

William A. 'Bert' Miller, III
Mayor
Bernie Gessner
Mayor Pro-Tem
Josh M. Fultz Councilmember



James Harris
Councilmember
Pattie Pederson
Councilmember

**NOTICE OF MEETING OF THE GOVERNING BODY OF THE
CITY OF NAVASOTA, TEXAS
FEBRUARY 26, 2024**

Notice is hereby given that a Special Meeting of the governing body of the City of Navasota will be held on the 26th of February, 2024 at 4:30 PM at the City Hall in the City Council Chambers, Room No. 161, located at 200 E. McAlpine Street, Navasota, Texas 77868, at which time the following subjects will be considered, to wit:

To watch the City Council meeting live please visit the City of Navasota's Youtube here: <https://www.youtube.com/channel/UCltnx7BQt0TCIYJRiZ14g5w>

- 1 Call to Order.
- 2 Workshop discussion on Public Improvement Districts (PIDs) by Hawes Hill & Associates. [Jason Weeks, City Manager]
- 3 Workshop discussion on a possible Chapter 380 Agreement for the Pecan Groves Estates subdivision. [Jason Weeks, City Manager]
- 4 Adjourn.

DATED THIS THE 22ND OF FEBRUARY, 2024

/JW/

BY: JASON WEEKS, CITY MANAGER

I, the undersigned authority, do hereby certify that the above notice of meeting of the governing body of the CITY OF NAVASOTA, is a true and correct copy of said notice and that I posted a true and correct copy of said notice in the glass bulletin board, in the foyer, on the south side of the Municipal Building as well as in the bulletin board on the north side of the Municipal Building of the City of Navasota, Texas, a place convenient and readily accessible to the general public at all times, and said notice was posted on the 22nd of February, 2024 at 02:06 PM and will remain posted continuously for at least 72 hours preceding the scheduled time of said meeting. Agendas may be viewed at www.navasotatx.gov.

The City Council reserves the right to convene in Executive Session at any time deemed necessary for the consideration of confidential matters under the Texas Government Code, Sections 551.071-551.089.

DATED THIS THE 22ND OF FEBRUARY, 2024

/SMH/

BY: SUSIE M. HOMEYER, CITY SECRETARY

THIS FACILITY IS WHEELCHAIR ACCESSIBLE AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR ACCOMMODATIONS OR INTERPRETIVE SERVICES MUST BE MADE 48 HOURS PRIOR TO THIS MEETING. PLEASE CONTACT THE CITY SECRETARY'S OFFICE AT (936) 825-6475 OR (936) 825-6408 OR BY FAX AT (936) 825-2403.



REQUEST FOR CITY COUNCIL WORKSHOP AGENDA ITEM #2

Agenda Date Requested: <u>February 26, 2024</u>
Requested By: <u>Jason Weeks, City Manager</u>
Department: <u>Administration</u>
<input checked="" type="radio"/> Report <input type="radio"/> Resolution <input type="radio"/> Ordinance

Exhibits: PowerPoint Presentation on PIDs

Appropriation	
Source of Funds:	<u>N/A</u>
Account Number:	<u>N/A</u>
Amount Budgeted:	<u>N/A</u>
Amount Requested:	<u>N/A</u>
Budgeted Item:	<input type="radio"/> Yes <input checked="" type="radio"/> No

WORKSHOP AGENDA ITEM #2

Workshop discussion on Public Improvement Districts (PIDs) by Hawes Hill & Associates.

SUMMARY & RECOMMENDATION

Over the last 12 months City staff have been approached by several developers interested in utilizing Public Improvement Districts (PIDs) as a financing tool to make new development possible. To better inform the Council and the public on these special districts, staff have requested Hawes Hill & Associates to conduct a presentation and workshop to answer any questions related to their intended uses, benefits, and implementation.

ACTION REQUIRED BY CITY COUNCIL

Conduct a workshop on Public Improvement Districts (PIDs)

Approved for the City Council meeting agenda.

Jason Weeks

Jason B. Weeks, City Manager

2/21/24

Date



SPECIAL DISTRICTS - PIDs

Public Improvement Districts (PID)



PID – CAPITAL PROJECTS

Purpose

- Created by cities or counties to finance public infrastructure improvements and/or to assist private developers with new subdivision development
- Equally distributes the costs of improvements among property owners within the district.
- City or county may levy and collect special assessments on property within the city or county (or ETJ) to provide improvements - as specified in Chapter 372 of the Texas Local Government Code.



PID CREATION PROCESS

Requires a petition to the city or county governing body by the property owner(s).

The petition must state, among other things, the:

1. Proposed improvements
2. Estimated cost of improvements
3. The proposed boundaries of the improvement district
4. Proposed method of assessment, and apportionment of costs among the property



PID CREATION PROCESS

The governing body (city council or commissioner's court):

1. receives the petition
2. holds a public hearing on creation of the district
3. approves Findings Resolution
4. approves Creation Resolution
5. approves Service and Assessment Plan (by ordinance or order)
6. holds a public hearing on approval of the Assessment Roll & Levy of Assessment (by ordinance or order)

All subject to city or county approval



REVENUE

A PID assessment:

- Is used to pay or repay costs of public improvements
- Can be calculated annually with a public hearing or set once without increase
- Costs can be repaid through the annual assessment collections
- PID revenue bonds to repay the costs of the improvements can be issued by the city or county



SERVICES AND ASSESSMENT PLAN

The Service and Assessment Plan specifically defines:

1. Improvements to be funded
2. A schedule for development
3. Terms and method of assessment to fund the improvements
4. How assessments will be collected



ADMINISTRATION

- A Public Improvement District is administered by the city or county often through a private consultant, or through an appointed body such as a Redevelopment Authority
- PIDs exist until all costs have been repaid and then are dissolved
- PIDs are commonly used in conjunction with a tax increment reinvestment zone



DEVELOPMENT AND FINANCING AGREEMENTS

- These agreements are the contractual foundation of the PID between the city or county, and the private developer(s)
- Agreements define the terms and conditions by which eligible project costs will be reimbursed to the developer
- Agreements capture the reciprocal responsibilities of each of the participating entities



QUESTIONS?



REQUEST FOR CITY COUNCIL WORKSHOP AGENDA ITEM #3

Agenda Date Requested: <u>February 26, 2024</u>	Appropriation
Requested By: <u>Jason Weeks, City Manager</u>	Source of Funds: <u>N/A</u>
Department: <u>Administration</u>	Account Number: <u>N/A</u>
<input checked="" type="radio"/> Report <input type="radio"/> Resolution <input type="radio"/> Ordinance	Amount Budgeted: <u>N/A</u>
	Amount Requested: <u>N/A</u>
	Budgeted Item: <input type="radio"/> Yes <input checked="" type="radio"/> No

Exhibits: PowerPoint Presentation, Draft Agreement



WORKSHOP AGENDA ITEM #3

Workshop discussion on a possible Chapter 380 Agreement for the Pecan Groves Estates subdivision.

SUMMARY & RECOMMENDATION

Since late 2023, the City of Navasota has been in discussions with Crosstrails Development, LLC on a potential 380 development agreement for their proposed 146 lot residential development, which will be named Pecan Groves Estates.

The purpose of the development agreement is to incentivize a higher quality development that includes infrastructure upgrades to existing City owned sanitary sewer infrastructure. The proposed agreement outlines multiple project deliverables required for the developer and in turn a reimbursement from the City of Navasota.

-  **Minimum 1,600 sf Homes (36 Homes)**
(all other homes to be minimum 1400 sf)
-  **3- Sided Brick Homes (38 Homes)**
(all other homes to be minimum 1400 sf)



Ideally, the purpose for a development agreement is so that the municipality and the developer receive incentives that normally would not incur during a normal development. Below are the deliverables for the developer and city.

Developer Deliverables:

- HOA owned & maintained open/green space to include walking trails.
- 146 single-family lots with certain lots with minimum 1400 and 1600 square foot homes.
- Existing lift station & force main upgrades, including adding a backup natural gas generator which would benefit this development and Pecan Lakes Estates subdivisions.
- Exterior masonry requirements along southern perimeter & corner lots to match adjacent Pecan Lakes Estates – Phase 2.
- Connecting sidewalks to Pecan Lakes Estates – Phase 2 via Birdie Ct. & Eagle View Dr. as well as \$15,000 sidewalk fee for future August Horst Park sidewalk connection.
- 100% concrete streets.

City of Navasota Deliverables:

- Proposes to incentivize the developer by cost sharing the sanitary sewer upgrades & waiving applicable parkland fees.
 - 100% cost participation in natural gas backup generator.
 - 50% cost participation in engineering, design, construction of lift station upgrades, generator installation, and 6" force main extension.
 - 100% waiving of parkland dedication & parkland development fees.
 - Total incentive to be paid is \$123,750 to be paid out based on completion of homes.

ACTION REQUIRED BY CITY COUNCIL

Conduct a workshop discussion on a possible Chapter 380 Agreement for the Pecan Groves Estates Subdivision.

Approved for the City Council meeting agenda.



Jason B. Weeks, City Manager

2/21/24

Date

Chapter 380 Development Agreement – Pecan Groves Estates

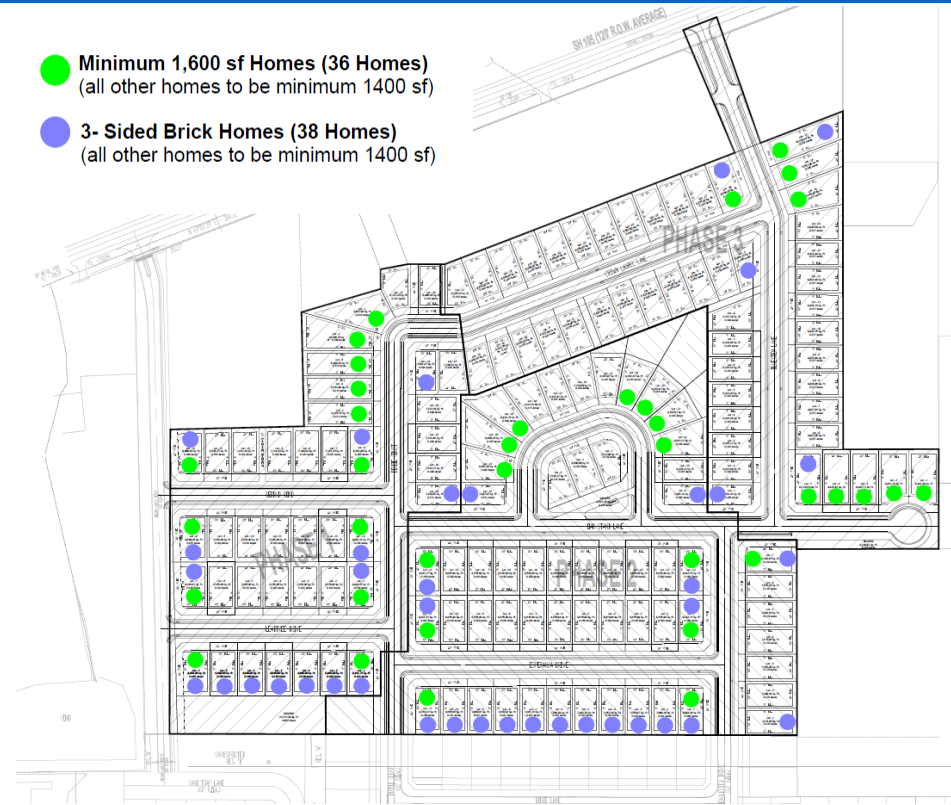
Presentation by City of Navasota
February 26, 2024



Background

Since late 2023, the City of Navasota has been in discussions with Crosstrails Development, LLC on a potential 380 development agreement for their proposed 146 lot residential development.

The purpose of the agreement is to incentivize a higher quality development that includes infrastructure upgrades to existing City owned sanitary sewer infrastructure. The proposed agreement outlines multiple project deliverables required for the developer and in turn a reimbursement from the City of Navasota.



Crosstrails Development, LLC.

Developer Deliverables

- HOA owned and maintained open/green space to include walking trails.
- 146 single family lots.
- Existing lift station and force main upgrades, including adding a backup natural gas generator.
- Exterior masonry requirements along southern perimeter and corner lots to match adjacent Pecan Lakes Estates Phase 2.
- Connecting sidewalks to Pecan Lakes Phase 2 via Birdie Court and Eagle View Drive as well as a \$15,000 sidewalk fee for future August Horst Park sidewalk connection.
- Minimum 1,600 sqft homes for lots above 8,000 sqft, minimum 1,400 sqft homes for lots under 8,000 sqft.
- 100% concrete streets.

City of Navasota

Development Agreement Incentives

- **\$123,750** phased reimbursement to developer.
- Waiving **\$71,925** in applicable parkland dedication and parkland development fees.
 - The required parkland per the current adopted ordinance is 3.041 acres for 146 lots, the proposed layout provides 1.012 acres.

380 Agreement Financial Breakdown

The City of Navasota proposes to incentivize the developer by cost sharing the sanitary sewer upgrades and waiving applicable parkland fees.

The total amount of value provided to the developer is **\$195,675**. (\$123,750 in direct reimbursement costs and \$71,925 in waiving of parkland fees).

Description	City Participation Cost
Natural Gas Backup Generator	\$75,000 – 100%
Lift Station Engineering & Design	\$25,000 – 50%
Lift Station Pump and Panel Upgrades	\$42,500 – 50%
6" Force Main Extension	\$30,000 – 50%
Total:	\$123,750

Questions?

Project Representative:
Brandon Goodyk, Crosstrails Development, LLC

City of Navasota:
Jason Weeks, City Manager

NAVASOTA!TM
So much, so close.

DEVELOPMENT AGREEMENT
BETWEEN
THE CITY OF NAVASOTA, TEXAS
AND
CROSSTRAILS LAND CO., LLC

DEVELOPMENT AGREEMENT

STATE OF TEXAS §
 §
COUNTY OF GRIMES §

This Development Agreement ("Agreement") is between the CITY OF NAVASOTA, Texas, a Texas Home Rule City (the "CITY") and CROSSTRAILS DEVELOPMENT, LLC, a Texas Limited Liability Company ("CROSSTRAILS"). In this Agreement, the CITY and CROSSTRAILS are sometimes individually referred to as a "Party" and collectively referred to as the "Parties."

RECITALS

CROSSTRAILS owns approximately 35.13 acres of land (the "Land"), currently located within the corporate boundaries of the CITY, in Grimes County, Texas (the "County"). The Land is that tract or parcel of land described by metes and bounds in Exhibit "A" attached hereto and incorporated herein for all purposes. CROSSTRAILS desires that the Land be governed by this Agreement.

CROSSTRAILS intends to develop the Land for single-family residential purposes in accordance with the applicable ordinances and regulations of the CITY, and in accordance with this Agreement, the Land as it will be developed by CROSSTRAILS, and the other improvements to be constructed and obligations to be performed by CROSSTRAILS, are sometimes referred to herein as the "Project".

CROSSTRAILS intends to make a significant investment in: 1) developing the Land over the period of this Agreement; 2) upgrading the existing Phase 1 Pecan Lakes Estates lift station, to include a force main extension, replacement and upgrading of pumps and installation of a backup generator and associated upgrades; 3) installation of sidewalks connecting to Pecan Lakes Estates Phase 2.

CROSSTRAILS and the CITY wish to enter into this Agreement to encourage appropriate planning of the Project, provide for specific requirements of CROSSTRAILS and the CITY throughout the term of this Agreement, to provide for CROSSTRAILS's commitment concerning the sewer infrastructure necessary to serve the Project, and to provide assurances of a high-quality development that will benefit the present and future residents of the CITY and the County.

The CITY is authorized by §380.001, et seq., Texas Local Government Code, to promote state and local economic development and to stimulate business and commercial activity within the CITY and surrounding area. The CITY has determined that a substantial economic benefit will accrue to the CITY and the surrounding area if the Project, is successfully developed, leading to new housing that will attract commercial development.

Therefore, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, including the agreements set forth below, the CITY and CROSSTRAILS agree as follows:

ARTICLE 1 **DEFINITIONS**

1.1 Definitions. Unless the context or the usage of the particular word or phrase requires a different interpretation, in addition to terms defined elsewhere herein, the following terms and phrases shall have the meanings indicated below:

Agreement: This Development Agreement between the City of Navasota, Texas and Crosstrails Development, LLC.

Applicable Fees: The fees and charges to be paid by CROSSTRAILS to the CITY with respect to the permits, utility extensions, services, development of the Land, and other fees as provided for in this Agreement.

Applicable Rules: The CITY ordinances, codes, rules, regulations and official policies in effect as of the Vesting Date, which will be applicable to the development of the Land.

City: The City of Navasota, Texas, a Texas home rule City.

City Manager: The City Manager of the City of Navasota, Texas, or the City Manager's designee.

City Council: The City Council of the City of Navasota, Texas.

City Engineer: The Engineer for the City of Navasota, Texas.

County: Grimes County, Texas.

Term: The term of this Agreement, commencing on the Effective Date and continuing for five (5) years thereafter.

Land: Approximately 35.13 acres of land, currently situated in the corporate boundaries of the CITY of Navasota, Grimes County, Texas. The Land is that tract or parcel of land described by metes and bounds in Exhibit "A" attached hereto and incorporated herein for all purposes.

Crosstrails: Crosstrails Development, LLC, a Texas Limited Liability Company, and its successors and assigns under this Agreement.

Project: The Land, and existing and future improvements thereto, as it will be developed under this Agreement, and the other improvements to be constructed and obligations to be performed by CROSSTRAILS pursuant to this Agreement.

Street System: shall mean the street system, including paved streets and roads, entrance streets, arterial streets, main feeder streets and internal streets that will serve the Land.

Vesting Date: shall be the same date as the Effective Date of this Agreement.

ARTICLE 2

PUBLIC BENEFITS, INFRASTRUCTURE AND AMENITIES

2.1 Orderly Growth. The CITY desires that development within its corporate boundaries and extraterritorial jurisdiction occur in an orderly manner in order to protect the health, safety and welfare of its present and future citizens, protect property values and provide for the growth of the CITY's tax base. This Agreement will benefit the CITY by facilitating the planned development of an appropriate area of the CITY's corporate boundaries and extraterritorial jurisdiction, which will allow for thoughtful and high-quality planning, the development of necessary utility facilities and other infrastructure, the provision of other municipal services, and the development of a balanced community that includes residential uses.

2.2 Restrictive Covenant. It is understood and agreed that a Memorandum of Agreement shall be filed of record for the purpose of providing record notice of the existence of this Agreement in lieu of recording the executed original. Said Memorandum of Agreement shall be recorded in the Official Public Records of Grimes County, Texas, within a reasonable time by CITY with a copy thereof to be promptly furnished to CROSSTRAILS.

2.3 Environmental Protection. CROSSTRAILS will implement compliance with all federal, state and local natural resource laws and regulations, to the extent applicable, in the development and improvement of the Land.

ARTICLE 3

WATER, WASTEWATER AND GAS

3.1 Extension of Public Utilities to the Land. CROSSTRAILS desires to have the CITY's water, wastewater and gas utility systems serve the Land. The CITY has sufficient water, wastewater and gas utility capacity, and the CITY hereby agrees to provide water, wastewater and gas utility service to the Land, upon CROSSTRAILS'S extension of the water, wastewater and extension and gas utility systems to the Land in accordance with the Applicable Rules.

3.2 Utility Improvements by CROSSTRAILS. CROSSTRAILS shall be responsible for the design, engineering, construction and all other costs related to the provision of water, wastewater and gas utility services to or within the boundaries of the Land. All design, engineering and construction shall be performed in accordance with the Applicable

Rules and according to plans approved by the CITY. CROSSTRAILS shall be responsible for the design, engineering and construction of a six inch (6”) force main extension along Fairway Drive, lift station pump and panel upgrades and natural gas backup generator installation and associated upgrades of the Pecan Lakes Estates Phase 1 lift station according to plans approved the CITY.

ARTICLE 4

STREETS AND ROADS; LIGHTING; DRAINAGE AND STORM WATER CONTROL IMPROVEMENTS

4.1 Street System. The street system serving and situated within the Land shall be constructed as shown on the final plat of the Land, to be submitted to the CITY at a later date. The street system shall be designed and constructed in accordance with this Agreement and the standards contained in the Applicable Rules. All streets constructed within the Land must be concrete in accordance with the CITY’s unified design guidelines. Upon CROSSTRAILS’S dedication of the street improvements to the CITY, and express written acceptance of the street improvements by the CITY, the CITY shall be responsible for the maintenance of the street improvements, except to the extent any maintenance or repairs are covered by fiscal security required by Applicable Rules.

4.2 Street Lighting. CROSSTRAILS shall install street lighting in the Project in accordance with Applicable Rules.

4.3 Drainage and Storm Water Control Improvements. CROSSTRAILS, its successors and/or assigns will construct the Drainage and Storm Water Control Improvements on the Land in accordance with Applicable Rules. CROSSTRAILS will maintain and operate all storm water and other drainage facilities that are not dedicated to and accepted by the CITY, including all drainage easements within the Land.

ARTICLE 5

ADDITIONAL OBLIGATIONS OF THE PARTIES

5.1 CROSSTRAILS shall develop the Land for single-family residential purposes, said development to include 146 single-family home lots. The minimum square footage for each single family home located in the Land where the lot is 8,000 square feet or larger shall be 1,600 square feet, where the lot in the Land is under 8,000 square feet the minimum square footage for each single family home will be 1,400. All single family homes constructed in the Land in accordance with Exhibit “C” shall have three (3) exterior sides of brick or masonry stone, except for porches, covered entry ways, gables, above garage, exterior window trim and second floors. All open space/green space/parkland provided in the Land shall be owned and maintained by a homeowners association and must be publicly accessible. CROSSTRAILS shall also construct four foot (4’) wide connecting sidewalk extensions from the Land to Pecan Lakes Estates Phase 2 sidewalks along Eagle View Dr. and Birdie Ct.

5.2 CROSSTRAILS shall pay the CITY a fee-in-lieu of sidewalk fee totaling Fifteen Thousand and No/100 Dollars (\$15,000), to fund future pedestrian connections.

5.3 For each single-family residential lot constructed within the boundaries of the Land, the CITY shall pay CROSSTRAILS One Thousand and No/100 Dollars (\$1,000.00), not to

exceed One Hundred Twenty-Three Thousand Seven Hundred Fifty dollars and No/100 (\$123,750.00) in the form of a grant pursuant to Chapter 380, Texas Local Government Code, within thirty (30) following the substantial completion of development on a per phase basis. Completion of development is defined as having all infrastructure complete including roads and utilities in a manner that is acceptable to the City and suitable for single family construction.

5.4 CITY shall waive any applicable fees in lieu of parkland dedication or park development.

ARTICLE 6

PLATS, BUILDING CODES, BUILDING PERMITS, INSPECTION

6.1 Plats. All development shall be governed by preliminary and final plats for portions of the Land that are approved, from time to time, by the CITY in accordance with this Agreement and the Applicable Rules.

6.2 Jurisdiction. CITY shall have exclusive jurisdiction over the review and approval of preliminary plats and final plats, which review and approvals shall be performed in accordance with the Applicable Rules and this Agreement. Nothing in this Agreement is intended to delegate or impair the performance by the CITY of its governmental functions.

6.3 Procedures. Preliminary plats and final plats shall be reviewed in accordance with the procedures set forth in the Applicable Rules.

6.4 Construction Inspection. The CITY shall have the right, from time to time, to inspect the construction of any public improvements for the purpose of identifying any improvements that are being constructed in violation of the Applicable Rules, Building Code and/or this Agreement. All inspections shall be performed by an inspector selected by the CITY and all inspection results shall be in writing. CROSSTRAILS shall be responsible for payment of the inspection fees as provided for the in the Applicable Rules.

ARTICLE 7

TAX LEVY; OBLIGATIONS NOT DEBT

In order to provide for the payment of its obligations under this Agreement, the CITY will, if necessary, levy, within the limits prescribed by law, for the current year and each succeeding year thereafter, while its obligations under this Agreement remain in effect, an ad valorem tax upon all taxable property within the CITY sufficient to pay the CITY's obligations under this Agreement, including the payment of interest and to create and provide for a sinking fund of not less than two percent (2%) of the principal amount of the CITY's obligations under this Agreement, with full allowance being made for tax delinquencies and the costs of tax collection, and such taxes, when collected shall be applied to the payment of the CITY's obligations under this Agreement and to no other purpose. The CITY hereby finds and declares that the existing and available taxing authority of the CITY for such purposes is adequate to permit a legally sufficient tax. The CITY acknowledges and agree that the obligations created by this Agreement shall not constitute "debt" and shall be paid

out of current revenues of the CITY; or in the alternative, shall be paid out of a specified fund, said fund being in the immediate control of the CITY and being in an amount sufficient to satisfy the CITY's obligations created herein; or further in the alternative, that sufficient provision and tax levy has been made by the party to create an interest and sinking fund adequate to pay at least 2% of the principal and any interest due each year.

ARTICLE 8

LAND DEVELOPMENT

8.1 **Governing Regulations.** Except as otherwise provided in this Agreement, the CITY ordinances, codes, rules, regulations and official policies applicable to the development of the Land during the term of this Agreement will be those CITY ordinances, building and construction codes, other codes, rules, regulations and official policies (collectively, "Applicable Rules") in force and as interpreted by the CITY by policy or practice on the Vesting Date, as defined in Section 1.1 above. No Applicable Rules adopted after the Vesting Date, whether by means of an ordinance, initiative, referendum, resolution, policy, order, or otherwise, are or will be applicable to the Project, unless otherwise provided in this Agreement or applicable state law, or the application is agreed to, in writing, by CROSSTRAILS and the CITY. For the term of this Agreement, the development and use of the Land will be controlled by the terms of this Agreement and the Applicable Rules. If there is any conflict between the Applicable Rules and the terms of this Agreement, the terms of this Agreement will control.

ARTICLE 9

FEES; FISCAL SECURITY

9.1 **Fees.** CROSSTRAILS agrees to timely pay any and all fees, costs, payments, taxes, expenses, deposits and plan review/inspection fees as set forth in the Applicable Rules, this Agreement, or otherwise required by law.

ARTICLE 10

RESERVE

10.1

ARTICLE 11

TERM, AUTHORITY AND VESTING OF RIGHTS

11.1 **Term.**

11.1.1 **Term.** The term of this Agreement will commence on the Effective Date and continue for five (5) years thereafter ("Term"), unless sooner terminated under this Agreement. After the Term, the Agreement may be extended by mutual agreement of the Parties.

- 11.1.2 Extensions. The Parties agree that neither the CITY nor CROSSTRAILS is under any obligation to renew this Agreement after the Term.
- 11.1.3 Expiration. After the Term and any extension, this Agreement will be of no further force and effect, except that termination will not affect any right or obligation arising from any provision surviving this Agreement as provided herein.
- 11.1.4 Termination or Amendment. This Agreement may be terminated or amended as to the Land at any time by mutual written consent of the CITY and CROSSTRAILS or may be terminated or amended only as to a portion of the Land by the mutual written consent of the CITY and owners of only the portion of the Land affected by the amendment or termination.
- 11.2 Authority. This Agreement is entered under the statutory authority of Chapter 51, Chapter 212, Subchapter G, Section 212.171 et seq., and Chapter 380, Texas Local Government Code. The Parties intend that this Agreement authorize certain land uses and development on the Land; provide for the development plans and regulations for the Land; and provide exceptions to certain ordinances and regulations; and provide other terms and consideration.
- 11.3 Vesting of Rights. As of the Vesting Date, CROSSTRAILS has initiated the subdivision and development permit process for the Project. The CITY agrees that, in accordance with Chapter 245, Texas Local Government Code, the CITY will consider the approval of any further approvals necessary for the Project based solely on the Applicable Rules, as may be modified by this Agreement. Further, the CITY agrees that, upon approval of this Agreement, CROSSTRAILS has vested authority to develop the Land in accordance with the Applicable Rules, as modified by any exceptions contained in this Agreement.
- 11.4 Equivalent Substitute Obligation. If either Party is unable to meet an obligation under this Agreement due to a court order invalidating all or a portion of this Agreement, preemptive state or federal law, an imminent and bona fide threat to public safety that prevents performance or requires different performance, changed circumstances or subsequent conditions that would legally excuse performance under this Agreement, or any other reason beyond the Party's reasonable and practical control, the Parties will cooperate to revise this Agreement to provide for an equivalent substitute right or obligation as similar in terms to the illegal, invalid, or unenforceable provision as is possible and is legal, valid and enforceable, or other additional or modified rights or obligations that will most nearly preserve each Party's overall contractual benefit under this Agreement.
- 11.5 Cooperation. The CITY and CROSSTRAILS each agree to execute such further documents or instruments as may be necessary to evidence their agreements hereunder.
- 11.6 Litigation. In the event of any third party lawsuit or other claim relating to the validity of this Agreement or any actions taken by the Parties hereunder or in connection herewith, CROSSTRAILS and the CITY 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 of their

respective rights and obligations under this Agreement. The filing of any third party lawsuit relating to this Agreement or the development of the Project will not delay, stop or otherwise affect the development of the Project or the CITY's processing or issuance of any approvals for the Project, unless otherwise required by a court of competent jurisdiction. THE CITY'S AGREEMENTS HEREUNDER AND PARTICIPATION IN THE DEFENSE OF SUCH A LAWSUIT ARE EXPRESSLY CONDITIONED ON CROSSTRAILS'S AGREEMENT TO PAY ANY AND ALL COSTS THAT THE CITY INCURS WITH RESPECT TO ANY SUCH SUIT. CROSSTRAILS AGREES TO DEFEND AND INDEMNIFY THE CITY FOR ANY LITIGATION EXPENSES, INCLUDING COURT COSTS AND ATTORNEYS FEES, RELATED TO DEFENSE OF THIS AGREEMENT, AND FOR ANY DAMAGES RELATED TO THE DEVELOPMENT OF THE PROJECT OR ANY ACTION OR INACTION OF THE CITY IN CONNECTION WITH THE AGREEMENT, ANY SUBSEQUENT RELATED AGREEMENT, OR THE PROJECT. The filing of any third party lawsuit relating to this Agreement or the development of the Project will not delay, stop or otherwise affect the development of the Project or the CITY's processing or issuance of any approvals for the Project, unless otherwise required by a court of competent jurisdiction.

ARTICLE 12

GENERAL PROVISIONS

12.1 Assignment; Binding Effect.

- 12.1.1 This Agreement, and the rights and obligations of CROSSTRAILS hereunder, may be assigned by CROSSTRAILS to a subsequent purchaser of all or a portion of the undeveloped property within the Project provided that the assignee assumes all of the obligations of the Agreement. Any assignment must be in writing, specifically describe the property in question, set forth the assigned rights and obligations and be executed by the proposed assignee. A copy of the assignment document must be delivered to the CITY. Upon any such assignment, CROSSTRAILS will be released of any further obligations under this Agreement as to the property sold and obligations assigned.
- 12.1.2 If CROSSTRAILS assigns its rights and obligations hereunder as to a portion of the Project, then the rights and obligations of any assignee and CROSSTRAILS will be severable, and CROSSTRAILS will not be liable for the nonperformance of the assignee and vice-versa. In the case of nonperformance by one assignee, the CITY may pursue all remedies against that nonperforming assignee, but will not unreasonably impede development activities of any performing assignee as a result of that nonperformance.
- 12.1.3 The provisions of this Agreement will be binding upon, and inure to the benefit of the Parties, and their respective successors and assigns. This Agreement will not, however, be binding upon, or create any encumbrance to title as to, any ultimate consumer who purchases a fully developed and improved lot within the Project.

12.2 Severability. If any provision of this Agreement is illegal, invalid, or unenforceable, under present or future laws, it is the intention of the Parties that the remainder of this Agreement not be affected, and, in lieu of each illegal, invalid, or unenforceable provision, that a provision be added to this Agreement which is legal, valid, and enforceable and is as similar in terms to the illegal, invalid or enforceable provision as is possible.

12.3 Applicable Law and Venue. The interpretation, performance, enforcement and validity of this Agreement is governed by the laws of the State of Texas. Exclusive venue will be in a court of appropriate jurisdiction in Grimes County, Texas.

12.4 No Third Party Beneficiary. This Agreement is not intended, nor will it be construed, to create any third-party beneficiary rights in any person or entity who is not a Party, unless expressly otherwise provided.

12.5 Mortgagee Protection. This Agreement will not affect the right of CROSSTRAILS to encumber all or any portion of the Land by mortgage, deed of trust or other instrument to secure financing for the Project. The CITY agrees as follows:

- 12.5.1 Neither entering into this Agreement, nor any breach of this Agreement, will affect any lien upon all or any portion of the Land.
- 12.5.2 The CITY will, upon written request of a Lender given in compliance with Section 12.16, provide the Lender with a copy of any written notice of default given to CROSSTRAILS under this Agreement within ten (10) days of the date such notice is given to CROSSTRAILS.
- 12.5.3 In the event of default by CROSSTRAILS under this Agreement, a Lender may, but will not be obligated to, cure any default during any cure period extended to CROSSTRAILS, either under this Agreement or under the notice of default.
- 12.5.4 Any Lender who comes into possession of any portion of the Land by foreclosure or deed in lieu of foreclosure will take such property subject to the terms of this Agreement. No Lender will be liable for any defaults or monetary obligations of CROSSTRAILS arising prior to the Lender's acquisition of title, but a Lender will not be entitled to obtain any permits or approvals with respect to that property until all delinquent fees and other obligations of CROSSTRAILS under this Agreement that relate to the property in question have been paid or performed.

12.6 Certificate of Compliance. Within thirty (30) days of written request by either Party given accordance with Section 12.16, the other Party will execute and deliver to the requesting Party a statement certifying that: (a) this Agreement is unmodified and in full force and effect or, if there have been modifications, that this Agreement is in full force and effect as modified and stating the date and nature of each modification; (b) there are no

current uncured defaults under this Agreement, or specifying the date and nature of each default; and (c) any other information that may be reasonably requested. A Party's failure to deliver a requested certification within this 30-day period will conclusively be deemed to constitute a confirmation that this Agreement is in full force without modification, and that there are no uncured defaults on the part of the requesting Party. The CITY Manager will be authorized to execute any requested certificate on behalf of the CITY.

12.7 Default. If either Party defaults in its obligations under this Agreement, the other Party must, prior to exercising a remedy available to that Party due to the default, give written notice to the defaulting Party, specifying the nature of the alleged default and the manner in which it can be satisfactorily cured, and extend to the defaulting Party at least thirty (30) days from receipt of the notice to cure the default. If the nature of the default is such that it cannot reasonably be cured within the 30-day period, the commencement of the cure within the 30-day period and the diligent prosecution of the cure to completion will be deemed a cure within the cure period.

12.8 Remedies for Default. If either Party defaults under this Agreement and fails to cure the default within the applicable cure period, the non-defaulting Party will have all rights and remedies available under this Agreement or applicable law, including the right to institute legal action to cure any default, to enjoin any threatened or attempted violation of this Agreement or to enforce the defaulting Party's obligations under this Agreement by specific performance or writ of mandamus, or to terminate this Agreement. All remedies available to a Party will be cumulative and the pursuit of one remedy will not constitute an election of remedies or a waiver of the right to pursue any other available remedy.

12.9 Reservation of Rights. To the extent not inconsistent with this Agreement, each Party reserves all rights, privileges, and immunities under applicable laws. However, notwithstanding any other provision herein, CROSSTRAILS hereby voluntarily elects to waive any and all rights granted to CROSSTRAILS under the Private Real Property Right Preservation Act, Texas Government Code, Chapter 2007, as amended.

12.10 Attorneys Fees. The prevailing Party in any dispute under this Agreement will be entitled to recover from the non-prevailing Party its reasonable attorney's fees, expenses and court costs in connection with any original action, any appeals, and any post-judgment proceedings to collect or enforce a judgment.

12.11 Waiver. Any failure by a Party to insist upon strict performance by the other Party of any provision of this Agreement will not, regardless of the length of time during which that failure continues, be deemed a waiver of that Party's right insist upon strict compliance with all terms of this Agreement. In order to be effective as to a Party, any waiver of default under this Agreement must be in writing, and a written waiver will only be effective as to the specific default and as to the specific period of time set forth in the written waiver. A written waiver will not constitute a waiver of any subsequent default, or of the right to require performance of the same or any other provision of this Agreement in the future.

12.12 Entire Agreement. This Agreement contains the entire agreement of the Parties, and there are no other agreements or promises, oral or written, between the Parties regarding the subject matter of this Agreement. This Agreement may be amended only by written agreement signed by the Parties.

12.13 Exhibits, Headings, Construction and Counterparts. All exhibits attached to this Agreement are incorporated into and made a part of this Agreement for all purposes. The paragraph headings contained in this Agreement are for convenience only and do not enlarge or limit the scope or meaning of the paragraphs. Wherever appropriate, words of the masculine gender may include the feminine or neuter, and the singular may include the plural, and vice-versa. Each of the Parties has been actively and equally involved in the negotiation of this Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Party will not be employed in interpreting this Agreement or its exhibits. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument. This Agreement will become effective only when one or more counterparts, individually or taken together, bear the signatures of all of the Parties.

12.14 Time. 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.

12.15 Authority for Execution. The CITY certifies, represents, and warrants that the execution of this Agreement has been duly authorized and that this Agreement has been approved in conformity with CITY ordinances and other applicable legal requirements. CROSSTRAILS certifies, represents, and warrants that the execution of this Agreement is duly authorized in conformity with its bylaws and other legal requirements.

12.16 Notices. Any notices under this Agreement may be sent by hand delivery, facsimile (with confirmation of delivery) or certified mail, return receipt requested, to the Parties at the following addresses or as such addresses may be changed from time to time by written notice to the other Parties:

CITY: Jason Weeks, CITY Manager
CITY of Navasota
200 E. McAlpine
Navasota, Texas 77868-3028
Telephone: (936) 825-6408
Facsimile: (936) 825-2403
jweeks@navasotatx.gov

Copy to: Cary L. Bovey, Attorney at Law
Bovey & Cochran, PLLC
2251 Double Creek Dr., Suite 204

Round Rock, TX 78664
(512) 904-9441
(512) 904-9445 Fax
cary@boveycochran.com

CROSSTRAILS: Crosstrails Development, LLC.
5917 Wild Horse Run, College Station, TX 77845
(832) 585 4140
brandon@crosstrailslandco.com

Copy to:

Either CITY or CROSSTRAILS may change its mailing address at any time by giving written notice of such change to the other in the manner provided herein at least ten (10) days prior to the date such change is effected. All notices under this Agreement will be deemed given on the earlier of the date personal delivery is effected or on the delivery date or attempted delivery date shown on the return receipt or facsimile confirmation.

12.17. Covenants Running with the Land. The conditions and covenants set forth in this Agreement and incorporated herein by the Exhibits shall run with the land and the benefits and burdens shall bind and inure to the benefit of the parties. CROSSTRAILS and every purchaser, assignee or transferee of an interest in the Land, or any portion thereof, shall be obligated and bound by the terms and conditions of this Agreement, and shall be the beneficiary thereof and a party thereto, but only with respect to the Land, or such portion thereof, sold, assigned or transferred to it. Any such purchaser, assignee or transferee shall observe and fully perform all of the duties and obligations of CROSSTRAILS contained in this Agreement, as such duties and obligations pertain to the portion of the Subject Property sold, assigned or transferred to it. After valid execution of this Agreement by the Parties, CROSSTRAILS shall record this Agreement and all exhibits hereto in the real property records of Grimes County, Texas.

12.18 Exhibits. The following exhibits are attached to this Agreement, and made a part hereof for all purposes:

Exhibit A	-	Metes and Bounds Description of the Land
Exhibit B	-	Cost Estimate for Infrastructure Improvements

IN WITNESS WHEREOF, the undersigned Parties have executed this Agreement on the dates indicated below, to be effective on the date the last party signs.

CITY OF NAVASOTA

By: _____
Hon. William A. Miller, III, Mayor

Date: _____

STATE OF TEXAS §
§
COUNTY OF GRIMES §

This instrument was acknowledged before me on the _____ day of _____, 2024, by William A. Miller, III, the Mayor of the City of Navasota, a Texas home-rule city, on behalf of the City.

Notary Public in and for the State of Texas

(NOTARY SEAL)

CROSSTRAILS DEVELOPMENT, LLC.

By: _____
Name: _____
Title: _____
Date: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2024, by Brandon J. Goodyk, _____ of Crosstrails Development, LLC, a Texas Limited Liability Company on behalf of said company.

Notary Public in and for the State of Texas

(NOTARY SEAL)

EXHIBIT A

Metes and Bounds Description of the Land

DRAFT

EXHIBIT B

Cost Estimate for Infrastructure Improvements

DRAFT

EXHIBIT C

Map of homes constructed with a minimum of 3 sided brick.

DRAFT