

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT
BETWEEN THE CITY OF GARLAND AND
TRILOGY - BRD ACQUISITIONS, LLC

This **ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT** (“Agreement”) is made by and between the **City of Garland**, a Texas home-rule municipality (“City”), and **Trilogy - BRD Acquisitions, LLC**, a Delaware limited liability company (“Developer”), acting by and through their respective authorized officers.

RECITALS:

Developer and the City each acknowledge and agree that the following recitals are true and correct and that the same is a material part of this Agreement:

WHEREAS, the City desires to further the public interest and welfare and to induce the investment of private resources in productive business enterprises located within the City that will increase tax revenue and promote or develop new business enterprises through Economic Development Agreements as authorized by Chapter 380 of the Texas Local Government Code;

WHEREAS, the Developer and City agree that the Developer shall acquire title to and develop approximately 178.1836 acres at 3000 S. Country Club Road into a single family housing community, which will include approximately 300 homes, the Amenity Centers (as hereinafter defined), and other amenities identified herein and/or in the PD (as hereinafter defined), as it may be amended (such community and amenities being referred to as the “Development”);

WHEREAS, the Developer agrees to make an initial capital investment of approximately one hundred fifty million (\$150,000,000.00) into the Development, including costs for development and construction;

WHEREAS, the Development will have a direct and positive economic benefit to the City;

WHEREAS, the Developer has advised the City that a contributing factor of inducing the Developer to further improve the land is an agreement by the City to provide an Economic Development grant to the Developer as set forth herein;

WHEREAS, the City is authorized by Article III, Section 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code to provide an economic development program, which may include certain grants of public funds, to stimulate business and commercial activity within the City;

WHEREAS, City hereby finds that this Agreement promotes economic development in the City and, as such, meets the requisites under Article III, Section 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code and qualifies for an Economic Development Program, and further, is in the best interests of the City;

WHEREAS, the City wishes to provide an Economic Development grant to the Developer to assist in the economic development of the City by reimbursing the Developer up to one hundred percent (100%) of Development Fees (as hereinafter defined) paid by the Developer during and for the construction of Development up to a maximum reimbursement of Three Million Four Hundred Thousand Dollars and No Cents (\$3,400,000.00); and

WHEREAS, the City has determined, based on information presented to it by the Developer, that making an Economic Development grant to the Developer as set forth in this Agreement is matching the City's Economic Development goals and will: (i) help accomplish the objectives of the City; (ii) benefit the City and the City's inhabitants; and (iii) promote local economic development and stimulate business and commercial activity in the City;

NOW, THEREFORE, the Developer and the City make and enter into this Agreement in consideration of the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by both the Developer and the City, and agree as follows:

Section 1. Definitions:

“Amenity Centers” means the two (2) separate buildings and related features identified and described as “Amenity Center #1” and “Amenity Center #2” in the PD.

“Building Final” means the permit issued by the City's Building Inspection Department indicating construction has been completed and approved by the City and the building is ready for occupancy.

“DCAD” means the Dallas Central Appraisal District or its successor.

“Development” has meaning described within the Recitals of this Agreement.

“Development Fees” means the fees paid by Developer pursuant to the Garland Development Code during the term of this Agreement, which fees include, but are not limited to, inspection fees, application fees, tree mitigations fees, water impact fees, building permit fees, and Roadway Impact Fees. “Development Fees” do not include the dedication of property, rights-of-way, easements, or other interests in property for public facilities, the value of such dedications, the construction of, contribution toward, or payment of money for public or private improvements, or other fees of any kind other than those identified in the first sentence of this definition. The exact Development Fees for this Development will be calculated by the City during the zoning and permitting stages of the Development. The Developer shall pay the Development Fees to the City during the appropriate stage of the Development.

“Incentive” means the City's reimbursement, upon certain conditions, up to one hundred percent (100%) of Development Fees paid by the Developer for the Development up to a maximum incentive of Three Million Four Hundred Thousand Dollars and No Cents (\$3,400,000.00).

“Party” means either the City or the Developer, and “Parties” means, collectively, the City and the

Developer.

“PD” means the existing Planned Development (PD 18-27) approved by Ordinance No. 7020 in 2018 under the Garland Development Code

“Program” means the Economic Development Program for this Development as established by the City according to Texas Local Government Code Chapter 380 and this Agreement to promote local economic development and stimulate business and commercial activity within the City.

“Property” means the approximately 178.1836 acres at 3000 S. Country Club Road, City of Garland, Dallas County, Texas, and more particularly described and referenced in this Agreement as “**Exhibit A**,” and attached to this Agreement.

“Roadway Impact Fees” means the fees related to fund or recoup all or part of the costs of capital improvements or facility expansion necessitated by and attributable to new development according to Chapter 1, Article 3 of the Garland Development Code.

“Settlement Statement” means a document containing the gross sale price for the single family home and summarizing all costs owed by or credits due to the homebuyer and seller at the closing of a contemplated real estate transaction, also referred to as a closing statement.

“Target Assessed Value” is the minimum tax valuation, as established by the Dallas Central Appraisal District, to receive full Incentives under this Agreement as follows:

- Target Assessed Value for each single-family home construction on the Development: Four Hundred and Fifty Thousand Dollars and No Cents (\$450,000.00)

“Target Sale Value” is the minimum purchase price, as established by the Settlement Statement, to receive an initial partial Incentive payment under this Agreement as follows:

- Target Sale Value for each single-family home constructed and sold on the Development: Five Hundred Thousand Dollars and No Cents (\$500,000.00)

“Term” has the meaning given such term in Section 2 of this Agreement.

“Tree Mitigation Fees” means the fees related to the removal of trees from the Property to be developed according to Chapter 4, Article 4 of the Garland Development Code.

Section 2. Term. This Agreement shall, unless extended or terminated in writing by a mutual agreement executed by both Parties, or as otherwise provided in this Agreement of the Parties, terminate either upon the complete performance by the Parties of all obligations and conditions within this Agreement or on December 31, 2036, whichever is first. This Agreement shall be effective (“Effective Date”) as of the date of the last Party to execute this Agreement. The “Term” of this Agreement shall mean the period from the Effective Date to the date this Agreement is terminated as provided above.

Section 3. Developer's Obligations.

(A) Developer shall construct, complete, and sell to third party homebuyers homes within the Development on the Property. Developer must achieve the Target Sale Value and/or the Target Assessed Value in any calendar year during the Term of this Agreement for a home to qualify for any Incentive hereunder with respect to such home.

(B) To qualify for the Incentive described herein, Developer shall obtain all necessary permits throughout construction in accordance with the existing PD and the Development must comply with the following:

- a. The Development shall contain approximately 300 single-family homes:
 - i. At least thirty-five percent (35%) of the total homes ultimately constructed must contain at least one thousand seven hundred square feet (1,700sf) of living space.
 - ii. At least twenty-five percent (25%), over and above the 35% of homes referenced in Section 3(B)(a)(i) above, of the total homes ultimately constructed must contain at least two thousand square feet (2,000sf) of living space,
 - iii. Each home must include at least two (2) parking spaces.
- b. The landscape buffer between the Development, or any lot of the Development, and any existing adjacent residential lot shall be at least seventy-five feet (75').
- c. At least thirty five percent (35%) of the Property shall be developed as open space, which may include uses of landscape buffers, lawns, lakes, and trails. Such designated open spaces must be maintained by a Home Owners Association. The City shall have no obligation to maintain the open space.
- d. Developer shall dedicate an easement to the City in a location and in a form reasonably agreeable to the City, which will allow for the City to construct and maintain a trail connection between future trails of the City on adjacent property to the trail amenity of the Development, generally in the location as shown on "**Exhibit B**".
- e. Developer shall commence and complete construction of the Amenity Centers in accordance with the terms of this Agreement. In this regard, the Developer shall prepare and submit to the City for review and approval plans and specifications for the Amenity Centers within one hundred eighty (180) days after the Developer has received the City's approval of the Developer's civil engineering plans for the first phase of lots to be developed by the Developer on the Property. The City agrees that it shall not unreasonably withhold or delay its approval of the Amenity Plans provided such plans comply in all material respects with the requirements pertaining to the Amenity Centers set forth in the PD. The Developer will (i) commence construction of the Amenity Centers within one hundred eighty (180) days after the City has approved such plans and a Final Plat has been filed of record with Dallas County, and (ii) complete construction of the Amenity Centers by the earlier of (a) within five hundred forty (540) days after it has commenced construction, or (b) December 30, 2029. For purposes hereof, the Amenity Centers shall be deemed complete when the Developer has received a Building Final from

the City for the Amenity Centers. Should the Amenity Centers not be constructed and completed within the deadlines required by this section, no further building permits for any building or structure on the Property shall be issued by the City until such Amenity Center construction is complete.

(C) Developer must have at least one Building Final issued for a single-family home for the Development by December 31, 2030, **or this Agreement shall automatically terminate with no Incentive being owed to Developer by City.**

(D) Developer shall use commercially reasonable efforts in its communications, branding, marketing, and promotions to recognize that the Development and associated business operations are in the City of Garland, Texas.

(E) The Development shall be and remain a customer of the City for all solid waste, water, and wastewater services.

(F) Beginning in 2027 for tax year 2026 (and continuing each calendar year thereafter), Developer may apply annually for a reimbursement portion of the Incentive based on single family homes for which a Building Final has been issued being sold and conveyed during the previous tax year. The portion of reimbursement to be paid to Developer shall be based upon the number of single-family homes to have both received a Building Final within that previous tax year and met the Target Sale Value and/or Target Assessed Value.

(G) Developer shall submit to the Economic Development Director of the City the following documentation no less frequently than annually, as a condition precedent to qualify for the reimbursement Incentive:

(1) For each home/building, a copy of the Building Final issued by the City having a date issued on or prior to December 31, 2035, which is the date the Developer is required to obtain the Building Final, together with a copy of the executed Settlement Statement reflecting the gross sales price for each home sold and for which Developer requests a reimbursement Incentive;

(2) For each Amenity Center building, a copy of the Building Final issued by the City having a date issued on or prior to the date the Developer is required to complete the Amenity Centers, together with paid invoices evidencing the amounts paid by the Developer in connection with the Amenity Centers;

(3) A copy of the receipt for payment or other evidence suitable to the City establishing the amount the Developer Fees paid by Developer during the prior calendar year; and

(4) As a condition to Developer receiving 100% of the eligible Incentive as provided herein, a certified valuation from DCAD establishing that the taxable non-exempt assessed value for the Real Estate meets or exceeds the Target Assessed Value.

(H) If Developer meets or exceeds the Target Sale Value for a single family home on the Development, it shall be entitled to an initial partial rebate of ninety percent (90%) of the Development Fees paid for that specific single family home on the Development (together with a pro-rata portion of any Development Fees that are not specifically related to a specific home, specifically excluding any Development Fees paid by Developer to design and construct the Amenity Centers), up to a maximum reimbursement of Three Million Four Hundred Thousand Dollars and No Cents (\$3,400,000.00) for the Development as a whole.

(I) If the Developer at any time during the Term of this Agreement has completed both Amenity Centers and has previously met or exceeded or meets or exceeds the Target Assessed Value for a single family home on the Development based upon a DCAD valuation, it shall be entitled to a rebate of the remaining ten percent (10%) of the Development Fees for those specific single family homes on the Development for which the Developer has previously received the initial partial rebate, and one hundred percent (100%) of the Development Fees paid for any specific single family home on the Development for which Developer has not previously received any partial rebate (together with a pro-rata portion of any Development Fees that are not specifically related to a specific home and those related to the construction and completion of the Amenity Centers), up to a maximum reimbursement of Three Million Four Hundred Thousand Dollars and No Cents (\$3,400,000.00) for the Development as a whole, inclusive of both the initial partial rebates contemplated by subsection (H) above and the final incentive rebate contemplated by this section (I).

(J) The following table is provided to illustrate the percentage of rebate to which the Developer may be entitled under sections (H) and (I) above based on whether a specific single-family home constructed on the Development meets or exceeds the contemplated Target Sale Value and/or Target Assessed Value, up to an all-inclusive total maximum rebate of Three Million Four Hundred Thousand Dollars and No Cents (\$3,400,000.00):

Settlement Statement & Building Final		Certified Valuation of DCAD		
Target Sale Value	Partial Payment	Target DCAD Value	Remainder Payment	Full Payment
Greater than or equal to \$500,000	90%	Greater than \$450,000	10%	100%
Greater than or equal to \$500,000	90%	Less than \$450,000	0	90%
Less than \$500,000	0	Less than \$450,000	0	0

Less than \$500,000	0	Greater than \$450,000	100%	100%
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Section 4. City’s Obligations. Contingent upon the completion of the Developer’s obligations set forth in Section 3 of this Agreement, by the deadlines listed for therein, the City shall pay as a rebate to Developer annually beginning in 2027 for tax year 2026 (and continuing each calendar year thereafter) the amount of up to one hundred percent (100%) of the actual amount of Development Fees incurred and paid by the Developer for single family homes which received a Building Final during the previous tax year and which met the Target Assessed Value, to a maximum of Three Million Four Hundred Thousand Dollars and No Cents (\$3,400,000.00) for the entire Development during the Term of this Agreement, subject to the provisions of Section 3(H) and 3(I), above. Should Developer not at any time during the Term of this Agreement meet the Target Assessed Value for any specific single family home, it shall not qualify for reimbursement of fees hereunder. However, should Developer otherwise comply with the conditions of Section 3 and meet the Target Sale Value for any respective single-family home, then the City shall pay a percentage of the Development Fees incurred and paid by the Developer for the Development in accordance Section 3(H). Should Developer not complete the Amenity Centers as contemplated by Section 3(B)e, the City will withhold all further building permits sought by the Developer related to the Property until such Amenity Centers are complete. All reimbursement Incentive payments to be made by the City to Developer hereunder shall be made within ninety (90) days after Developer has delivered to the City the information required under Section 3(I) hereof.

Section 5. Source of Funds. The monetary portion of the Incentive shall be paid only from the Development Fees actually received in hand by the City from the Developer. Notwithstanding any other provision contained herein to the contrary, the City shall not owe Developer any amount or other thing of value in excess of up to one hundred percent (100%) of the Development Fees received in hand by the City and paid by the Developer for this Development, up to a maximum reimbursement of Three Million Four Hundred Thousand Dollars and No Cents (\$3,400,000.00). No other source of funds shall be provided for the payment of the Incentive.

Section 6. Valuation Assessment. Developer agrees that by submitting to the City a request for the payment of any of the Incentive under this Agreement, the Developer has (i) fully and finally agreed to the DCAD assessed tax values and the City’s tax rate and procedures on which the assessed value of the Development is or will be based without protest or challenge; (ii) will not make any claim for a refund, repayment, or reduction of those taxes from any source, including the City; and (iii) will not claim or accept any exemption from ad valorem taxes, prior to the date of termination of this Agreement.

Section 7. Rules of Construction. The capitalized terms listed in this Agreement shall have the meanings set forth herein whenever the terms appear in this Agreement, whether in the singular or the plural or in the present or past tense. Other terms used in this Agreement shall have meanings as commonly used in the English language. Words not otherwise defined herein that have well-known and generally accepted technical or trade meanings are used herein per such recognized meanings. In addition, the following rules of interpretation shall apply:

(A) References to “Articles,” “Sections,” or “Exhibits” shall be to articles, sections, or exhibits of this Agreement.

(B) The Exhibits attached hereto are incorporated in and are intended to be part of this Agreement; provided that in the event of a conflict between the terms of any Exhibit and the terms of this Agreement, the terms of this Agreement shall take precedence.

(C) This Agreement was negotiated and prepared by both Parties with the advice and participation of counsel. The Parties have agreed to the wording of this Agreement and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this Agreement or any part hereof.

(D) Unless expressly provided otherwise in this Agreement, (a) where the Agreement requires the consent, approval, or similar action by a Party, such consent or approval shall not be unreasonably withheld, conditioned, or delayed, and (b) wherever the Agreement gives a Party a right to determine, require, specify, or take similar action concerning a matter, such determination, requirement, specification, or similar action shall be reasonable.

(F) Use of the words “include” or “including” or similar words shall be interpreted as “including but not limited to” or “including, without limitation.”

(G) The recitals to this Agreement are incorporated herein.

Section 8. Dispute Resolution and Step Negotiations. The Parties shall attempt in good faith to resolve all disputes arising out of or relating to this Agreement or any of the transactions contemplated hereby promptly by negotiation, as follows:

(A) Either Party may give the other Party written notice of any such dispute not resolved in the normal course of business. Representatives of each of the Parties shall meet at a mutually acceptable time and place within ten days after delivery of such notice, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within thirty days from the referral of the dispute to such representatives, or if no meeting of such representatives has taken place within fifteen days after such referral, either Party may initiate mediation as provided hereinafter. If a Party intends to be accompanied at a meeting by an attorney, the other Party shall be given at least three business days’ notice of such intention and may also be accompanied by an attorney. All negotiations according to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of the Federal Rules of Evidence and State Rules of Evidence. Each Party will bear its own costs for this dispute resolution phase.

(B) If any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby is not resolved by the procedures set forth in Section 8 (A), such dispute shall be submitted to non-binding mediation to a person mutually agreed by the Parties. The mediation may take place at a mutually agreed upon location. If the mediation process has not

resolved the dispute within thirty days of the submission of the matter to mediation or within such a longer period as the Parties may agree to, either Party may exercise all remedies available at law or in equity under this Agreement, including the initiation of court proceedings. Each Party will bear its own costs, and share equally in the costs of mediators, for this dispute resolution phase.

(C) Nothing in this Section shall preclude, or be construed to preclude, the resort by either Party to a court of competent jurisdiction solely to secure a temporary or preliminary injunction or other relief to preserve the status quo or avoid irreparable harm.

Section 9. Jurisdiction and Venue. City and Developer, to the fullest extent permitted by applicable law, irrevocably (i) submit to the exclusive jurisdiction of the district courts located in Dallas County, Texas, and any appellate court thereof; (ii) waive any objection which either may have to the laying of the venue of any proceeding brought in any such court and (iii) waive any claim that such proceedings have been brought in an inconvenient forum. Nothing in this provision shall prohibit a Party from bringing an action to enforce a money judgment in any other jurisdiction where the courts of such jurisdiction have jurisdiction over the other Party.

Section 10. Accommodation of Financing Parties. To facilitate the Developer's obtaining of financing to construct and operate the Development, City shall make governmentally reasonable efforts to provide such consents to assignments, certifications, representations, information, estoppels, or other documents as may be reasonably requested by the Developer or the Developer's financing parties in connection with the financing of the Development; provided that in responding to any such request, the City shall have no obligation to provide any consent, certification, representation, information, estoppel, or other documents, or enter into any agreement, that materially adversely affects, or could reasonably be expected to have or result in a material adverse effect on, any of City's rights, benefits, risks, or obligations under this Agreement. Developer shall reimburse, or shall cause the financing parties to reimburse, the City for the incremental, direct, and documented out-of-pocket third party expenses (including, without limitation, the reasonable fees and expenses of outside counsel) incurred by the City in the preparation, negotiation, execution, or delivery of any documents requested by Developer or the financing parties.

Section 11. Entire Agreement. This Agreement and its Exhibits constitute the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the Party or Parties sought to be charged or bound by the alteration or amendment.

Section 12. Binding Effect; Successors and Assigns. The terms and conditions of this Agreement are binding upon the successors and assigns of the parties hereto. Developer may assign its rights and obligations hereunder to any party who acquires title to all or substantially all of the Property from Developer. This Agreement, or the right to receive payments, pursuant to this Agreement, may not otherwise be assigned by Developer, in whole or in part, without the express written consent of the City.

Section 13. Amendments. No modifications or amendments to this Agreement shall be valid unless in writing and signed by a duly authorized signatory of each Party.

Section 14. Severability. In the event any provision of this Agreement shall be determined by any court of competent jurisdiction to be invalid or unenforceable, the Agreement shall, to the extent reasonably possible, remain in force as to the balance of its provisions as if such invalid provision were not a part hereof.

Section 15. Notices. All notices required to be given under this Agreement shall be in writing and shall be given by either Party or its counsel in person, via express mail service, courier, or receipted facsimile transmission (but only if duplicate notice is also given via express mail service, courier or certified mail) or certified mail, return receipt requested, to the respective parties at the below addresses (or at such other address as a party may hereafter designate for itself by notice to the other party as required hereby). All notices given according to this paragraph shall be deemed effective, as applicable, on the date such notice may be given in person or next business day following the date on which such communication is transferred via facsimile transmission, or as applicable, when deposited with the express mail service, courier, or in the United States mails. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address.

If to City:

City of Garland
200 N. Fifth Street
P.O. Box 469002
Garland Texas 75046-9002
Attn: City Manager
Phone: (972) 205-2000
Fax: (972) 205-2504

If to Developer:

Trilogy - BRD Acquisitions, LLC
6260 Avalon Blvd
Alpharetta, GA 30009
Attn: John Boniface
Phone: (678) 802-4919
Phone: (352) 425-3356

With a required copies to:

City Attorney
200 N. Fifth Street
P.O. Box 469002
Garland, Texas 75046-9002
Phone: (972) 205-2380
Fax: (972) 205-2389

Trilogy Investment Company, LLC
6260 Avalon Blvd
Alpharetta, GA 30009
Phone: (678) 802-4919
Attn: legal@trilogyc.com

Economic Development Director
P.O. Box 469002
Garland, Texas 75046-9002
Phone: (972) 205-3800
Fax: (972) 205-3801

Section 16. 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 the amount of the Incentive paid to and received by Developer from and by the City as of the date of such violation within 120 business days after the date the Developer is notified by the City of such violation, plus interest at the rate of 6% compounded annually from the date of violation until paid. The Developer is not liable for a violation of this Section concerning any workers employed by a subsidiary, affiliate, or franchisee of the Developer or by a person with whom the Developer contracts.

Section 17. Non-Collusion. Developer represents and warrants that neither Developer nor any representative of Developer has given, made, promised, or paid, nor offered to give, make, promise, or pay any gift, bonus, commission, money, or other consideration to any employee, agent, representative, or official of the City as an inducement to or to obtain the benefits to be provided by the City under this Agreement.

Section 18. Time of the Essence. Time is of the essence in the performance of this Agreement. If any deadline contained herein ends on a Saturday, Sunday, or a legal holiday generally recognized by banks in the State of Texas, such deadline shall automatically be extended to the next day that is not a Saturday, Sunday, or legal holiday.

Section 19. Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall have the force and effect of any original, as of the Effective Date.

Section 20. No Recording. The Parties agree that neither this Agreement nor any memorandum of this Agreement will be recorded in the real property records of Dallas County, Texas.

[Signatures on following page]

[Signature page to Economic Development Incentive Agreement]

EXECUTED and EFFECTIVE as of the ____ day of _____, 2025.

DEVELOPER

**Trilogy - BRD Acquisitions, LLC
a Delaware limited liability company**

By: _____

John Boniface, Authorized Signatory
Chief Development Officer & Partner

Date Executed: _____

CITY

City of Garland, a Texas home-rule municipality

By: _____

Judson Rex
City Manager

Date Executed: _____

EXHIBIT "A"
Property Legal Descriptions

3000 S. Country Club Road
[*Insert Property Description*]

EXHIBIT "B"

General Location of Easement to be Provided by Developer to City

