Conceptual Master Plan as applied to such Owner's Tract upon notification to the Village Administrator. Major Amendments to the Conceptual Master Plan shall require approval of the Village Board of Aldermen, which approval will not be unreasonably withheld, conditioned or delayed. Minor Amendments to the Conceptual Master Plan may be administratively approved by the Village Administrator. Such Owner shall provide the Village with an updated Conceptual Master Plan with its application for a Major Amendment or Minor Amendment.

**4.07 Density Transfer/Use Exchanges.** Density may be transferred between the phases proposed for the Project by up to twenty percent (20%) of the then approved density as shown in the Conceptual Master Plan for the receiving phase, if sufficient sewer capacity is available or if an owner agrees to any sewer upgrades necessary to accommodate the density changes. Such transfers shall be a Minor Amendment. Transfers exceeding twenty percent (20%) of the then approved density in the receiving phase shall require a Major Amendment to the Conceptual Master Plan for the affected phases. An Owner shall be responsible for tracking density transfers at the time of filing a Preliminary Plat by such Owner. Each such Owner shall provide the Village with an updated Conceptual Master Plan each time a density transfer is approved. The Owners may exchange residential uses for non-residential uses, and vice versa, using density unit equivalents (“*DU*”) as the density conversion factor in accordance with the Density Units Table attached hereto as **Exhibit “G”**. If such exchanges do not increase the Project’s overall density by more than 20% based on DUs and the resulting land uses are allowed in the Land Use Chart, the Village shall approve such an exchange administratively as a Minor Amendment. If the exchange increases density by more than 20% or otherwise changes any conditions or assumptions beyond what is otherwise allowed in this Agreement, the City may treat such exchanges as a Major Amendment and process the proposed change accordingly. Each owner seeking an amendment shall provide the Village with an updated Conceptual Master Plan with its application for a Major or Minor Amendment.

**4.08 Plat Approvals.** Approval of a concept plan or Preliminary Plat shall be deemed to also be an update of the Conceptual Master Plan. Concept plans, Preliminary Plats and Final Plats shall be approved if they are consistent with the Conceptual Master Plan and meet the Applicable Regulations.

**4.09 Review/Submittal Fees.** Except as otherwise provided in this Agreement, or any of the Related Agreements, SDC shall pay Village’s standard application, review and development fees which are applicable to all other development applicants, at the time of each submission.

**4.10 Building Code Compliance.** Except for any structures associated with the continued land uses authorized in Section 3.02 and Section 3.03 above that may be located on ETJ Land, permanent structures constructed on the Land shall comply with the uniform building code in effect in the Village on the date of this Agreement. Such code compliance as it applies to the Land and structures constructed on the Land shall be limited to health and safety issues which apply uniformly to all other Land within the corporate limits of Village. An Owner may provide its own compliance inspections using qualified personnel, either its own staff or outsourcing such duties to a qualified third party therefore. In that event, the Village will not perform building code inspections, and such Owner will not be required to pay the Village inspection or review fees or obtain building permits from the Village.

**V.  
UTILITIES**

**5.01 Generally.** Each Owner will have the right to select and contract with the providers of cable television, gas, electric, telephone, telecommunications and all other services, including solid waste collection and recycling services without any further approval of Village, provided, however, water and wastewater services to the Land will be provided as contemplated in Sections 5.02 and 5.03 below.

**5.02 Water Services.** Village and the Owners agree that Salado WSC will provide retail water services to and within the Land, and Village shall have no responsibility for the provision of water services. Village shall not approve the plans and specifications for water facilities constructed to serve customers within the Land, and such plans and specifications shall be subject to the applicable approvals of Salado WSC and TCEQ only.

**5.03 Wastewater Services.** Village shall provide retail wastewater services to and within the Land in accordance with the terms and conditions of the Wastewater Service Agreement.

**VI.  
PARK AND RECREATIONAL AMENITIES AND OPEN SPACE**

**6.01 Park Land.** In recognition of the character of the Project as a master-planned community and in acknowledgement of the substantial private parkland, recreational areas, greenbelts, trails and recreational facilities that will be provided by the Owners, the Village agrees that no public parkland dedication or fees in lieu of dedication will be required from any Owner. On an overall Project basis, the Owners shall provide an amount of private parkland, recreational areas, greenbelts, trails, and recreational facilities that is equal to or in excess of the amount currently shown in the Conceptual Master Plan. An Owner shall have the right modify the location and configuration of the of the private parkland, recreational areas, greenbelts, trails and recreational facilities on such Owner's Tract as shown on the Conceptual Master Plan as a Minor Amendment provided that the total amount of private parkland, recreational areas, greenbelts, trails, and recreational facilities currently shown on the Conceptual Master Plan is maintained.

**6.02 Trail System.** In recognition of the Owners' plans to provide and maintain an extensive trail network throughout the Project, no other public trail easements or improvements shall be required. Each Owner will establish reasonable behavioral policies and available times for all Village residents to use the Project's trail system.

**6.03 Open Space.** Open space shall be owned and maintained by each Owner as applicable, the Master Association, a qualified land trust or a governmental entity.

**6.04 Master Association.** The Master Association may own, operate and maintain all privately owned parks, greenbelts, trails and park improvements constructed by any Owner within the Project.

**VII.**  
**DEVELOPMENT STANDARDS AND REVIEW PROCESS**

**7.01 Applicable Regulations.** Subject to the terms of this Agreement, the Applicable Regulations shall govern the development of the Project.

**7.02 Land Use Chart and Development Standards.** Village hereby approves the Conceptual Master Plan, the Exceptions to Village Ordinances, Land Use Chart and Zoning Site Development Standards for the Project and acknowledges that if those standards are in conflict with any Village codes, ordinances or requirements, the more permissive of this Agreement, the Conceptual Master Plan, the Exceptions to Village Ordinances, the Land Use Chart and Zoning Site Development Standards shall prevail.

**7.03 Development Review and Submittal Process.** Subject to and except as modified by the terms of this Agreement, applications for development of the Project shall be submitted and reviewed in accordance with Village's standard development review application procedures for residential and nonresidential development, and procedures that are applicable to all other developments within Village, at the time of submission.

**7.04 Plat Expiration and Extension.** The Parties agree to the following time applications with respect to preliminary plat review:

(a) Approval of a preliminary plat will expire at the end of three (3) years from the date of approval by the Board of Aldermen unless a final plat on all, or a portion of, the land is filed prior to such expiration date, or an extension is granted by Village;

(b) A one (1) year extension may be granted administratively by the Village Administrator prior to the initial expiration date of any preliminary plat; and

(c) Additional extensions may be granted by the formal approval of the Board of Aldermen.

**7.05 Vision and Character.** The Parties acknowledge that the Design Guidelines are intended to establish the overall vision for the quality of the Project and its development over time. The principles and guidelines described in the Design Guidelines shall be used by the Owners to create specific guidance for successor owners, commercial tenants, commercial site purchasers, lot buyers and homebuilders. The Village and the Owners agree to cooperate in good faith to ensure that development of the Project meets the objectives of the Design Guidelines and to make appropriate revisions to respond to changing market conditions. Such revisions will be processed as a Minor Amendment.

**7.06 Resolution of Conflicts.** Notwithstanding anything in this Agreement to the contrary, the following hierarchy shall apply in resolving conflicts between development requirements: (i) the Exceptions to Village Ordinances, (ii) the Land Use Chart, (iii) the Conceptual Master Plan, (iv) the Zoning Site Development Standards; (iv) this Agreement, and (v) the Applicable Regulations.

**VIII.**  
**AUTHORITY AND VESTING OF RIGHTS**

**8.01 Vesting of Rights.** The Village acknowledges the importance to the Owners of having certainty and predictability of development regulations while planning and implementing the Project. As a result, each Owner has the vested authority to develop its respective Tract in accordance with this Agreement. Each Owner shall be deemed vested from the Effective Date throughout the term of this Agreement for the Applicable Regulations. This Agreement shall constitute the first application in a series of applications and as a “permit” for purposes of vesting as contemplated in Chapter 245 of the Texas Local Government Code solely with respect to the terms of this Agreement. To the extent any of the Applicable Regulations are in conflict with any current or future Village codes, ordinances or requirements, the Applicable Regulations shall prevail. In addition to, and without waiving the generality of the foregoing, the Village acknowledges and agrees that the Conceptual Master Plan constitutes a “permit” for the purposes of Chapter 245 of the Texas Local Government Code that expires only upon expiration this Agreement.

**8.02 Right to Continue Development.** In consideration of the Owners’ agreements herein, the Village agrees that it will not, during the term of this Agreement, impose or attempt to impose: (i) any moratorium on building or development within the Project or (ii) any land use or development regulation that limits the rate or timing of land use approvals, whether affecting preliminary plats, final plats, site plans, building permits or other necessary approvals, within the Project. The preceding sentence does not apply to temporary moratoriums uniformly imposed through Village due to an emergency constituting imminent threat to the public health or safety, provided that such a moratorium will continue only during the duration of the emergency.

**IX.**  
**TRANSPORTATION**

**9.01 Roadway Improvements.**

(a) Village approves an internal roadway network within the Land, and road design standards, as identified on the Conceptual Master Plan, and as more particularly described in the Design Guidelines and a roadway connection to Royal Street, College Hill Drive, Baines Street, Santa Maria Road, San Jose Road, Salado Oaks Drive, Main Street, and FM 2268.

(b) Each Owner may dedicate right-of-way for streets within the Project in accordance with the street sections depicted in the Design Guidelines; however the each Owner reserves the right to designate certain streets as private for the exclusive use of the Project’s residents, owners, tenants and guests. Such Owner, the Master Association, a qualified land trust or a governmental entity other than the Village shall be responsible for the maintenance and operation of any private street.

(c) All privately maintained roads shall be constructed to Village standards (under the Applicable Regulations) for public roadways of the same classification.

**9.02 Road Improvements Outside Land.** The Owners, subject to the consent of State of Texas Department of Transportation (“TxDOT”), may expand and enhance in phases, Farm to

Market Road 2268. A schematic design of the planned improvements to FM 2268 is included as **Exhibit "H"**. The Village approves this schematic design and will fully cooperate with each Owner to complete such improvements provided the Village shall have no expense in the construction of such improvements and the Owners and/ or the Master Association is responsible for the maintenance of any landscape, signs, fountains, lights or other such amenities allowed by TxDOT to be located within the right-of-way and only to the extent such maintenance is permitted by TxDOT.

**9.03 Permit for Right-of-Way by Village.** The Village shall promptly issue any Owner any permit required by such Owner to cross, bore under, intersect, expand, construct, re-construct, upgrade or repair any public-right-of-way in connection with the construction, operation and development of the Project.

## X.

### STORMWATER DRAINAGE, DETENTION AND WATER QUALITY

**10.01 Stormwater.** Each Owner shall provide the Village with storm water plans for construction and maintenance of the storm water collection and discharge that are signed and sealed by a Registered Professional Engineer licensed in the State of Texas. The Village acknowledges the intent of the Owners is to design and implement a storm water management system that promotes mitigation during high volume storm events and storm water recovery during dry periods. This information will be provided to Village during the subdivision review process. The proposed points of discharging storm water runoff from the Land onto adjacent lands will remain consistent with existing conditions whenever practicable. Design of the drainage improvements shall be in accordance with the Applicable Regulations.

**10.02 Water Quality.** The Project shall comply solely with applicable State and federal water quality regulations. During the term of this Agreement, Village shall not impose any local water quality standards on the Project. To the extent the Village adopts any water quality standards applicable to development within the Village or its ETJ generally, the Village acknowledges and agrees that the Project shall be fully exempt from any and all such water quality standards.

## XI.

### ECONOMIC INCENTIVES

**11.01 Public Improvement District.** As part of the approved Program, subject to receipt of a petition for creation of the PID, Village agrees to use its best efforts to create a PID encompassing the Land in accordance with PID Act for financing and reimbursement of all PID Project Facilities and costs that are eligible for financing under the PID Act, including all water, wastewater, irrigation, road, parking lot and drainage facilities. Without limiting the foregoing, Village agrees to use its best efforts to initiate and approve all necessary documents and ordinances required to create the PID and to levy assessments sufficient to pay PID Project Costs. The Owners and Village agree to fully cooperate with each other in connection with creation of the PID and the issuance of PID bonds to finance PID Project Costs. Upon receipt of a petition for creation of the PID, the Village agrees to use diligent and best efforts to promptly and efficiently comply with the requirements for PID creation under the PID Act. The Village

acknowledges and agrees that the improvements shown on the Conceptual Master Plan and all PID Project Facilities contemplated by the Project, including those described in this Agreement and the Related Agreements are authorized improvements under the PID Act. The Village further acknowledges and agrees that, based on the current financial analysis provided by the Owners, creation of the PID is feasible, desirable and advisable under the PID Act. The creation, establishment and continued operation of the PID by Village is a condition to the Owners' continuing obligations under this Agreement and the Related Agreements.

**11.02 Hotel Occupancy Tax Reimbursement.** As part of the approved Program, during the Hotel and Property Tax Reimbursement Term, the Village shall pay to the applicable Owner(s) eighty percent (80%) of the Hotel Occupancy Tax Revenues within thirty (30) days after the end of the reporting period utilized by Village for such taxes, in accordance with the Tourism Marketing Agreement attached hereto as **Exhibit "I"** (the "*Tourism Marketing Agreement*"). The Village acknowledges and agrees that the Project will directly enhance and promote tourism and the convention and hotel industry within the Village.

**11.03 Economic Development Grants.** As part of the approved Program, during the Hotel and Property Tax Reimbursement Term, the Village shall make the economic development grants pursuant to Chapter 380 consisting of (i) grants from "roll-back" taxes, and (ii) grants from property tax receipts, all in accordance with the Chapter 380 Economic Development Agreement attached hereto as **Exhibit "J"** (the "*Chapter 380 Economic Development Agreement*").

## XII. TERM, ASSIGNMENT AND REMEDIES

**12.01 Term.** The term of this Agreement will commence on the Effective Date and continue for forty-five (45) years as allowed in Section 212.172(d) of the Texas Local Government Code, unless terminated on an earlier date under other provisions of this Agreement or by written agreement of Village and the Owners.

**12.02 Termination and Amendment by Agreement.** This Agreement may be terminated or amended as to all of the Land or any portion of the Land at any time by mutual written consent of Village and the applicable Owners or may be terminated or amended only as to a portion of the Land. In addition, the Owners may unilaterally terminate this Agreement in the event that they elect not to proceed with any, or any further, development under the Agreement, for economic reasons or otherwise. The Owners shall be required to demonstrate to Village, at the time of termination, that all obligations of the Owners, as contemplated by this Agreement, have been met including all required infrastructure for existing recorded subdivisions have been built or bonded.

### **12.03 Assignment.**

(a) The terms of this Agreement will run with the Land, and will be binding upon the Owners and their permitted assigns, and shall survive judicial or non-judicial foreclosure, for so long as it remains in effect.

(b) The Village may not assign this Agreement without the prior written consent of the Owners.

(c) Each Owner has the right, from time to time, to assign this Agreement to a non-lender person or entity ("Assignee") provided the following conditions are met: (1) Assignee is a successor owner of all or any part of the an Owner's Tract; (2) Assignee expressly assumes in the assignment all obligations and expressly agrees in the assignment to observe, perform, and be bound by this Agreement; and (3) a copy of the executed assignment is provided to Village within thirty (30) days after execution (collectively, the "Assignment Conditions") with documentation evidencing compliance with the Assignment Conditions. From and after the date a copy of the executed assignment is provided to Village, and if the Assignment Conditions are each satisfied, Village agrees to look solely to Assignee for the performance of all obligations assigned to Assignee and agrees that the assigning Owner shall be released from performing the assigned obligations and from any liability that results from the Assignee's failure to perform the assigned obligations. No assignment by such Owner shall release such Owner from any liability that resulted from an act or omission by such Owner that occurred prior to the effective date of the assignment unless Assignee accepts such liability as part of the assignment.

(d) Each Owner has the right, from time to time, to assign its respective interest in this Agreement, in whole but not in part, to a holder of any obligation or debt of such Owner or any successor owner of all or any part of an Owner's Tract or this Agreement secured by any mortgage, deed of trust, collateral assignment, security interest, lien or other encumbrance, any amendment or modification of the terms thereof, including without limitation any extension, renewal or refinancing thereof (a "Lender") without Village's prior written consent. Any such assigning Owner shall provide notice to Village of any Lender assignment within thirty (30) days after execution of the assignment with a copy of the documents and instruments created and governing Lender's interests and rights. No assignment by such Owner to a Lender shall release such Owner from any of such Owner's obligations under this Agreement.

(e) Each Owner shall maintain written records of any and all assignments made by such Owner (including, for each Assignee and Lender, the documentation demonstrating compliance with the Assignment Conditions, and including a copy of each executed assignment) and, upon written request from any Party, Assignee, or Lender shall provide a copy of such records to the requesting person or entity.

(f) This Agreement is not intended to be binding upon, or create any encumbrance to title as to, any ultimate consumer who purchases a fully developed and improved lot within the Land, nor is it intended to confer upon such person the status of a third party beneficiary.

#### **12.04 Remedies.**

(a) If the Village defaults under this Agreement, an affected Owner may, at its sole election, (i) terminate the Agreement as to such Owner and be relieved from any and all obligations under this Agreement and the Related Agreements, in which event the Village shall be obligated to disannex any portion of the Land annexed by the Village after the Effective Date, (ii) enforce the Agreement by seeking specific performance and/ or a writ of mandamus from a Bell County District Court, and/ or (iii) seek any and all other remedies available at law or in equity. An affected Owner's foregoing remedies for a default by the Village are cumulative. Prior to exercising its remedies hereunder, an affected Owner shall give notice setting forth the event of default ("Notice") to the Village. If Village fails to cure any alleged default within a

reasonable period of time, not less than thirty (30) days after the date of the Notice, and thereafter to diligently pursue such cure to completion, such Owner may exercise its remedies for default as to all of the Land owned by such Owner, or as to the portion of the Land affected by the default. The Village hereby waives governmental immunity from suit and immunity from liability as to any action brought by SDC to enforce the terms, provisions and conditions of this Agreement. The Village further hereby acknowledges and agrees that this Agreement and the Related Agreements are written contracts for services to the Village and are subject to *Subchapter I of Chapter 271 of the Texas Local Government Code*.

(b) If an Owner defaults under this Agreement, Village shall give written Notice to such Owner. If the Owner fails to commence the cure of an alleged default specified in the Notice within a reasonable period of time, not less than forty-five (45) days after the date of the Notice, and thereafter to diligently pursue such cure to completion, Village may seek injunctive relief from a court of proper jurisdiction and/or terminate this Agreement as to such Owner and such Owner's Tract only as its sole and exclusive remedies.

(c) If either Party defaults, the prevailing Party in the dispute will be entitled to recover its reasonable attorney's fees, expenses and court costs from the non-prevailing Party.

#### **12.05 Cooperation.**

(a) Village and the Owners each agree to cooperate with each other as may be reasonably necessary to carry out the intent of this Agreement, including but not limited to the execution of such further documents as may be reasonably necessary.

(b) Village agrees to coordinate with each Owner at any such Owner's expense, in connection with any permits or approvals any such Owner may need or desire from Bell County, TCEQ, United States Fish & Wildlife Service or any other regulatory authority in order to carry out the Conceptual Master Plan and the Project.

(c) In the event of any third party lawsuit or other claim relating to the validity of this Agreement, the Owners and Village agree to cooperate in the defense of such suit or claim, and to use their respective best efforts to resolve the suit or claim without diminution in their respective rights and obligations under this Agreement.

(d) Any Owner or Village may initiate mediation on any issues in dispute and the other Party shall participate in good faith. The cost of mediation shall be a joint expense.

### **XIII. MISCELLANEOUS PROVISIONS**

**13.01 Severability.** The provisions of this Agreement are severable and, if any provision of this Agreement is held to be invalid for any reason by a court or agency of competent jurisdiction, the remainder of this Agreement will not be affected and this Agreement will be construed as if the invalid portion had never been contained herein.

**13.02 Entire Agreement.** This Agreement contains the entire agreement of the Parties regarding the subject matter hereof and supersedes all prior or contemporaneous understandings or representations, whether oral or written, regarding the subject matter.

**13.03 Amendments.** Any amendment of this Agreement must be in writing and will be effective if signed by the authorized representatives of the Parties.

**13.04 Applicable Law; Venue.** This Agreement will be construed in accordance with Texas law. Venue for any action arising hereunder will be in Bell County, Texas.

**13.05 Notices.** Any notice given under this Agreement must be in writing and may be given: (i) by depositing it with Federal Express or another delivery service guaranteeing "next day delivery", addressed to the Party to be notified and with all charges prepaid; or (ii) by personally delivering it to the Party, or any agent of the Party listed in this Agreement. Notice given in any manner will be effective when received. For purposes of notice, the addresses of the Parties will, until changed as provided below, be as follows:

**Salado:** Village of Salado  
Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Email: \_\_\_\_\_

**Owners:** \_\_\_\_\_  
Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Email: \_\_\_\_\_

**with copy to:** Anthony S. Corbett  
Freeman & Corbett  
8500 Bluffstone Cove, Suite B-104  
Austin, Texas 78746  
Email: tcorbett@freemanandcorbett.com

The Parties may change their respective addresses to any other address within the United States of America by giving at least five (5) days' written notice to the other Parties. Any Party may, by giving at least five (5) days' written notice, designate additional parties to receive copies of notices under this Agreement.

**13.06 Exhibits.** The following exhibits are attached to this Agreement and incorporated herein by reference:

- Exhibit A - Description of Land
- Exhibit B - Conceptual Master Plan
- Exhibit C - Exceptions to the Ordinances

- Exhibit D - Design Guidelines
- Exhibit E - Annexation Petition Form
- Exhibit F - Land Use Chart
- Exhibit G - Density Unit Table
- Exhibit H - Schematic Design of Enhanced FM 2268
- Exhibit I - Tourism Marketing Agreement
- Exhibit J - Chapter 380 Economic Development Agreement
- Exhibit K - Zoning Site Development Standards

**13.07 Counterparts; Effect of Partial Execution.** This Agreement may be executed simultaneously in multiple counterparts, each of which will be deemed an original, but all of which will constitute the same instrument.

**13.08 Time of the Essence.** Time is of the essence of this Agreement. In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday or legal holiday, then the final day will be deemed to be the next day that is not a Saturday, Sunday or legal holiday.

**13.09 Authority for Execution.** The Village certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted in conformity with its Village Charter and all applicable Village ordinances. The Owners hereby certify, represent, and warrant that the execution of this Agreement is duly authorized and adopted in conformity with the articles of incorporation and bylaws or partnership agreement of each entity executing on behalf of the Owners.

**13.10 Effective Date; Recordation.** This Agreement shall be effective on the latest date accompanying the signature lines below. This Agreement, or a Memorandum of Agreement signed by both parties shall be recorded in the Official Public Records of Bell County, Texas within sixty days of the Effective Date, at Owners' expense.

**13.11 Counterparts.** This Agreement may be executed simultaneously in one or more counterparts (including, without limitation, counterparts transmitted by facsimile or other electronic means (e.g., .PDF via email)), each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument.

**[The remainder of this page intentionally left blank.]**

**ATTEST:**

**VILLAGE OF SALADO**

\_\_\_\_\_  
Village Secretary

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

THE STATE OF TEXAS

§

COUNTY OF BELL

§

§

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2015, by \_\_\_\_\_, \_\_\_\_\_ of the Village of Salado, a Texas general law municipality, on behalf of said municipality.

\_\_\_\_\_  
Notary Public, State of Texas

(SEAL)

**OWNERS:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

THE STATE OF TEXAS           §

  §

COUNTY OF \_\_\_\_\_       §

          This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_  
2015, by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_, a Texas  
\_\_\_\_\_, on behalf of said \_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of Texas

(SEAL)

**EXHIBIT A**

[TO BE PROVIDED]

**EXHIBIT B**

[INSERT ALL PAGES OF LATEST CONCEPTUAL MASTER PLAN HERE]

**EXHIBIT C**

[TO BE PROVIDED]

**EXHIBIT D**

[TO BE PROVIDED]

**EXHIBIT E**

STATE OF TEXAS

§

COUNTY OF BELL

§

§

**PETITION FOR VOLUNTARY ANNEXATION**

**To the Mayor and Board of Aldermen of the Village of Salado:**

The undersigned owner(s) of the tract of land described below (the "tract") hereby petition the Village of Salado to extend the present incorporated municipal boundaries (i.e., City limits) so as to include in, and annex as a part of, the Village of Salado, the property described on **Exhibit "A"**, which is attached and incorporated herein for all purposes.

We certify and swear that the tract is:

1. one-half mile or less in width; and
2. adjacent (i.e., contiguous) to the municipal boundary; and
3. the location upon which fewer than three registered voters reside, or is vacant or without residents.

We certify and swear that this petition is signed and acknowledged by each and every person and corporation owning said tract or having an interest in any part thereof.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

This instrument was acknowledged before me by \_\_\_\_\_  
\_\_\_\_\_ on this the \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Notary Public, State of Texas

My commission expires: \_\_\_\_\_

## **Exhibit “A”**

### **Property Description**

Attached is a metes and bounds description of the tract of land to be annexed, and a map or drawing, and when possible a survey, plat number, and street address

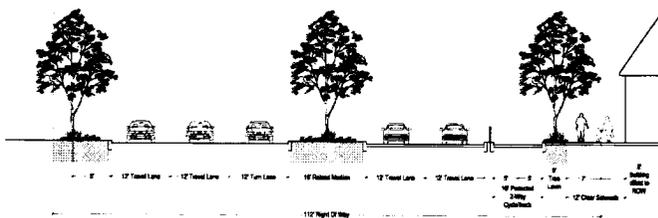
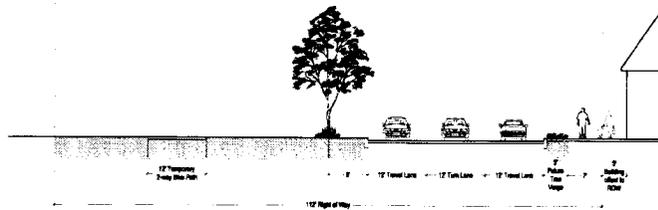
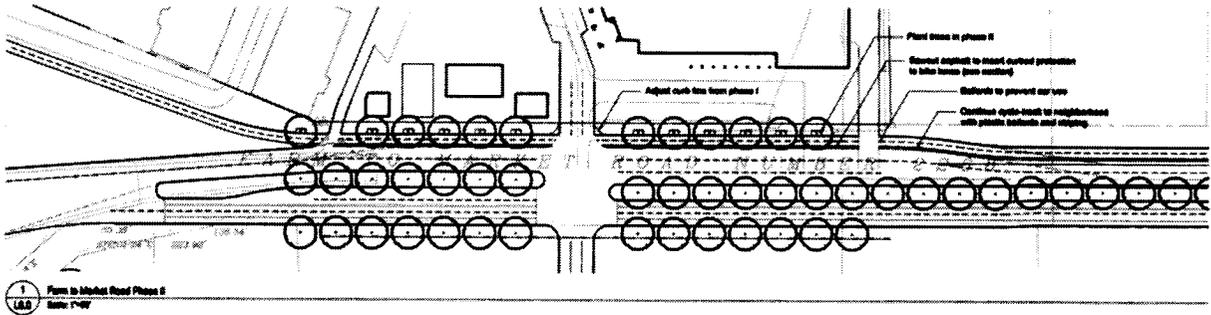
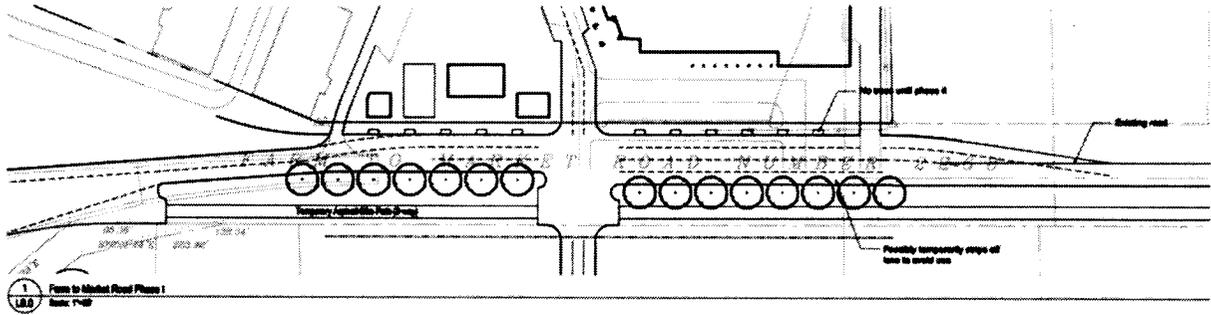
**EXHIBIT F**

[TO BE PROVIDED]

**EXHIBIT G**

<b>DENSITY UNITS TABLE</b>			
<b>Use</b>	<b>Quantity</b>	<b>Unit of Measure</b>	<b>DU</b>
Commercial-Entertainment	2,000	Square Feet	1.00
Commercial-Hotel	0.50	Rooms (Keys)	1.00
Commercial-Office	1,750	Square Feet	1.00
Commercial-Mixed Use Building	1,600	Square Feet	1.00
Commercial-Recreational Facilities & Community Hall	700	Square Feet	1.00
Commercial-Restaurant	500	Square Feet	1.00
Commercial-Retail	6,000	Square Feet	1.00
Commercial-Retailers/Groceries over 40,000 sf	>40,000	Square Feet	30.00
Parks, Pavillions, Shelters	1	Parcel	1.00
Residential-Multi-Family	1	Unit	0.75
Residential-Single Family	1	Unit	1.00

# EXHIBIT H



**EXHIBIT I**

[TO BE PROVIDED]

**EXHIBIT J**

[TO BE PROVIDED]

**EXHIBIT K**

[TO BE PROVIDED]