

Reviewed by:  
JK 8-20-21  
no objections

## **DEVELOPMENT AGREEMENT**

This DEVELOPMENT AGREEMENT (this "Agreement"), is made and entered into as of June, 2021, by and between THE CITY OF TEXAS CITY, TEXAS, a municipal corporation and home-rule city of the State of Texas (the "City"), and TEXAS CITY 51, LLC, a Texas limited liability company (the "Developer").

### **ARTICLE I. RECITALS:**

1.01 Developer intends to acquire an approximately 51-acre tract of real property located in Galveston County, Texas, more fully described on Exhibit "A" attached hereto and incorporated herein (the "Property"), and the City will approve its application for a planned unit development (the "PUD") for the Property attached on Exhibit "B".

1.02 Developer intends to utilize the Property to develop approximately 201 single-family residential lots in accordance with PUD, the zoning code and all applicable City codes and ordinances.

1.03 The City has determined that agreeing to the terms set forth in this Agreement will further the objectives of the City, will benefit the City and the City's inhabitants and will promote local economic development and stimulate business in the City.

1.04 The terms "City", "Developer", "District", "PUD", and "Property" shall have the meanings provided for them in the Recitals herein above. Except as may be otherwise defined, or the context clearly requires otherwise, capitalized terms and phrases used in the Agreement shall have the meanings as follows:

### **ARTICLE II. AGREEMENT:**

NOW, THEREFORE, for good and valuable consideration and the mutual covenants set forth herein, Developer and the City contract and hereby agree as follows:

2.01 Access. The development of the Property requires access from FM 2004. Developer agrees to construct the entrance to the Property.

2.02 PUD Creation and Galveston County Municipal Utility District No. 79 Annexation. Developer will petition the City to create a PUD and annexation into Galveston County Municipal Utility District No 79 (the "MUD"). The City will, within 30 days after such petition, create said PUD, will consent to the annexation of the Property into said PUD, consent to annexation into MUD, and will execute all such documentation and take all such action as may be reasonably requested by Developer, PUD, or MUD in connection therewith. The use and development of the Property before and after annexation shall conform with the PUD and to development standards reasonably necessary to Developer.

2.03 Infrastructure. The City will reserve sufficient utility capacity to serve all the single-family residences constructed within the PUD. Upon completion of construction of the utilities

and streets (the “Infrastructure”) per City standards, the City will accept, own, and maintain the Infrastructure.

### **ARTICLE III. OBLIGATIONS OF THE DEVELOPER**

3.01 Maintenance of certain improvements. The Developer agrees to form one or more property owners’ association(s), which shall have as one of their stated purposes to permanently maintain through assessments all lakes, ponds, and other detention facilities, parks and recreation facilities, landscaping, and monumentation developed as part of the Project (the “Non-City Improvements”). The Developer acknowledges and agrees that the Non-City Improvements will be maintained by the by the property owners' association(s) serving the Property, as appropriate, and the City shall never have the responsibility to own, operate or maintain the Non-City Improvements.

3.02 Dry Utilities. The Developer agrees that all dry utilities, such as electric, gas, telephone, and cable, shall be placed underground throughout the Property; provided, however, that “three-phase” power lines may be elevated and may be placed in easements along the perimeter of the Property to serve the Property. Unless otherwise approved by the City and the Developer and unless no reasonable alternative is available to the power provider for the location of said poles, no elevated three-phase power or larger poles may be placed along any major roads or highways. The Developer agrees that the public street light poles throughout the Project shall be galvanized metal or concrete; provided, however, the Developer may use light poles made out of material that is of a higher quality than concrete, as reasonably determined by the City. Decorative and specialty light poles are acceptable on private property and along private streets; provided, however, that the City shall never be responsible for maintenance of such light poles.

3.03 Development Covenants. The Developer agrees to adopt deed restrictions and other restrictive covenants, and promulgate the Developer's guidelines regarding development standards, consistent with the PUD, the Zoning Code and any relevant City ordinances and regulations. The Developer will provide copies of its residential deed restrictions and residential development covenants to the City for review and comment by the Mayor or his designee no later than prior to the approval of the first residential development covenants for review and comment no later than prior to the approval of PUD. The Developer agrees to require Sub- developers to abide by the Developer's development standards and provide for enforcement mechanisms for restrictive covenants.

3.04 Notice. Developer agrees to provide notice to the Mayor or his designee of any material proposed changes, amendments or revisions to the PUD, the property, or the Project prior to taking any action on such changes.

3.05 Building Regulations. A residential structure shall consist of a minimum of 60% brick, stone, or masonry. For residential structures adjacent to FM 2004 and within 300 feet of FM 2004, 100% of the total exterior walls which may be seen from any public throughfare shall be constructed of brick, stone or masonry.

**ARTICLE IV.  
TERM AND DEFAULT**

4.01 Term. This agreement shall be in effect as of the date set forth on the first page, hereof, and shall terminate 50 years thereafter, unless terminated earlier as specifically provided herein.

4.02 Default.

- (a) A party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement.
- (b) Before any failure of any party to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the party claiming such failure shall notify, in writing, the party alleged to have failed to perform of the alleged of the failure and shall demand performance. No breach of the Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining party within 30 days of such notice. Upon a breach of this Agreement, the non-defaulting Party shall be entitled to specific performance. Regardless of any other provision, neither Party shall be entitled to recover money damages for breach of this Agreement or a tort related to this Agreement. Except as otherwise set forth herein, no action taken by a party pursuant to the provisions of this Section pursuant to the provisions of any other section of this Agreement shall be deemed to constitute an election of remedies set forth in this Agreement shall be cumulative and non-exclusive of any other remedy either set forth herein or available to any Party or in equity. Each of the parties shall have the affirmative obligation to mitigate its damages in the event of a default by the other party.

**ARTICLE V.  
MISCELLANEOUS PROVISIONS**

5.01 Approvals and consents. Approvals or consents required or permitted to be given under this Agreement shall be evidenced by an ordinance, resolution or order adopted by the governing body of the appropriate party or by a certificate executed by a person, firm or entity previously authorized to give such approval or consent on behalf of the party. Approvals and consents shall be effective without regard to whether given before or after the time required for giving such approvals or consents.

5.02 Address and notice. Any notice to be given under this Agreement shall be given in writing, addressed to the party to be notified as set forth below, and may be given either by depositing the notice in the United States mail postage prepaid, registered or certified mail, with return receipt requested; by messenger delivery; or by telecopy. Notice deposited by mail shall be effective three days after posting. Notice given in any other manner shall be effective upon receipt by the party to be notified. For purposes of notice, the addresses of the parties shall be as follows:

If to the City, to:

City Engineer - City of Texas City  
7800 Emmett F. Lowry Expy  
Texas City, Texas 77591  
Attn: Doug Kneupper  
Email: dkneupper@texascitytx.gov

With a copy to:

City Attorney - City of Texas City  
928 5<sup>th</sup> Ave. N.  
Texas City, Texas 77590  
Attn: Kyle Dickson  
Email: \_\_\_\_\_

If to the Developer, to:

Texas City 51, LLC  
11529 Wincrest  
Dickinson, TX 77539 Attn: Jerry LeBlanc, Jr.  
Email: jleblanc@binnacledevelopment.com

With a copy to:

Hoover Slovacek LLP  
5151 Westheimer, Suite 1200  
Houston, Texas 77056  
Attn: Greg A. Savage  
Email: savage@hooverslovacek.com

The parties shall have the right from time to time to change their respective addressees by giving at least 10 days' written notice of such change to the other party.

5.03 Assignment. This Agreement is assignable. If all or any portion of the Property is transferred, sold or conveyed, the Developer shall give notice immediately to the City of the name, address, phone number and contact person of the person or entity acquiring an interest in the

Property. This Agreement shall run with the land and shall be binding on and inure to the benefit of the Developer's successors and assigns.

5.04 Nonwaiver of Rights. By entering this Agreement, neither Developer nor the City waive any rights granted under any laws, nor do they make any admissions regarding the subject matter of this Agreement. Each party specifically reserves any and all rights to pursue any action or remedy to protect its interests and rights

5.05 Reservation of Rights. All rights, powers, privileges and authority of the parties hereto not restricted or affected by the express terms and provisions hereof are reserved by the parties and, from time to time, may be exercised and enforced by the parties.

5.06 Venue. This Agreement shall be construed in accordance with the laws of the State of Texas and shall be performable in Galveston County, Texas.

5.07 Merger. This Agreement embodies the entire understanding between the parties and there are no representations, warranties, or agreements between the parties covering the subject matter of this Agreement.

5.08 Modification; Exhibit. This Agreement shall be subject to change or modification only with the mutual written consent of the City and the Developer. The exhibits attached to this Agreement are incorporated by this reference for all purposes.

5.09 Captions. The captions of each section of this Agreement are inserted solely for convenience and shall never be given effect in construing the duties, obligations or liabilities of the parties hereto or any provisions hereof, or in ascertaining the intent of either party, with respect to the provisions hereof.

5.10 Interpretations. This Agreement and the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Agreement.

5.11 Severability. If any provision of this Agreement or the application thereof to any person or circumstances is ever judicially declared invalid, such provision shall be deemed severed from this Agreement and the remaining portions of this Agreement shall remain in effect.

5.12 Parties in interest. This Agreement shall be for the sole and exclusive benefit of the parties hereto and shall not be construed to confer any rights upon any third parties.

5.13 Counterparts. This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes. Telefaxed or scanned-emailed copies of this signed Agreement shall be binding and effective as an original.

5.14 Authority to Execute. The individuals executing this Agreement on behalf of the respective parties below represent to each other and to others that all appropriate and necessary action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the party for which his or her signature appears, that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding

agreement on the party for whom the individual is signing this Agreement and that each individual affixing his or her signature hereto is authorized to do so, and such authorization is valid and effective on the date hereof.

5.15 Incorporation of Recitals. The Recitals above are incorporated herein as if repeated verbatim.

*- Signature Page to Follow -*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the date first given above.

**CITY OF TEXAS CITY, TEXAS**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TEXAS CITY 51, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT "A" TO DEVELOPMENT AGREEMENT**

Legal Description

All of that certain 50.65 acre tract of land situated in the **W. K. WILSON SURVEY**, Abstract Number **208**, being parts of Lots 9 through 12 and part of Lot 14, of the **WATERMAN'S SUBDIVISION**, a subdivision in Galveston County Texas, according to the map or plat thereof recorded in Volume 8, Page 10 of the Galveston County Map Records, and being those tracts of land called 24.42 acres and 10.03 acres described in that certain Special Warranty Deed dated October 31, 2008 from 412 Center Park, Ltd., to Texas City Economic Development Corporation recorded in Clerk's File Number 2008059995 and that tract of land called 16.1630 acres described in that certain Special Warranty Deed dated April 19, 2016 from Texas City Economic Development Corporation to 412 Central Park, Ltd., recorded in Clerk's File Number 2016021487, both of the Official Public Records of Galveston County, Texas; said 50.65 acres of land being more fully described by metes and bounds as follows:

**BEGINNING** at a 5/8 inch rod found in the East right-of-way line of Mall of the Mainland Parkway (a.k.a. F. M. 2004) (called 120' in width), same being the Northwest corner of Lot 6, of the **MALL OF THE MAINLAND**, a subdivision of record in Volume 18, Pages 446-448 of the Galveston County Map Records, also being the Southwest corner of aforesaid 10.03 acre tract, the Southwest corner of the herein described tract and the **POINT OF BEGINNING** hereof;

**THENCE**, N 00°23'30" E along and with the East right-of-way line of Mall of the Mainland Parkway, being the West line of above said 10.03 and 24.42 acre tracts of land, a distance of 1,766.23 feet to a 5/8 inch rod found at the Northwest corner of the herein described tract;

**THENCE**, N 88°59'31" E along and with the North line of said 24.42 acre tract, a distance of 564.00 feet to a point for corner, and a found 5/8 inch rod;

**THENCE**, S 28°01'34" E, a distance of 307.69 feet to a 5/8 inch rod found at the beginning of a non-tangent curve to the left, said curve having a radius of 850.00 feet and a central angle of 20°30'41";

**THENCE**, along the arc of said non-tangent curve to the left, a distance of 304.33 feet, the chord of which bears S 43°42'35" E, 302.71 feet, to a 5/8 inch rod found at the beginning of a compound and non-tangent curve to the left, said curve having a radius of 559.89 feet and a central angle of 03°47'43";

**THENCE**, along the arc of said non-tangent curve to the left, a distance of 37.09 feet, the chord of which bears S 61°17'28" E, 37.08 feet, to a 5/8 inch rod found at the end of said curve;

**THENCE**, S 63°11'19" E, a distance of 584.61 feet to a 5/8 inch rod found at the beginning of a tangent curve to the right, said curve having a radius of 120.00 feet and a central angle of 45°00'00";

**THENCE**, along the arc of said tangent curve to the right, a distance of 94.24 feet, the chord of which bears S 40°41'19" E, 91.84 feet, to a 5/8 inch rod found at the end of said curve;

**THENCE**, S 18°11'19" E, a distance of 369.87 feet to a point for corner, and a found 5/8 inch rod;

**THENCE**, WEST, a distance of 543.00 feet to a point for corner, and a found 5/8 inch rod;

**THENCE**, S 00°23'30" W, along and with the East line of aforesaid 16.1630 acre tract, a distance of 956.96 feet to a 5/8 inch rod found at the Southeast corner of the herein described tract;

**THENCE**, N 71°23'11" W, along and with the Northerly line of said **MALL OF THE MAINLAND** subdivision, a distance of 1,171.06 feet to the **POINT OF BEGINNING** and containing within said boundaries a calculated area of 50.65 acres (2,206,199 square feet) of land, more or less.