

**FIRST AMENDMENT TO MASTER DEVELOPMENT AGREEMENT**  
**Between**  
**Village of Salado, Texas**  
**and**  
**Sanctuary Property Owners (Sanctuary Community)**

STATE OF TEXAS           §  
  §  
COUNTY OF BELL         §

This First Amendment to the Master Development Agreement (this "Amendment") is entered into between (i) the VILLAGE OF SALADO, TEXAS, a Type A general law municipality of the State of Texas (the "Village"), and (ii) BILLIE HANKS, JR., an individual, HANKS-CABINESS TRUST, BHHC CHRISTIAN DEVELOPMENT, LLC, a Texas limited liability company, BHHC CHRISTIAN DEVELOPMENT I, LLC, a Texas limited liability company, BHHC CHRISTIAN DEVELOPMENT II, LLC, a Texas limited liability company, BHHC CHRISTIAN DEVELOPMENT III, LLC, a Texas limited liability company, HEIDI HANKS WATERS, an individual, HEATHER HANKS MCGREADY, an individual, OLD WORLD BBD, INC., a Texas corporation, and SANCTUARY SALADO INVESTMENT II, LLC, a Texas limited liability company, and their respective successors and assigns (each individually referred to herein as an "Owner," and collectively referred to herein as the "Owners"). In this Amendment, the Village and the Owners are sometimes individually referred to as a "Party" and collectively referred to as the "Parties."

**RECITALS**

**WHEREAS**, on or about November 25, 2015, the Parties entered into a Master Development Agreement (the "Agreement"); and

**WHEREAS**, the Master Development Agreement incorporates and references the Chapter 380 Economic Development Agreement and the Wastewater Service Agreement (among other agreements); and

**WHEREAS**, the Land more particularly described in the Agreement was annexed into the Village and zoned in accordance with the provisions of the Agreement in early 2016; and

**WHEREAS**, with the passage of time and the evolution of the marketplace, the Parties to the Agreement desire to modify certain terms and provisions to better align with their respective goals and expectations and to clarify certain terms and provisions to ensure the development proceeds efficiently and without ambiguity.

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

A. Section 9.01 of the Agreement is hereby amended by adding the following subsection (c):

Village hereby accepts any and all roadway improvements (including without limitation all asphalt roads, concrete sidewalks, streetlights, hardscape, irrigation, and landscape) constructed by Owners (or their agents) as of the Effective Date and shall accept any and all roadway improvements (including without limitation all asphalt roads, concrete sidewalks, streetlights, hardscape, irrigation, and landscape) hereafter constructed by Owners (or their agents) with the recording of a subdivision plat covering such roadway improvements.

Notwithstanding the foregoing, Owners or the appropriate property owner's association shall be responsible for the routine maintenance and upkeep of these roadways for the later of twenty-four (24) months or until 90% of the platted lots within the plan are conveyed to third parties not related to Owners. The Village agrees that maintenance by the Owners or the appropriate property owner's association of such roadways (i) shall not include maintenance of any roadways and/ or utilities altered, upgraded, or replaced during such period by the Village or third-parties, and (ii) shall be in lieu of any maintenance or warranty bond requirements.

Additionally, Owners must obtain certification from an engineer that the roadway(s) being submitted for acceptance by Village is (are) free of defect or damage from construction activities. This certification must be provided at the time the roadway(s) is (are) submitted for Village's acceptance. Prior to acceptance of the roadway (s), Village's Engineer shall review the certification to determine whether the roadway(s) submitted for Village's acceptance meets the standards for acceptance by Village as set forth in this section.

B. Section 9.01 of the Agreement is hereby amended by adding the following subsection(d):

Owners have received approval from Oncor for the installation of non-standard streetlights. Village acknowledges and agrees that it has previously approved of the non-standard streetlight design.

Village shall, upon completion of operational street lighting, assume responsibility for the costs of electricity used by the street lighting. Owners or their agents or assigns shall remain responsible for maintenance and repair of the non-standard streetlights to the extent Oncor will not cover the cost of maintenance or repair of the fixtures. The parties agree that under no circumstances will the Village be responsible for maintenance or repairs to the non-standard streetlights.

BAO

C. The Agreement is hereby amended by adding a new Section 11.01.A as follows:

**Section 11.01.A Creation and Funding of PIDs.** Notwithstanding anything in the foregoing Section 11.01 to the contrary, the Parties hereby agree to the following additional terms related to the PID:

(a) Contemplated Sequence of Events. The agreed upon sequence of events with respect to the creation of two (2) PIDs as contemplated by the Agreement is as follows:

- (1) Owners have submitted two (2) petitions pursuant to the PID Act to create (i) a PID for the “North Tract” and “South Tract” (as those tracts are shown on Exhibit B of the Agreement) (the “North/ South PID”), and (ii) a PID for the “East Tract” (as that tract is shown on Exhibit B of the Agreement) (the “East PID”). Owners have also provided updated, initial financial analyses for both PIDs on or about September 22, 2022, which are subject to change by the Owners based on updated conditions (the “PID Analyses”).
- (2) The Village agrees to provide the notices and conduct any public hearings as required by the PID Act and, within forty-five (45) days after the approval and adoption of the First Amendment to this Agreement, to (i) make findings by resolution that the PIDs are advisable, and (ii) authorize the creation of both PIDs.
- (3) After authorization of the creation of both PIDs, the Village agrees to negotiate and enter into various agreements and to take any and all other actions reasonably necessary or appropriate so as to cause PID assessments for both PIDs to be levied and PID bonds for both PIDs to be issued no later than five (5) months after the date that a written request for bond issuance from Owners is delivered to the Village (the “Bond Issuance Date”). The PID assessments shall be levied and the PID bonds shall be issued on or before the Bond Issuance Date based on the PID Analyses. If the PID Analyses are hereafter updated or revised by Owners, the schedule set forth herein may need to be reasonably revised based on advice of the Village’s bound counsel and financial advisor and that reasonably revised schedule shall control.

D. Section 12.01 of the Agreement is hereby deleted and replaced with the following:

Except as provided herein, this Agreement shall expire at 12:01 a.m. on December 1, 2042 (the “Expiration Date”).

E. Section 13.04 of the Agreement is hereby deleted and replaced with the following:

This Agreement shall be governed by the laws of the State of Texas, without giving effect to any conflicts of law provision, rule, or principle therein that would result in the application of the law of another jurisdiction. Venue for any action concerning this Agreement shall be exclusively in the State District Court of Bell County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court for any actions arising out of or concerning this Agreement.

- F. Notwithstanding anything herein to the contrary, Paragraphs A, B, C and D of this Amendment and the modifications to the Agreement set forth therein shall not have any force or effect unless and until the provisions of Section 11.01.A added to the Agreement pursuant to Paragraph C of this Amendment have been fully and completely satisfied in accordance with the terms thereof, including without limitation the issuance of PID bonds for both PIDs in accordance with Section 11.01.A on or before the PID Issuance Date. In the event the provisions of such Section 11.01.A are not fully and completed satisfied in accordance with the terms thereof on or before the dates set forth therein, this Amendment shall automatically terminate and be of no further force or effect.
- G. All capitalized terms used but not otherwise defined in this Amendment shall have the meanings assigned to them in the Agreement. In the event of any conflict between the terms of this Amendment and the Agreement, the terms of this Amendment shall prevail. The heading or captions of the paragraphs in this Amendment are for convenience only and do not limit or expand the construction and intent of the contents of the respective paragraph.
- H. This Amendment: (a) shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; (b) may be modified only in writing signed by each party hereto; and (c) embodies the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements relating to such subject matter.
- I. The Agreement as amended and modified by this Amendment is ratified and confirmed by the parties and remains in full force and effect.

[remainder of page intentionally left blank; signature pages follow]


EXECUTED on this 30<sup>th</sup> day of November, 2022.

VILLAGE:

ATTEST:

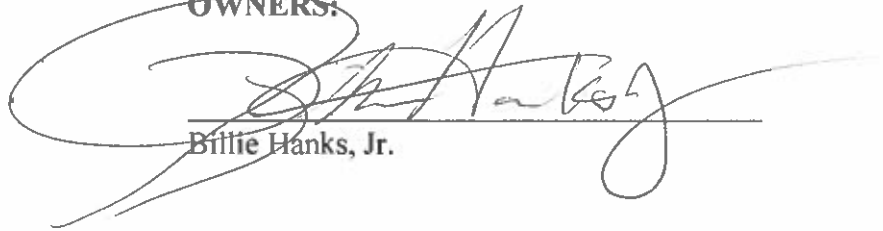
VILLAGE OF SALADO TEXAS,  
a Type A general law municipality of the  
State of Texas

Cara McPartland  
Village Secretary

By:   
Name: Michael Coggin  
Title: Mayor

EXECUTED on this 30<sup>th</sup> day of November, 2022.

OWNERS:

A large, stylized handwritten signature in black ink, appearing to read "Billie Hanks, Jr.", written over a horizontal line.

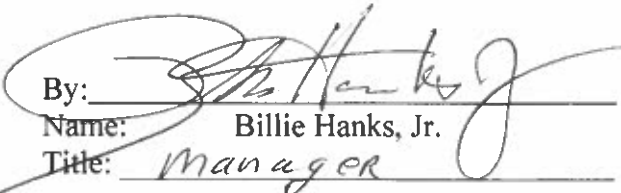
Billie Hanks, Jr.

HANKS-CABINESS TRUST

By: 


Billie Hanks, Jr., Trustee

BHHC CHRISTIAN DEVELOPMENT, LLC,  
a Texas limited liability company


By:   
Name: Billie Hanks, Jr.  
Title: *manager*



BHHC CHRISTIAN DEVELOPMENT I, LLC,  
a Texas limited liability company

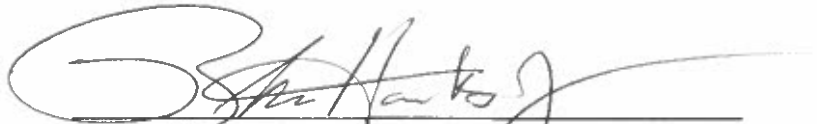
By:   
Name: Billie Hanks, Jr.  
Title: Manager

BHHC CHRISTIAN DEVELOPMENT II, LLC,  
a Texas limited liability company


By:   
Name: Billie Hanks, Jr.  
Title: manager

BHHC CHRISTIAN DEVELOPMENT III, LLC,  
a Texas limited liability company

By:   
Name: Billie Hanks, Jr.  
Title: Manager

A handwritten signature in black ink, appearing to read "Heidi Hanks Waters", written over a horizontal line.

Heidi Hanks Waters, by her Agent and  
Attorney-in-Fact, Billie Hanks, Jr.



Heather Hanks McGready, by her Agent and  
Attorney-in-Fact, Billie Hanks, Jr.

OLD WORLD BBD, INC.,  
a Texas corporation

By: 

Name: Billie Hanks, Jr.

Title: President

SANCTUARY SALADO INVESTMENT II, LLC,  
a Texas limited liability company

By: Sanctuary Development Company, LLC,  
a Texas limited liability company,  
its Manager

By: 

Billie Hanks, Jr., Manager