

**AGREEMENT FOR DEVELOPMENT AND AD VALOREM TAX ABATEMENT WITH
THE GROVES @ CEDAR CREEK, LLC; CEDAR CREEK LOT CO, LLC AND THE
CITY OF TOOL, TEXAS**

THE STATE OF TEXAS §
 §
COUNTY OF HENDERSON §

This Agreement is entered into by and between the CITY OF TOOL, TEXAS, a Type-A general law municipality incorporated under the laws of the State of Texas (hereinafter referred to as CITY), and THE GROVES @ CEDAR CREEK, LLC and CEDAR CREEK LOT CO, LLC (hereinafter referred to as OWNERS).

WITNESSETH:

The City Council of the City of Tool, Texas (hereinafter referred to as COUNCIL), by Ordinance No. 2023-01, established Reinvestment Zone No. 1 within the city limits of CITY for Tax Abatement as authorized by the Texas Property Redevelopment and Tax Abatement Act, Texas Tax Code, Sec. 312, as amended.

WHEREAS, in order for the proper development of such property and to aid in the conduct of the operation thereof, the parties do mutually agree as follows:

1. By way of previous annexation, the property that is the subject of this Agreement is located inside the city limits of Tool, Texas, and is more fully described in **Exhibit A** attached hereto and incorporated herein by reference, which property is hereinafter referred to as the PROPERTY. OWNERS are developing said PROPERTY to include thirty-four (34) total (THE GROVES CEDAR CREEK owns twenty-six (26) and CEDAR CREEK LOT CO, LLC owns eight (8)) residential waterfront lots, on Cedar Creek Reservoir.
2. OWNERS and CITY agree that, subject to the terms and conditions contained herein, the above-described PROPERTY shall be entitled to an abatement from CITY ad valorem taxation as provided for in this Agreement. OWNERS shall not be responsible for the payment of CITY ad valorem tax concerning the PROPERTY during the development of the PROPERTY. Once a residential lot within the PROPERTY is sold to a new third-party owner, said new owner shall be responsible for all due and owing CITY ad valorem taxes concerning the residential lot in question and all improvements constructed thereon. Taxes for any and all common areas within the PROPERTY that is not conveyed from an OWNER to a third party buyer shall be abated in their entirety from City ad valorem taxation for the five (5) year term referenced in Section 3 herein, with an additional one (1) year grace period term.
3. The abatement agreed to in Section 2 shall not exceed six (6) years from the effective date of this Agreement. At the conclusion of said 5-year term combined with the one (1) year grace period, OWNER shall be responsible for all CITY ad valorem taxes due and owing regarding the PROPERTY.
4. OWNER agrees to develop the PROPERTY and all improvements in accordance with all applicable laws, ordinances, codes, rules and requirements of the City of Tool, Henderson County,

the State of Texas and the United States, and any subdivision, agency or authority thereof, and prior to commencing construction of the improvements, to secure all permits, licenses and authorizations required in connection therewith.

5. At all reasonable times during the development of the PROPERTY and upon its completion, CITY and its respective designees may inspect PROPERTY in order to assure that all construction, work, workmanship, materials and installations are in substantial compliance with the approved PLANS or revised PLANS thereof and that the conditions and the applicable building permits and governmental regulations are complied with.

6. In the event the OWNERS fail to abide by the terms and conditions of this Agreement, then CITY shall give the OWNERS written notice of such deficiencies or failures, and if the OWNERS have not complied with or made efforts to comply within thirty (30) days of said written notice, CITY shall have the authority, right and privilege to terminate said Agreement as to all parties to the Agreement, which shall include all tax abatement incentives provided herein.

7. In the event of a termination of the Agreement consistent with Section 6, all ad valorem tax on property the subject of this Agreement being abated shall be subject to City ad valorem tax from the time of termination on a move forward basis.

8. Miscellaneous

a. **Attorney's Fees.** If any legal proceeding is necessary to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and other costs in addition to any other relief to which that party may be entitled.

b. **Severability.** If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a portion of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

c. **Texas Law to Apply.** This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties created hereunder are performable in Henderson County, Texas.

d. **Prior Agreement Superseded.** This Agreement constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreement between the parties.

e. **Amendments.** No amendment, modification or alteration of the terms hereof shall be binding unless the same shall be in writing, dated subsequent to the date hereof and duly executed by the parties hereto.

f. **Rights and Remedies Cumulative.** The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by the parties shall not preclude or waive their rights to use any or all other remedies. Said rights and remedies are in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

g. **No Waiver.** The parties agree that a waiver of a breach or default under this Agreement shall not constitute a waiver of any subsequent breach or default. The parties also agree that a failure to exercise, or a delay in exercising, any right under this Agreement on the part of either party shall not operate as a waiver of such right.

h. **Assignment.** This Agreement cannot be assigned by OWNERS without the express written consent of CITY.

IMPORTANT NOTICE

The Henderson County Tax Appraisal District requires all tax abatement recipients to file for their tax abatement exemption with the Appraisal District annually. Please contact the Henderson County Tax Appraisal District for specific requirements. Failure to do so can result in loss of your tax abatement benefits.

The parties hereto have executed, or caused to be executed by its duly authorized officials, this Agreement in multiple counterparts, each of equal dignity, on this the 16th day of February, 2023.

CITY:

CITY OF TOOL, TEXAS

By: 

Tommy Lawhon, Mayor

Date: 2-17-23

OWNER:

THE GROVES @ CEDAR CREEK, LLC

By: 

John Litchfield

Date: 2-6-2023

OWNER:

CEDAR CREEK LOT CO, LLC

By: 

Aaron Alknight

Date: 2-6-2023

EXHIBIT "A"

PROPERTY DESCRIPTION

THE GROVES AT CEDAR CREEK, LLC

WHEREAS, The Groves at Cedar Creek is the owner of all that certain 23.244 acre tract of land situated in the Thomas S. Mitchell Survey, Abstract Number A-488 and being all of the called 2.05 acre tract and 18.52 acre tract of land described in a Deed to Giga Investments, LLC, recorded in instrument number 2021-00010957 of the Official Records of Henderson County, Texas and being all of the called 0.764 acre tract of land described in a Deed to SMJ Real Estate Holdings, LLC, recorded in instrument number 2010-00017249 of the Official Records of Henderson County, Texas, and being all of the called 3.86 acre tract of land described in a Deed to SMJ Real Estate Holdings, LLC, recorded in instrument number 2016-00012146 of the Official Records of Henderson County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rebar found for a west corner of said 2.05 acre tract, and in the east right-of-way line of Private Road 6401, a private right-of-way;

THENCE along said right-of-way line and along a curve to the right, with a central angle of $28^{\circ}49'00''$, an arc distance of 147.38 feet, and a radius of 293.03 feet to a point of non-tangency;

THENCE with said curve to the right which bears a chord bearing of North $22^{\circ}19'50''$ East and a chord distance of 145.83 feet to an exterior western corner of the land described herein, said point being a point where the right-of-way line of said Mary White Road intersects with the south right-of-way line of Private Road 6401;

THENCE with said south right-of-way line of Private Road 6401 the following courses;
North $87^{\circ}54'32''$ East, a distance of 290.43 feet to a 1/2 inch iron rebar with cap stamped "RPLS 6484" set;

North $02^{\circ}19'26''$ West, a distance of 29.72 feet to a 1/2 inch iron rebar found;

Along a curve to the left, with a central angle of $90^{\circ}09'23''$, an arc distance of 30.17 feet, and a radius of 19.17 feet to a point of non-tangency;

Along said curve to the left which bears a chord bearing of North $48^{\circ}40'23''$ West and a chord distance of 27.15 feet to a 1/2 inch iron rebar with cap stamped "Buzzard" found;

North $05^{\circ}24'21''$ West, a distance of 79.38 feet to a 1/2 inch iron rebar with cap stamped "RPLS 6484" set;

North 01°16'57" East, a distance of 83.20 feet to a 1/2 inch iron rebar with cap stamped "RPLS 6484" set;

Along a curve to the right, with a central angle of 88°43'07", an arc distance of 29.93 feet, and a radius of 19.33 feet to a point of non-tangency;

Along said curve to the right which bears a chord bearing of North 44°19'59" East and a chord distance of 27.03 feet to a 1/2 inch iron rebar found;

Along a curve to the left, with a central angle of 42°53'13", an arc distance of 55.62 feet, and a radius of 74.30 feet to a point of non-tangency;

Along said curve to the left which bears a chord bearing of North 21°26'14" East and a chord distance of 54.33 feet to a 1/2 inch iron rebar found;

North 02°39'17" West, a distance of 184.34 feet to a iron rebar with cap stamped "RPLS 3669" found;

Along a curve to the right, with a central angle of 29°42'56", an arc distance of 88.67 feet, and a radius of 171.00 feet to a point of non-tangency;

Along said curve to the right which bears a chord bearing of North 13°38'56" East and a chord distance of 87.68 feet to a 1/2 inch iron rebar found;

North 27°32'14" East, a distance of 70.49 feet to a point for corner;

Along a curve to the right, with a central angle of 64°45'53", an arc distance of 33.91 feet, and a radius of 30.00 feet to a point of non-tangency;

Along said curve to the right which bears a chord bearing of North 60°02'00" East and a chord distance of 32.13 feet to a point for corner;

Along a curve to the left, with a central angle of 138°51'46", an arc distance of 121.18 feet, and a radius of 50.00 feet to a point of non-tangency;

Along said curve to the left which bears a chord bearing of North 22°59'03" East and a chord distance of 93.63 feet to a 60D nail with whisker;

North 18°46'23" East, a distance of 96.92 feet to a 1/2 inch iron rebar found;

THENCE leaving said right-of-way line, and along the 325 foot contour line of Cedar Creek the following courses:

North 86°15'11" East, a distance of 56.35 feet to a 5/8 inch iron rebar found;

North 77°08'06" East, a distance of 128.52 feet to a 5/8 inch iron rebar found;

South 63°59'40" East, a distance of 76.17 feet to a point for corner;

South 21°35'43" West, a distance of 128.60 feet to a 5/8 inch iron rebar found;

South 37°07'31" West, a distance of 135.21 feet to a 5/8 inch iron rebar found;

South 45°01'31" West, a distance of 122.39 feet to a 1/2 inch iron rebar with cap stamped "RPLS 6484" set;

South 41°21'44" East, a distance of 188.87 feet to a 1/2 inch iron rebar found;

South 21°45'27" West, a distance of 149.35 feet to a 1/2 inch iron rebar found;

South 06°53'57" West, a distance of 71.68 feet to a 1/2 inch iron rebar found;

South 67°54'57" East, a distance of 37.80 feet to a 1/2 inch iron rebar found;

South 68°45'55" East, a distance of 97.59 feet to a point for corner;

South 58°46'00" East, a distance of 75.45 feet to a point for corner;
 South 52°46'00" East, a distance of 62.98 feet to a point for corner;
 South 23°14'20" East, a distance of 68.63 feet to a point for corner;
 North 58°11'50" East, a distance of 36.05 feet to a point for corner;
 North 16°28'33" East, a distance of 78.80 feet to a point for corner;
 North 23°21'03" East, a distance of 105.32 feet to a point for corner;
 North 02°32'47" East, a distance of 90.42 feet to a 1/2 inch iron rebar found;
 North 07°43'45" East, a distance of 128.66 feet to a point for corner;
THENCE South 01°05'48" East, leaving said 325 foot contour line, and with the west line of a
 called 1.10 acre tract described in a deed to Chang Yu Ju
 and Van Cauwelaert Jeroen recorded in Document Number 2013-00005623, Official Records of
 said County, a distance of 379.90 feet to a 1/2 inch iron
 rebar found;
THENCE North 87°54'17" East, with the south line of said 1.10 acre tract, a distance of 94.77
 feet to a 1/2 inch iron rebar found in the western right-of-way
 line of Southport Track, a public right-of-way;
THENCE South 02°00'23" East, with said western right-of-way line, a distance of 89.98 feet to a
 found axle;
THENCE South 01°59'22" East, continuing with said western right-of-way line, a distance of
 84.98 feet to a found axle;
THENCE South 02°05'59" East, continuing with said western right-of-way line, a distance of
 141.93 feet to a found 1/2 inch iron rebar found in the northern
 right-of-way of Broadreach Road, a public right-of-way line;
THENCE South 42°08'26" West, with said northern right-of-way line, a distance of 41.91 feet to
 a point for corner;
THENCE South 89°25'55" East, a distance of 36.82 feet to 1/2 inch iron rebar found in the
 centerline of said Broadreach Road;
THENCE South 35°46'08" West, with said centerline, a distance of 539.99 feet to a 1/2 inch iron
 rebar found;
THENCE South 10°01'03" West, leaving said centerline, a distance of 35.07 feet to a 1/2 inch
 iron rebar found on the north line of a called 5.30 acre tract
 described in a deed to Howard D. Shirley, recorded in Volume 1660, Page 899, Official Records
 of said County;
THENCE South 86°43'01" West, along said north line, a distance of 114.99 feet to a 1/2 inch iron
 rebar found;
THENCE North 02°21'02" West, continuing along said north line, a distance of 66.97 feet to a
 point for corner;
THENCE South 86°47'56" West, continuing along said north line, a distance of 633.90 feet to a
 1/2 inch iron rebar with cap stamped "RPLS 6484" set in
 the east right of way line of Mary White Road, a public right-of-way;

THENCE North 02°23'26" West, with said right-of-way line, a distance of 439.03 feet to the
POINT OF BEGINNING and containing 23.244 acres
(1,012,495 square feet) of land.

CEDAR CREEK LOT CO, LLC

WHEREAS, Cedar Creek LotCo, LLC is the owner of all that certain 3.938 acre tract of land
situated in the Thomas S. Mitchell Survey,
Abstract Number A-488 and being all of the called 3.01 acre tract of land described in a Special
Warranty Deed With Vendor's Lien from SMJ
Real Estate Holdings LLC to Cedar Creek LotCo LLC, recorded in instrument number 2021-
00000997 of the Official Records of Henderson

County, Texas and being more particularly described by metes and bounds as follows:
BEGINNING at a 1/2 inch iron rebar with cap stamped "Buzzard" found for a west corner of said
3.01 acre tract, the most northerly northwest
corner of "Tract One" as described in a Warranty Deed to Larry Dean Fate and Karen Mae Fate,
recorded in Volume 2425, Page 622 of said
Official Records, and on the 325 foot contour line and the east line of the tract of land described to
the Tarrant County Water Control

Improvement District recorded in Volume 521, Page 546 of said Official Records;

THENCE with the west line of said 3.01 acre tract and with said 325 foot contour line, the
following courses and distances;

North 33°38'39" West, a distance of 23.42 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
North 46°28'12" East, a distance of 54.83 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
North 44°31'16" East, a distance of 3.39 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
North 31°04'42" East, a distance of 23.58 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
North 15°52'20" West, a distance of 75.46 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
North 00°52'34" East, a distance of 59.28 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
North 15°32'44" East, a distance of 67.97 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
North 09°43'37" East, a distance of 64.35 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
North 34°57'47" East, a distance of 60.91 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
North 40°51'15" East, a distance of 62.23 feet to a 1/2 inch iron rebar with a plastic cap stamped

"RPLS 6484", set for corner;
North 31°53'01" East, a distance of 39.99 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
North 13°42'29" East, a distance of 99.35 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
North 34°04'29" East, a distance of 132.90 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
North 67°34'26" East, a distance of 46.75 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
South 84°30'24" East, a distance of 27.74 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
South 73°40'57" East, a distance of 7.69 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
South 54°20'40" East, a distance of 5.31 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
South 49°02'51" East, a distance of 68.48 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
South 31°49'02" East, a distance of 11.91 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
South 21°25'13" East, a distance of 29.95 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
South 11°42'50" East, a distance of 19.20 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
South 02°20'43" East, a distance of 30.68 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
South 20°52'52" West, a distance of 20.78 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
South 36°03'32" West, a distance of 24.72 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
South 18°58'47" West, a distance of 26.22 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;
South 43°56'32" East, a distance of 55.07 feet to a 1/2 inch iron rebar with a plastic cap stamped
"RPLS 6484", set for corner;

THENCE South 18°46'23" West, leaving said 325 foot contour line, with the east line of said
3.01 acre tract and the west line of said 9.35

acre tract, passing a 1/2 inch iron rebar found at a distance of 29.76 feet, for a total distance of
126.68 feet to a 60d nail with whisker found

for the corner of the north terminus line of a Non-Exclusive Access Easement, described as "Tract
Five" of said Warranty Deed recorded in

Volume 2425, Page 622 of said Official Records and the beginning of a non-tangent curve to the
left, having a radius of 80.14 feet and a

chord that bears North 65°01'25" West, a distance of 51.06 feet;

THENCE with said east line of the 3.01 acre tract and the north and west lines of said "Tract Five" the follow courses and distances;

Along said curve to the left, through a central angle of $37^{\circ}09'10''$ and an arc length of 51.97 feet to a 1/2 inch iron rebar with cap

stamped "Buzzard" found for corner and a point of non-tangency;

South $45^{\circ}15'12''$ West, a distance of 29.90 feet to a 1/2 inch iron rebar found for the beginning of a non-tangent curve to the right, having

a radius of 28.24 feet and a chord that bears South $09^{\circ}12'20''$ East, a distance of 34.10 feet;

Along said curve to the right, through a central angle of $74^{\circ}16'35''$ and an arc distance of 36.61 feet to a 1/2 inch iron rebar found for

corner and a point of tangency;

South $27^{\circ}39'03''$ West, a distance of 122.78 feet to the beginning of a tangent curve to the left, having a radius of 201.00 feet and a

chord that bears South $13^{\circ}31'40''$ West, a distance of 103.02 feet;

Along said curve to the left, through a central angle of $29^{\circ}41'47''$ and an arc distance of 104.18 feet to a 1/2 inch iron rebar found for

corner and point of tangency;

South $02^{\circ}41'11''$ East, a distance of 146.83 feet to a 1/2 inch iron rebar with cap stamped "Buzzard" found for the southeast corner of

said 3.01 acre tract and the northeast corner of said "Tract One"

THENCE with the south line of said 3.01 acre tract and the north line of said "Tract One" the following courses and distances;

South $87^{\circ}37'53''$ West, a distance of 179.70 feet to a 1/2 inch iron rebar with illegible cap found for corner;

North $33^{\circ}38'39''$ West, a distance of 87.82 feet to the **POINT OF BEGINNING** and containing 3.938 acres (171,540 square feet) of land.

Access to said land being through easements recorded in Volume 2425, Page 622 (Tract 4 and Tract 5), Official Records of said county,

Document Number 2016-00012146, Official Public Records of said county,