

DEVELOPMENT AGREEMENT
(The Lakes at Mustang Ranch Development)

This Development Agreement (the "Agreement") is made and entered into as of the 14th day of January, 2008 (the "Effective Date"), by and between THE CITY OF CELINA, TEXAS (the "Municipality"), a general law municipality located within Collin County, Texas, and CELINA 682 PARTNERS, L.P., a Texas limited partnership (the "Owner") (the Municipality and Owner individually, a "Party", and collectively, the "Parties").

RECITALS

WHEREAS, the Municipality is a home rule municipal corporation duly organized and validly existing under the laws of the State of Texas located within Collin County, Texas (the "County");

WHEREAS, as of the Effective Date, the Municipality has an estimated population of less than 1.9 million persons;

WHEREAS, the Owner is a Texas limited partnership whose principal office is located within Dallas County, Texas;

WHEREAS, the Owner owns a tract of land in Collin County, Texas, containing approximately 682 acres, and being more particularly described by metes and bounds in Exhibit "A" attached hereto (the "Property"), currently located wholly within the extraterritorial jurisdiction ("ETJ") of the Municipality. A map of the Property is attached hereto as Exhibit "B";

WHEREAS, pursuant to Chapter 791, Texas Government Code, the Municipality entered into an interlocal agreement with the County pursuant to which the Municipality has exclusive jurisdiction over subdivision regulation and platting within the Municipality's ETJ and the design, construction, installation, and inspection of water, sanitary sewer, drainage, roads, and other roadway and utility infrastructure to be located upon the Property, and that the County shall have and exercise no jurisdiction over such matters;

WHEREAS, the Property is located within an area for which Certificate of Convenience and Necessity No. 12667 and Certificate of Convenience and Necessity No. 20764 (individually, "CCN" and collectively, "CCNs") have been granted to the Municipality for providing retail water service and sewer service, respectively;

WHEREAS, the Owner desires to proceed with development of the Property as a master planned community to be known as **The Lakes at Mustang Ranch** (the "Development") as described or illustrated in the concept plan (the "Concept Plan") attached hereto as Exhibit "C," which Development is anticipated to occur over a number of years in phases of various sizes;

WHEREAS, the Development will require certain onsite infrastructure, including streets and roads; drainage; water, sanitary sewer, and other utility systems; parks, open space, landscaping, and trail systems; and land for all of the onsite public improvements (collectively, "Onsite Public Improvements");

WHEREAS, certain offsite public infrastructure necessary to bring water and sanitary sewer service and improve access to the Property (collectively, "Offsite Public Improvements") (the "Onsite Public Improvements and Offsite Public Improvements, collectively "Public Improvements") are not currently available to serve the intended development of the Property;

WHEREAS, the Municipality has no present plans, other than as described herein, to provide the Offsite Public Improvements that will allow for the Owner's intended Development;

WHEREAS, due to the location and other natural features of the Property, the cost of the Public Improvements does not allow for the Owner's intended Development in a cost-effective and market-competitive manner without participation by the Municipality;

WHEREAS, the Municipality has no present plans, other than as described herein, to provide full utility services for the Owner's intended Development;

WHEREAS, the Municipality has determined that full development of the Property as provided herein will promote local economic development within the Municipality and will stimulate business and commercial activity within the Municipality;

WHEREAS, the Owner has agreed to fund a portion of the Municipality's cost of financing its pro rata share of the acquisition and/or construction of certain future offsite water supply and distribution facilities, all in accordance with the terms hereof;

WHEREAS, the Owner has agreed to fund a portion of the Municipality's cost of financing its pro rata share of the acquisition and/or construction of certain future offsite wastewater collection facilities, all in accordance with the terms hereof;

WHEREAS, the Parties have determined that the financing of the Public Improvements necessary for the development of the Property as proposed by the Concept Plan can best be achieved by means of Chapter 372, Texas Local Government Code, as amended, entitled the "Public Improvement District Assessment Act" ("PID Act") and Chapter 311, Texas Tax Code, as amended, entitled the "Tax Increment Financing Act" ("TIRZ Act");

WHEREAS, the Municipality intends to create a public improvement district (the "PID") under the PID Act and a tax increment reinvestment zone (the "TIRZ") under the TIRZ Act, each to include the Property, for purposes of financing the Public Improvements that confer a special benefit on the Property;

WHEREAS, the Parties have determined that they have the authority to enter into this Agreement, including, but not limited to, the authority granted by Section 212.172, Texas Local Government Code, as amended;

WHEREAS, the Owner has agreed to impose the terms and provisions of this Agreement as restrictive covenants upon the Property;

WHEREAS, the Municipality is agreeable to the Property being developed as a master planned community pursuant to such restrictive covenants that will remain in place for the term of this Agreement;

WHEREAS, the Municipality supports the Concept Plan and will consider preliminary/construction plats and final plats of the phases of the Property in general accordance with such plan and this Agreement, and to take other actions as set forth herein to permit the development of the Property in accordance with the Concept Plan and this Agreement;

WHEREAS, the Municipality and the Owner agree that the development of the Property can best proceed pursuant to a development agreement such as this Agreement; and

WHEREAS, it is the intent of this Agreement to establish certain legally binding restrictions and commitments to be imposed upon the Property; and the Municipality and the Owner are proceeding in reliance on the enforceability of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration, the Municipality and the Owner agree as follows:

ARTICLE I REPRESENTATIONS AND DEFINITIONS

1.01 Recitals. The recitals contained in this Agreement are true and correct as of the Effective Date and form the basis upon which the Parties negotiated and entered into this Agreement.

1.02 Authority. The Municipality represents and warrants that this Agreement has been approved and duly adopted by the City Council of the Municipality in accordance with all applicable public meeting and public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act), and that the individual executing this Agreement on behalf of the Municipality has been authorized to do so. Owner represents and warrants that this Agreement has been approved by appropriate action of the Owner, and that the individual executing this Agreement on behalf of the Owner has been authorized to do so.

ARTICLE II PURPOSES, TERM, CONSIDERATION, AND JURISDICTIONAL STATUS

2.01 Purposes. The Parties desire to enter into this Agreement to: guarantee the continuation of the extraterritorial status of the Property and its immunity from annexation by the Municipality for a period as set forth herein; extend the Municipality's planning authority over the land by providing for a development plan under which certain general uses and development of the Property are authorized; authorize enforcement by the Municipality of certain municipal land use and development regulations in the same manner the regulations are enforced within the Municipality's boundaries; authorize enforcement by the Municipality of land use and development regulations other than those that apply within the Municipality's boundaries; and provide for infrastructure for the Property, including the Public Improvements. It is further the intent and purpose of the Parties to provide for the annexation of the Property as a whole or in parts and to provide for the terms of annexation; specify the uses and development of the Property before and after annexation; and include other lawful terms and consideration, including establishing the means of and terms for financing the Public Improvements by the Municipality.

2.02 Consideration. The covenants of, benefits to, and performances by, the Parties set forth in this Agreement, plus the mutual promises expressed herein, are good and valuable consideration for this Agreement, the sufficiency of which is hereby acknowledged by the Parties.

2.03 Term. The term of this Agreement shall be 15 years after the Effective Date unless extended by mutual agreement of Owner and the Municipality (as extended, the "Term"). The Parties may extend this Agreement for successive periods not to exceed 15 years each. However, the total duration of this Agreement, including the initial 15 year term and any successive extensions, may not exceed 45 years. Regardless of the expiration of the Term hereof, the provisions of Article III shall continue in full force and effect.

2.04 Immunity From Full Purpose Annexation. Until Owner presents the Annexation Petition (hereinafter defined) as provided in Section 4.01 of this Agreement, the Municipality hereby guarantees the extraterritorial status of the Property and its immunity from full purpose annexation by the Municipality during the Term of this Agreement.

ARTICLE III REGULATION OF DEVELOPMENT

3.01 Governing Regulations. Development of the Property shall be governed solely by the following:

- (a) the Concept Plan attached as Exhibit "C" to this Agreement;
- (b) the Planned Development Regulations for The Lakes at Mustang Ranch attached as Exhibit "D" to this Agreement (the "Development Regulations");
- (c) the Municipality's subdivision regulations in effect as of the Effective Date (the "Subdivision Regulations");
- (d) the Municipality's building codes in effect as of the Effective Date (the "Building Codes");
- (e) the Municipality's engineering and construction standards (the "Engineering and Construction Standards") in effect as of the Effective Date;
- (f) the Municipality's water and wastewater rules (the "Water and Wastewater Rules") in effect as of the Effective Date;
- (g) final plats for portions of the Property that are approved, from time to time, by the Municipality in accordance with this Agreement (the "Approved Plats"); and
- (h) the following shall hereinafter be referred to collectively as the "Governing Regulations": (i) the Concept Plan, (ii) the Development Regulations; (iii) the Subdivision Regulations, (iv) the Building Codes, including any amendments thereto authorized by this Article III, (v) the Approved Plats, (vi) the Engineering and Construction Standards, (vii) the Water and Wastewater Rules, (viii) revisions

to the Development Regulations allowed by this Article III, and (ix) State and Federal Requirements described in this Article III. The Governing Regulations are exclusive, and no other ordinances, rules, regulations, standards, policies, orders, guidelines or other Municipality-adopted or Municipality-enforced requirements of any kind (including any moratorium adopted by the Municipality after the Effective Date unless the Municipality, in its reasonable discretion, determines that a moratorium applicable to the Property is an absolute necessity from a health and welfare standpoint and is applicable uniformly to at least the general vicinity of the Property) apply to the development of the Property with the exception of those regulations adopted to prevent the imminent destruction of property or injury of persons. Except as provided in Sections 3.02, 3.03, 3.04, and 3.05 herein, the Governing Regulations, as they may be applicable to the Property, may not be amended by the Municipality during the Term of this Agreement. The Governing Regulations and this Agreement shall continue to be applicable after annexation of the Property by the Municipality. The Parties agree that the Concept Plan and Development Regulations constitute a "development plan" as such term is used in Section 212.172, Texas Local Government Code.

3.02 Concept Plan Revisions. The Concept Plan may be revised in part (without opening up the entire Concept Plan to revision) with the approval of the Owner, the Municipality, and the owners of the portions of the Property within the area being revised on the Concept Plan. In addition, the boundaries of any tract shown on the Concept Plan (but not the total lot count) may be revised, from time to time, with only the approval of the Municipality's staff, which approval shall not be unreasonably withheld, conditioned or delayed, if:

- (a) the revision is approved, in writing, by the owners of all the property within the tracts being revised;
- (b) the revision is approved, in writing, by the Owner;
- (c) a revised Concept Plan is submitted to the Municipality's staff concurrently with the submission of any preliminary plat covering any portion of the property subject to the change; and
- (d) the cumulative effect of all revisions does not change the area within any tract by more than 10% (based on the tracts as they existed on the Effective Date).

If the Concept Plan is revised as provided by this section, the revision shall be considered an amendment to this Agreement, and the Municipality shall cause the revised Concept Plan to be attached to the official version of this Agreement on file in the county deed records.

3.03 Development Regulation Revisions. The City Council may permit exceptions to the Development Regulations when Owner demonstrates, to the reasonable satisfaction of the City Council, that the requested exception: (A) is not contrary to the public interest; (B) does not injure adjacent property; and (C) does not materially adversely affect the overall quality of development.

3.04 Building Code Amendments. The Municipality has the right to amend the Building Codes, the Water and Wastewater Rules and/or the Engineering and Construction Standards, from time to time, to the extent required by state or federal law. The Municipality also has the right to amend the Building Codes, the Water and Wastewater Rules and/or the Engineering and Construction Standards, from time to time, to include changes: (a) that have been approved by the International Code Council (or any successor organization); and (b) that either (1) have been approved by Owner, or (2) have been adopted by the City Council (for uniform application throughout the corporate limits of the Municipality). Notice of any proposed amendment to the Building Codes, the Water and Wastewater Rules and/or the Engineering and Construction Standards authorized by this section, together with a full-text copy of the proposed amendment, shall be given to Owner and shall be conspicuously posted for three (3) months prior to its effective date (with full-text copies available for distribution) in the Municipality Clerk's office. Unless otherwise specifically provided by state or federal law, the effective date of any proposed amendment to the Building Codes, the Water and Wastewater Rules and/or the Engineering and Construction Standards shall be three (3) months after the Municipality gives the written notices required by this section.

3.05 State and Federal Requirements. Development of the Property shall also be subject to ordinances that the Municipality is required to adopt, from time to time, by state or federal law; provided, however, if such state or federal laws allow the Municipality to grant exemptions to such laws for which the Property qualifies, then the Property shall be exempt from such laws, and the Municipality shall take all action necessary to evidence such exemptions. Notice of any ordinance required by state or federal law, together with a full-text copy of the proposed ordinance, shall be given to Owner and shall be conspicuously posted for three (3) months prior to its effective date (with full-text copies available for distribution) in the Municipality Clerk's office. Unless otherwise specifically provided by state or federal law, the effective date of any such ordinance shall be three (3) months after the Municipality gives the written notices required by this section. Any such ordinance shall only apply to portions of the Property that are the subject of preliminary plats filed with the Municipality after the effective date of the ordinance. Notwithstanding the foregoing, however, nothing in this section constitutes a waiver of Owner's right to claim that a Municipality ordinance required by state or federal law: (A) does not apply to the Property based on the "vested rights" of Owner, whether such rights arise under Chapter 43, as amended, or Chapter 245, as amended, Texas Local Government Code; (B) does not apply to the Property based on any other legal or equitable theory, whether based on existing or future common-law or state or federal statutes; or (C) constitutes an illegal exaction or a "taking" without compensation.

3.06 Conflicts. In the event of any conflict between this Agreement and any other ordinance, rule, regulation, standard, policy, procedure, order, guideline or other Municipality-adopted or Municipality-enforced requirement, whether existing on the Effective Date or hereinafter adopted, or whether before or after annexation of the Property by the Municipality, this Agreement shall control. In the event of any conflict between the Development Regulations and the Subdivision Regulations, the Development Regulations shall control. In the event of any conflict between any Approved Plat and any of the other Governing Regulations, the Approved Plat shall control.

3.07 Certificate of Substantial Completion. Except for model homes as set forth below, no permanent structure located upon the Property shall be occupied until a certificate of substantial completion has been issued by a Certified Inspector certifying that the structure has been constructed in compliance with the Governing Regulations. Model homes may be occupied for the sole purpose of sales and marketing with the issuance of a temporary certificate of substantial completion which the Municipality shall issue upon its satisfaction that all life safety systems are installed and operational; however, no model home may be sold to or occupied by an End-Buyer (hereinafter defined) until a permanent certificate of substantial completion has been issued. All certificates of substantial completion shall be paid for by the builder performing the work (or by the owner of the property on which the work is being performed).

3.08 Exclusive Fees. The Owner shall be subject to those fees and charges due and payable to the Municipality in connection with the development of the Property that are charged uniformly to other developments located in the corporate limits of the Municipality with the exception of capital recovery fees including, but not limited to pro rata fees, impact fees and other capital recovery fees (collectively, the "Capital Recovery Fees"). Capital Recovery Fees charged against the Property shall be limited to an amount equal to the Municipality's Texas Local Government Code Chapter 395 impact fees on the Effective Date. The City agrees to amend its Capital Improvement Plan ("CIP") to include all Offsite Public Improvements prior to commencement of construction of said improvements. Upon the City's final inspection and acceptance of all or any portion of the Offsite Public Improvements, the Owner shall receive a credit against Capital Recovery Fees in an amount equal to the actual cost of constructing the Offsite Public Improvement, which costs shall include, without limitation, easement and real estate acquisition costs, design, legal and engineering fees and all costs of construction.

ARTICLE IV ANNEXATION

4.01 Annexation. Upon satisfaction by the Municipality of all the terms of Section 4.02 below, the Owner shall submit a petition (the "Annexation Petition") to the Municipality requesting the annexation of the Property into the corporate boundaries of the Municipality. The Owner shall cooperate in good faith with the Municipality in the annexation of the Property into the Municipality's corporate limits including, but not limited to, the execution by the Owner of such further documents or instruments as may be requested from time to time by the Municipality to properly effect such annexation.

4.02 Conditions to Annexation Petition. The obligation of the Owner to submit the Annexation Petition to the Municipality shall be subject to the following conditions:

- (a) The Municipality shall have adopted a resolution authorizing the creation of the PID and meeting the requirements of Section 372.010 of the PID Act, which PID shall include the Property within its boundaries;
- (b) The City Council shall have adopted (i) the PID Service and Assessment Plan identifying the improvement projects for the Development, which shall include the Public Improvements described herein, as well as a plan of financing thereof,

and (ii) the PID Assessment Roll identifying the assessment against each parcel of land in the district; and

- (c) The Municipality shall have issued the first series of PID assessment revenue bonds in amounts sufficient to fund the costs of the Public Improvements (the "PID Bonds").

4.03 Annexation and Zoning.

- (a) Upon annexation of the Property or any portion thereof, the Municipality shall have all of the same enforcement rights to enforce compliance with the Governing Regulations with respect to such Property that it otherwise enjoys under the law to enforce development regulations within the Municipality's corporate limits.
- (b) The Parties contemplate that the Municipality will zone the Property as a "planned development district" ("PD") following annexation in a manner that is consistent with the Concept Plan and the Development Regulations. The Property annexed into the Municipality shall be developed in accordance with the Concept Plan and Development Regulations regardless of the PD zoning of the Property after annexation, and nothing herein shall be construed to prevent the Property from being developed in accordance with such standards.

4.04 Discontinuation of Land Use. The Parties agree that should the Municipality annex all or any portion of the Property, the Municipality may pursue the discontinuation of non-conforming land uses without regard to whether and for what length of time a particular land use existed prior to annexation into the Municipality if such use is not permitted by the Concept Plan and Development Regulations.

ARTICLE V OFFSITE ROAD INFRASTRUCTURE

The parties recognize, acknowledge, and agree that efficient ingress and egress and traffic management are important to the success of the Development and the health, safety and welfare of the current and future residents of the Development and the Municipality. Certain road improvements will be located outside of the Property but are necessary and beneficial to the Project. Such offsite road improvements shall be limited to those improvements: (a) necessary for turning movements into and out of the Property; and (b) located where the Property is adjacent to FM 1461 and FM 2478. The Owner further agrees to develop a plan for the initial access to the Property from FM 1461 that is satisfactory to the Municipality and the Texas Department of Transportation. The Municipality will act reasonably and in good faith in approving the plan for access to the Property from FM 1461.

ARTICLE VI UTILITY SERVICE PLAN

6.01 General. It is anticipated that the Development will occur in phases. Further, other areas within the Municipality's corporate boundaries are expected to continue to develop over time. Accordingly, it is understood and agreed that a reliable long term source of treated

water supply and wastewater treatment will be needed by the Municipality so that utility capacities will be available at times and in amounts needed to meet the ultimate requirements of the Development and other areas of the Municipality as they develop. It is further recognized that as of the Effective Date, the Municipality does not own sufficient treated water supply and distribution facilities or wastewater collection or treatment improvements or capacities to meet such needs. However, the Parties have agreed upon a plan for meeting the treated water and wastewater needs of the Parties, including the financing thereof.

6.02 Water Service.

- (a) Retail Service; CCN Matters. The Parties acknowledge that the Municipality has a CCN to provide retail water service to certain areas that include the Property. The Parties acknowledge and agree that water capacity will be needed in phases as the Development progresses. The Municipality represents and confirms that it will provide water service at times and in amounts sufficient to meet the service demands of the Development. Based upon the foregoing, the Owner acknowledges and agrees to the Municipality's designation as the sole and exclusive retail service provider to the Property.
- (b) UTRWD Wholesale Water Supply Contract. The Municipality has entered into a Participating Customer Treated Water Supply Contract, dated February 14, 2000, as amended September 22, 2003, with the Upper Trinity Regional Water District ("UTRWD") for wholesale treated water supply which contract may be amended from time to time. The Municipality agrees to amend or take such other appropriate action necessary to secure water supply for the Development at times and in amounts as will permit the continuous and orderly development of the Property pursuant to the Concept Plan. The Municipality agrees to request input from the Owner for planning purposes, and Owner agrees to provide information as may be reasonably requested from time to time by the Municipality, to enable the Municipality to plan for the water service demands of the Development.
- (c) Water Distribution Line. In order to serve the Property, the Municipality has determined to construct an offsite water distribution line, together with the necessary appurtenances thereto (the "Water Line"), which Water Line will be planned and engineered with the input of Owner, Municipality, and UTRWD. The general alignment for the Water Line is depicted in Exhibit "E".
- (d) Water Line Cost Participation. The Parties agree to cooperate in the financing of the Water Line as follows. Each Party agrees to fund its pro rata share of the cost of the design and construction of the Water Line and acquisition of all necessary easements and rights-of-way. The Owner's pro rata share shall be based upon a fraction whose numerator equals the capacity of the Water Line assigned to the Development, and whose denominator equals the total capacity of the Water Line. The Owner agrees to fund its pro rata share of such costs from the proceeds of the sale of PID Bonds. The Municipality agrees to fund its pro rata share of the costs of the Water Line. If the Municipality requests construction of the Water Line at a size that is greater than necessary to develop the Property, the Municipality must

fund all of the costs associated with such oversizing, and Owner shall not be required to fund any of such costs. The Municipality shall provide payment for the costs associated with the oversizing to the Owner prior to the scheduled date of construction for the Water Line. If the Municipality does not provide payment, or other guarantee of payment as is acceptable to the Owner, the Owner shall not be obligated to oversize the Water Line.

6.03 Wastewater Service.

- (a) Retail Service; CCN Matters. The Parties acknowledge that the Municipality has a CCN to provide retail sewer service to certain areas that include the Property. The Parties acknowledge and agree that sanitary sewer capacity will be needed in phases as the Project develops. The Municipality represents and confirms that its goal is to provide sanitary sewer service at times and in amounts sufficient to meet the service demands of the Project. Based upon the foregoing, the Owner and District acknowledge and agree to the Municipality's designation as the sole and exclusive retail sewer service provider for the Property.
- (b) UTRWD Wholesale Waste Treatment Contract. The Municipality has entered into a contract for the provision of wastewater collection and treatment services, dated December 7, 2006, with UTRWD which contract may be amended from time to time. The Municipality agrees to amend or take such other appropriate action necessary to secure wastewater collection and treatment services for the Development at times and in amounts as will permit the continuous orderly development of the Property pursuant to the Concept Plan. The Municipality agrees to request input from Owner for planning purposes and Owner agrees to provide information as may be reasonably requested from time to time by the Municipality to plan for the wastewater service demands of the Development.
- (c) Wastewater Collection Line. In order to serve the Property, the Municipality has determined to construct an offsite wastewater collection line, together with necessary appurtenances thereto (collectively, the "Sewer Line"). The Sewer Line will be planned and engineered with the input of Owner, Municipality and UTRWD. The general alignment of the Sewer Line is depicted on Exhibit "E".
- (d) Sewer Line Cost Participation. The Parties agree to cooperate in the financing of the Sewer Line as follows. Each Party agrees to fund its pro rata share of the cost of the design and construction of the Sewer Line and acquisition of all necessary easements and rights-of-way. The Owner's pro rata share shall be based upon a fraction whose numerator equals the capacity of the Sewer Line assigned to the Development, and whose denominator equals the total capacity of the Sewer Line. The Owner agrees to fund its pro rata share of such costs from the proceeds of the sale of PID Bonds. The Municipality agrees to fund its pro rata share of the costs of the Sewer Line. If the Municipality requests construction of the Sewer Line at a size that is greater than necessary to develop the Property, the Municipality must fund all of the costs associated with such oversizing, and Owner shall not be required to fund any of such costs. The Municipality shall provide payment for

the costs associated with the oversizing to the Owner prior to the scheduled date of construction for the Sewer Line. If the Municipality does not provide payment, or other guarantee of payment as is acceptable to the Owner, the Owner shall not be obligated to oversize the Sewer Line.

6.04 Owner's Debt Service Contribution. If the Municipality chooses to issue debt ("Municipality Debt") to fund any requested oversizing of the Water Line and/or Sewer Line and such Municipality Debt is structured on an "interest only" basis for the initial five (5) years of the term thereof with capitalized interest for the initial two (2) years of such term, then Owner will pay the Municipality's Annual Deficit (as hereinafter defined), if any, during each of the 3rd, 4th and 5th years of the term of the Municipality Debt (individually a "Determination Year" and collectively the "Determination Years"), such payment to be made within thirty (30) days after the Municipality provides Owner with an invoice for the Annual Deficit for such Determination Year, such invoice to include a detailed calculation of such Annual Deficit for such Determination Year. For purposes hereof, the term "Annual Deficit" means the negative difference, if any, determined by subtracting the annual amount of interest owed on the Municipal Debt for the Determination Year in question (the "Interest Expense") from the aggregate of (i) the Municipality's annual revenues derived from the Municipality's water and sewer usage fees and charges, park fees, pro rata fees and impact fees generated from the users of the Water Line and/or Sewer Line during the Determination Year in question, plus (ii) any interest income generated from unused debt funds on the Municipal Debt during the Determination Year in question (collectively the "Revenues"). Furthermore, the Annual Deficit for any particular Determination Year shall be offset by any cumulative positive difference, if any, determined by subtracting the aggregate Interest Expense for all prior Determination Years from the aggregate Revenues for all prior Determination Years. The Municipality may require the Owner to provide a letter of credit in advance of the Municipality issuing the Municipality Debt to secure this obligation, such letter of credit to be in form and substance reasonably approved by the Municipality and shall provide for annual reductions thereto as applicable as the Owner's obligation to the Municipality declines.

6.05 Retail Service Rates. It is the express intent of the Parties that the retail water and sanitary sewer rates for each classification of customer will be uniform throughout the portions of the Municipality for which the Municipality controls the CCN. Consequently, the retail rates for water and sanitary sewer service to be provided to the future residents and commercial customers within the Project shall be at all times and in all respects the same as charged to the same classification of customers within the portions of the Municipality for which the Municipality controls the CCN.

ARTICLE VII PUBLIC IMPROVEMENT DISTRICT

The Municipality will use its best efforts to create the PID on or before March 31, 2008, to fund, in part, the design and construction of Public Improvements and the provision of certain Supplemental Services (hereinafter defined) that will confer a special benefit upon the Property as follows:

- (a) The PID will include the Property.

- (b) PID funding of Public Improvements and Supplemental Services authorized by the PID Act and approved by the Municipality will include, to the maximum extent authorized by State law: (i) annual payments by the Municipality to the Owner of PID assessments; (ii) the issuance by the Municipality of PID Bonds secured by such assessments and/or other security; (iii) the issuance by the Municipality or other issuer of other bonds secured by PID assessments and/or other security; and (iv) any other method approved by the Parties.
- (c) The Public Improvements and Supplemental Services to be funded by the PID will be the same as those described in the PID Service and Assessment Plan, which Public Improvements confer a special benefit on the Property (the "PID Projects").
- (d) The total estimated cost of the PID Projects (the "PID Project Costs") will be as stated in the PID Service and Assessment Plan.
- (e) The Owner will submit to the Municipality a petition requesting creation of the PID to undertake the design and construction of the PID Projects.
- (f) After all notices required by State law have been provided, the Municipality will conduct the public hearing required by the PID Act and, upon making the findings required by the PID Act, will authorize the creation of the PID and direct the Secretary of the Municipality to public notice of the authorization.
- (g) The Municipality and the Owner will jointly prepare a Service and Assessment Plan for the PID that will define the annual indebtedness and allocate the PID Project Costs to benefited property within the PID in a manner that results in imposing equal shares of the PID Project Costs on property similarly benefited. The Supplemental Services included in the Service and Assessment Plan shall not exceed an annual assessment equivalent to five cents per \$100 of taxable assessed value.
- (h) The Municipality will determine the final PID Project Costs, prepare a proposed assessment roll based thereon, file the Service and Assessment Plan and proposed assessment roll with the Secretary for the Municipality for public inspection, and, after all notices required by State law have been provided, conduct a public hearing to approve the Service and Assessment Plan and Assessment Roll and levy the assessments accordingly.
- (i) The Owner shall cause all owners of property in the PID that are liable for assessment to execute a "Landowner Agreement" for recordation in the deed records as a covenant running with the land, which agreement shall evidence the consent of the owners (and their successors and assigns) to the Service and Assessment Plan, the Assessment Roll, and the levy of the assessments.
- (j) The Municipality will use its best efforts to issue one or more series of PID Bonds secured, in whole or in part, by assessments levied against benefited property within the PID. PID Bonds may also be secured by any other revenue authorized

by the PID Act or other State law, including, without limitation, the TIRZ increment revenue. The net proceeds from the sale of PID Bonds (i.e., net of costs and expenses of issuance and amounts for debt service reserves and capitalized interest) will be used to pay PID Project Costs. Notwithstanding the foregoing, the obligation of the Municipality to issue PID Bonds is conditioned upon the adequacy of the bond security and the financial obligation of the Owner to pay the amount, if any, by which PID Project Costs exceed the net proceeds from the sale of PID Bonds and the amount, if any, of cost overruns. The Municipality may require the Owner to secure its obligation to pay such deficit and cost overruns by providing a performance bond, letter of credit, or other security prior to the issuance of the PID Bonds. The net proceeds from the sale of the PID Bonds will be deposited in and disbursed from a construction fund created and administered pursuant to the indenture under which the PID Bonds are issued.

- (k) Supplemental Services are those services provided by the Owner or the Owner's assignee or designee to maintain public open space, entry features and landscaping within public rights-of-way at a level in excess of the maintenance provided by the Municipality as part of its usual and customary maintenance for such public improvements. For each year that the Owner submits to the Municipality a budget for Supplemental Services, the Municipality shall levy a PID assessment not to exceed five cents per \$100 of taxable assessed value to cover the cost of such Supplemental Services. Such PID assessments shall be collected by the Municipality and paid to the Owner or the Owner's designee for the provision of the Supplemental Services.

ARTICLE VIII TAX INCREMENT REINVESTMENT ZONE

The Municipality will use its best efforts to create the TIRZ in the year of the annexation, to fund, in part, the design and construction of Public Improvements that will confer a special benefit upon the Property as follows:

- (a) The TIRZ will include only the Property.
- (b) Term. The TIRZ will have a term that expires the greater of 30 years or when all PID Bonds are paid in full and no longer outstanding.
- (c) The Public Improvements to be funded by the TIRZ will include, but not be limited to, those described in the PID Service and Assessment Plan, which Public Improvements confer a special benefit on the Property (the "TIRZ Projects").
- (d) The total estimated cost of the TIRZ Projects (the "TIRZ Project Costs") will be as stated in the PID Service and Assessment Plan.
- (e) The Municipality and the Owner will jointly prepare a Preliminary Project and Finance Plan for the TIRZ (the "Preliminary TIRZ Plan") that, among other things, provides as follows: (a) the Municipality shall retain 10 percent (10%) of

the difference between the ad valorem taxes attributable to the TIRZ for the year in which the TIRZ is designated and the ad valorem taxes attributable to the TIRZ for the years following the year in which the TIRZ is designated (the "Ad Valorem Tax Increment") which shall be devoted by the Municipality to the provision of municipal services, and (b) the Municipality shall pay 90 percent (90%) of the Ad Valorem Tax Increment towards the TIRZ Projects or as additional security for the PID Bonds.

- (f) The Preliminary TIRZ Plan will provide for payment of the TIRZ Project Costs from the agreed-upon portions of the Ad Valorem Tax Increment as follows: (1) annual payments of the Ad Valorem Tax Increment; and/or (2) pledge of the Ad Valorem Tax Increment to PID Bonds.
- (g) The Municipality will conduct hearings and meetings with other taxing units as required by the TIRZ Act regarding the Preliminary TIRZ Plan and will use its best efforts to cause the other taxing units to participate in the TIRZ by contributing a portion of their Ad Valorem Tax Increments toward payment of the TIRZ Project Costs.
- (h) The Municipality, after providing all notices required by State law, will conduct the public hearing required by the TIRZ Act and, upon making the findings required by the TIRZ Act, will create the TIRZ and appoint a board of directors for the TIRZ (the "TIRZ Board").
- (i) The Municipality will cause the TIRZ Board to consider the adoption of a Final Project and Finance Plan for the TIRZ (the "Final TIRZ Plan") that will provide for payment of the TIRZ Project Costs. The Final TIRZ Plan shall be as consistent as possible with the Preliminary TIRZ Plan. If requested by the Owner or if otherwise required in connection with the issuance of any bonds secured by the agreed-upon portions of the Ad Valorem Tax Increment, the Municipality will also cause the TIRZ Board to consider a development agreement among the Municipality, the TIRZ Board, and the Owner (the "TIRZ Development Agreement") that contractually binds the Municipality, the TIRZ Board, and the Owner to the provisions of the Final TIRZ Plan.
- (j) The Municipality will consider the adoption of the Final TIRZ Plan and, if requested by the Developer, the adoption of the TIRZ Development Agreement.
- (k) The Municipality will use its best efforts to enter into agreements with all other taxing units that have elected to participate in the TIRZ, the provisions of which agreements shall be consistent with this Agreement, the Final TIRZ Plan, and the TIRZ Development Agreement.

ARTICLE IX EVENTS OF DEFAULT; REMEDIES

9.01 Events of Default. No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given (which notice shall set forth in

reasonable detail the nature of the alleged failure) and until such Party has been given a reasonable time to cure the alleged failure (such reasonable time determined based on the nature of the alleged failure, but in no event less than 30 days after written notice of the alleged failure has been given). In addition, no Party shall be in default under this Agreement if, within the applicable cure period, the Party to whom the notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured. Notwithstanding the foregoing, however, a Party shall be in default of its obligation to make any payment required under this Agreement if such payment is not made within five business days after it is due.

9.02 Remedies. If a Party is in default, the aggrieved Party may, at its option and without prejudice to any other right or remedy under this Agreement, seek any relief available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act, specific performance, mandamus, and injunctive relief. NOTWITHSTANDING THE FOREGOING, HOWEVER, NO DEFAULT UNDER THIS AGREEMENT SHALL:

- (a) entitle the aggrieved Party to terminate this Agreement; or
- (b) entitle the aggrieved Party to suspend performance under this Agreement unless the portion of the Property for which performance is suspended is the subject of the default (for example, the Municipality shall not be entitled to suspend its performance with regard to the development of "Tract X" by "Developer A" based on the grounds that Developer A is in default with respect to any other tract or based on the grounds that any other developer is in default with respect to any other tract); or
- (c) adversely affect or impair the current or future obligations of the Municipality to provide water or sewer service (whether wholesale or retail) or any other service to any developed portion of the Property or to any undeveloped portion of the Property unless the undeveloped portion of the Property is the subject of the default; or
- (d) entitle the aggrieved Party to seek or recover monetary damages of any kind; or
- (e) limit the term.

9.03 Governmental Powers; Waivers of Immunity. By its execution of this Agreement, the Municipality does not waive or surrender any of its governmental powers, immunities, or rights except as follows:

- (a) To the extent permitted by applicable law, the Municipality waives its governmental immunity from suit and immunity from liability as to any action brought by a Party to pursue the remedies available under this Agreement, but only to the extent necessary to pursue such remedies. Nothing in this section shall waive any claims, defenses or immunities that the Municipality has with respect to suits against the Municipality by persons or entities other than a Party to this Agreement.

- (b) Nothing in this Agreement is intended to delegate or impair the performance by the Municipality of its governmental functions, and the Municipality, to the extent permitted by applicable law, waives any claim or defense that any provision of this Agreement is unenforceable on the grounds that it constitutes an impermissible delegation or impairment of the Municipality's performance of its governmental functions.

ARTICLE X ASSIGNMENT AND ENCUMBRANCE

10.01 Assignment by Owner to Successor Owners. Owner has the right (from time to time without the consent of the Municipality, but upon prior written notice to the Municipality) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of Owner under this Agreement, to any person or entity (an "Owner Assignee") that is or will become an owner of any portion of the Property, provided that the Owner is not in breach of this Agreement at the time of such assignment. Notice of each proposed assignment to an Owner Assignee shall be provided to the Municipality at least 15 days prior to the effective date of the assignment, which notice shall include a copy of the proposed assignment document together with the name, address, telephone number, and e-mail address (if available) of a contact person representing the Owner Assignee who the Municipality may contact for additional information regarding the experience and background of the Owner Assignee. Each assignment shall be in writing executed by Owner and the Owner Assignee and shall obligate the Owner Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each fully executed assignment to an Owner Assignee shall be provided to all Parties within 15 days after execution. From and after such assignment, the Municipality agrees to look solely to the Owner Assignee for the performance of all obligations assigned to the Owner Assignee and agrees that Owner shall be released from subsequently performing the assigned obligations and from any liability that results from the Owner Assignee's failure to perform the assigned obligations; provided, however, if a copy of the assignment is not received by the Municipality within 15 days after execution, Owner shall not be released until the Municipality receives such copy of the assignment. No assignment by Owner shall release Owner from any liability that resulted from an act or omission by Owner that occurred prior to the effective date of the assignment unless the Municipality approves the release in writing. Owner shall maintain written records of all assignments made by Owner to Owner Assignees, including a copy of each executed assignment and the Owner Assignee's Notice information as required by this Agreement, and, upon written request from another Party, shall provide a copy of such records to the requesting person or entity.

10.02 Assignment by the Municipality. The Municipality has the right (from time to time without the consent of Owner, but upon prior written notice to Owner) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of the Municipality under this Agreement, to any agency, authority, or political subdivision of the state (a "Municipality Assignee"). Notice of each proposed assignment to a Municipality Assignee shall be provided to Owner at least 15 days prior to the effective date of the assignment, which notice shall include a copy of the proposed assignment document together with the name, address, telephone number, and e-mail address of a contact person representing the Municipality Assignee who Owner may contact for additional information. Each assignment shall be in

writing executed by the Municipality and the Municipality Assignee and shall obligate the Municipality Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each fully executed assignment to a Municipality Assignee shall be provided to all Parties within 15 days after execution. From and after such assignment, Owner agrees to look solely to the Municipality Assignee for the performance of all obligations assigned to the Municipality Assignee and agrees that the Municipality shall be released from subsequently performing the assigned obligations and from any liability that results from the Municipality Assignee's failure to perform the assigned obligations; provided, however, if a copy of the assignment is not received by Owner within 15 days after execution, the Municipality shall not be released until Owner receives such copy of the assignment. No assignment by the Municipality shall release the Municipality from any liability that resulted from an act or omission by the Municipality that occurred prior to the effective date of the assignment unless Owner approves the release in writing. The Municipality shall maintain written records of all assignments made by the Municipality to Municipality Assignees, including a copy of each executed assignment and the Municipality Assignee's Notice information as required by this Agreement, and, upon written request from another Party, shall provide a copy of such records to the requesting person or entity.

10.03 Encumbrance by Owner and Assignees. Owner and Assignees have the right, from time to time, to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of their respective rights, title, or interest under this Agreement for the benefit of their respective lenders without the consent of, but with prompt written notice to, the Municipality. The collateral assignment, pledge, grant of lien or security interest, or other encumbrance shall not, however, obligate any lender to perform any obligations or incur any liability under this Agreement unless the lender agrees in writing to perform such obligations or incur such liability. Provided the Municipality has been given a copy of the documents creating the lender's interest, including Notice (hereinafter defined) information for the lender, then that lender shall have the right, but not the obligation, to cure any default under this Agreement and shall be given a reasonable time to do so in addition to the cure periods otherwise provided to the defaulting Party by this Agreement; and the Municipality agrees to accept a cure offered by the lender as if offered by the defaulting Party. A lender is not a Party to this Agreement unless this Agreement is amended, with the consent of the lender, to add the lender as a Party. Notwithstanding the foregoing, however, this Agreement shall continue to bind the Property and shall survive any transfer, conveyance, or assignment occasioned by the exercise of foreclosure or other rights by a lender, whether judicial or non-judicial. Any purchaser from or successor owner through a lender of any portion of the Property shall be bound by this Agreement and shall not be entitled to the rights and benefits of this Agreement with respect to the acquired portion of the Property until all defaults under this Agreement with respect to the acquired portion of the Property have been cured.

10.04 Encumbrance by Municipality. The Municipality shall not collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of its rights, title, or interest under this Agreement without Owner's prior written consent.

ARTICLE XI
RECORDATION, RELEASES, AND ESTOPPEL CERTIFICATES

11.01 Binding Obligations. Pursuant to the requirements of Section 212.172(f) of the Texas Local Government Code, this Agreement, and all amendments hereto, shall be recorded in the deed records of the County. In addition, all assignments of this Agreement shall be recorded in the deed records of the County. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns permitted by this Agreement and upon the Property; however, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any End-Buyer except for land use and development regulations that apply to specific lots; provided that this provision shall not negate the End-Buyer's obligation for the payment of ad valorem taxes and assessments (including assessments that result from the application of this Agreement) applicable to such End-Buyer's property. For purposes of this Agreement, the Parties agree: (a) that the term "End-Buyer" means any owner, developer, tenant, user, or occupant; (b) that the term "fully developed and improved lot" means any lot, regardless of proposed use, for which a final plat has been approved by the Municipality and recorded in the deed records; and (c) that the term "land use and development regulations that apply to specific lots" mean the Governing Regulations (including any authorized revisions thereto).

11.02 Releases. From time to time upon the written request of the Owner, the Municipality shall execute, in recordable form, a release of this Agreement if the Owner's obligations under this Agreement have been satisfied, subject to the continued application of the Governing Regulations.

11.03 Estoppel Certificates. From time to time upon written request of Owner, the Municipality will execute a written estoppel certificate identifying any obligations of Owner under this Agreement that are in default or, with the giving of notice or passage of time, would be in default; and stating, to the extent true, that to the best knowledge and belief of the Municipality, Owner is in compliance with its duties and obligations under this Agreement.

ARTICLE XII
ADDITIONAL PROVISIONS

12.01 Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; (c) reflect the final intent of the Parties with regard to the subject matter of this Agreement; and (d) constitute a legislative finding by the City Council. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

12.02 Notices. All notices required or contemplated by this Agreement (or otherwise given in connection with this Agreement) (a "Notice") shall be in writing, shall be signed by or on behalf of the Party giving the Notice, and shall be effective as follows: (a) on or after the 10th business day after being deposited with the United States mail service, Certified Mail, Return

Receipt Requested with a confirming copy sent by FAX; (b) on the day delivered by a private delivery or private messenger service (such as FedEx or UPS) as evidenced by a receipt signed by any person at the delivery address (whether or not such person is the person to whom the Notice is addressed); or (c) otherwise on the day actually received by the person to whom the Notice is addressed, including, but not limited to, delivery in person and delivery by regular mail or by E-mail (with a confirming copy sent by FAX). Notices given pursuant to this section shall be addressed as follows:

To the Municipality: Attn: Jason Gray, City Manager
City of Celina
302 W. Walnut St.
Celina, Texas 75009
E-mail: jgray@celina-tx.gov
TEL: (972) 382-2682
FAX: (972) 382-3736

With a copy to: Attn: Lance Vanzant
Hayes, Berry, White & Vanzant, LLP
512 W. Hickory St., Ste. 100
Denton, TX 75206
E-mail: jvanzant@hbwvllaw.com
TEL: (940) 387-3518
FAX: (866) 580-1744

To the Owner: Attn: Mr. Charles J. Wilson
Celina 682 Partners, L.P.
c/o The Cambridge Companies, Inc.
8235 Douglas Avenue, Suite 650, LB-65
Dallas, Texas 75225
E-mail: cwilson@cambridgecos.com
TEL: (214) 691-2556
FAX: (214) 691-0682

With a copy to: Attn: Ms. Misty Ventura
Hughes & Luce, LLP
1717 Main St., Suite 2800
Dallas, Texas 75201
E-mail: misty.ventura@hughesluce.net
TEL: (214)939-5462
FAX: (214)939-5849

12.03 Reservation of Rights. This Agreement constitutes a “permit” within the meaning of Chapter 245, Texas Local Government Code, as amended. Except as provided in this section, Owner does not, by entering into this Agreement, waive (and Owner expressly reserves) any right that Owner may now or hereafter have with respect to any claim: (a) of “vested” or “protected” development or other property rights arising from Chapters 43 or 245, Texas Local Government Code, as amended, or otherwise arising from common law or other state or federal

laws; or (b) that an action by the Municipality constitutes a “taking” or inverse condemnation of all or any portion of the Property. Without limiting the generality of the foregoing, Owner does not waive (and expressly reserves) any such claims (as to vested or protected development and a taking without compensation) that result from the Building Code Amendments, State and Federal Requirements, and other Municipality regulations described in this Agreement. In addition, to the extent the Municipality fails to provide adequate and continuous retail water and sewer service in accordance with the requirements of the CCNs, the Owner does not waive (and expressly reserves) the right to seek retail water and sewer services from an alternative provider and, if required to obtain such services, seek decertification of the CCNs. Owner does, however, waive such claims to the extent they arise from or are based on development of the Property in accordance with the Governing Regulations. In the event the voluntary annexation as contemplated in Article IV above is not completed, the Municipality expressly reserves its authority to unilaterally annex the Property pursuant to Chapter 43 of the Texas Local Government Code, as amended, so long as the annexation conditions of Section 4.02 above have been fully satisfied.

12.04 Water Wells. Water wells may be drilled within the Property for the sole purpose of providing irrigation water; subject, however, to all applicable rules and regulations of the County, Municipality, and the Texas Commission on Environmental Quality (“TCEQ”).

12.05 Interpretation. The Parties acknowledge that each of them has been actively involved in negotiating this Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Agreement. In the event of any dispute over the meaning or application of any provision of this Agreement, the provision will be interpreted fairly and reasonably and neither more strongly for or against any Party, regardless of which Party originally drafted the provision.

12.06 Enforceability. Each Party acknowledges and agrees that this Agreement is binding upon such Party and enforceable against such Party in accordance with its terms and conditions and that the performance by the Parties under this Agreement is authorized by Section 212.171 of the Texas Local Government Code.

12.07 Entire Agreement; Severability. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, such unenforceable provision shall be deleted from this Agreement, and the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties. Without limiting the generality of the foregoing, (a) if it is determined that, as of the Effective Date, Owner does not own any portion of the Property, this Agreement shall remain in full force and effect with respect to all of the Property that Owner does then own, and (b) if it is determined, as of the Effective Date, that any portion of the Property is not within the Municipality’s ETJ, this Agreement shall remain in full force and effect with respect to all of the Property that is then within the Municipality’s ETJ. If at any time after the Effective Date it is determined that any portion of the Property is no longer within the Municipality’s ETJ, this Agreement shall remain in full force and effect with respect to all of the Property not located within the Municipality.

12.08 Applicable Law; Venue. This Agreement is entered into under and pursuant to, and is to be construed and enforceable in accordance with, the laws of the State of Texas, and all obligations of the Parties are performable in Collin County, Texas. Venue for any action to enforce or construe this Agreement shall be Collin County, Texas.

12.09 Non-Waiver. Any failure by a Party to insist upon strict performance by another Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

12.10 No Third-Party Beneficiaries. This Agreement only inures to the benefit of, and may only be enforced by, the Parties. No other person or entity shall have any right, title, or interest under this Agreement or otherwise be deemed to be a third-party beneficiary of this Agreement.

12.11 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within three business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give Notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term "force majeure" shall include events or circumstances that are not within the reasonable control of the Party whose performance is suspended and that could not have been avoided by such Party with the exercise of good faith, due diligence and reasonable care.

12.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

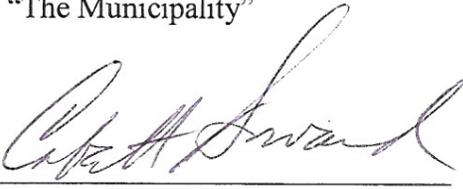
12.13 Further Documents. Each Party shall, upon request of the other Party, execute and deliver such further documents and perform such further acts as may reasonably be requested to effectuate the terms of this Agreement and achieve the intent of the Parties.

12.14 Exhibits. The following Exhibits are attached to this Agreement and are part of this Agreement:

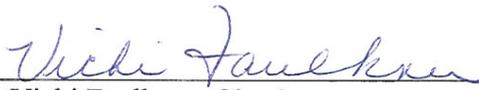
Exhibit A	Metes and Bounds Description of Property
Exhibit B	Map of Property
Exhibit C	Concept Plan
Exhibit D	Development Regulations
Exhibit E	Alignment of Water Line and Sewer Line

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement as of the 14th day of January, 2008.

CITY OF CELINA, TEXAS
"The Municipality"

By: 
Corbett Howard, Mayor

ATTEST:

By: 
Vicki Faulkner, City Secretary

THE STATE OF TEXAS §
 §
COUNTY OF COLLIN §

On January 18, 2008, before me, the undersigned personally appeared Corbett Howard, Mayor, of the City of Celina and proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same in his authorized capacity.

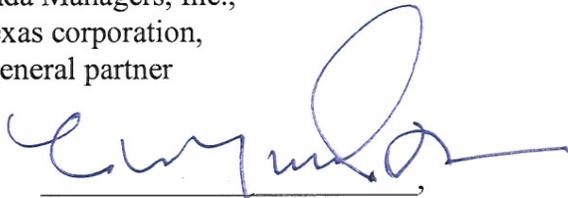



Notary Public in and for
the State of T E X A S

CELINA 682 PARTNERS, L.P.,
a Texas limited partnership

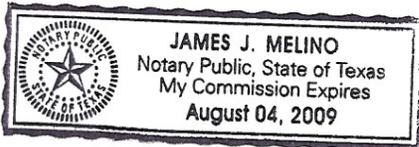
By: Celina 682 GP Partners, L.P.,
a Texas limited partnership,
its General Partner

By: Orinda Managers, Inc.,
a Texas corporation,
its general partner

By: 
Charles J. Wilson,
President

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 29th day of January, 2008, by Charles J. Wilson, President of Orinda Managers, Inc., a Texas corporation, on behalf thereof as the General Partner of Celina 682 GP Partners, L.P., a Texas limited partnership, on behalf thereof as the General Partner of Celina 682 Partners, L.P., a Texas limited partnership, on behalf of said limited partnership.



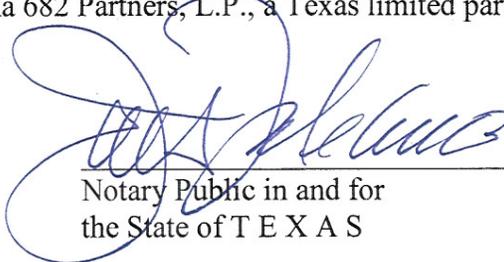

Notary Public in and for
the State of T E X A S

Exhibit A

Metes and Bounds Description of Property

Legal Description

BEING a tract of land located in the COLEMAN WATSON SURVEY, ABSTRACT NO. 945, Collin County, Texas and being a part of a called 632.051 acre tract of land described in Deed to Twin Eagles, Ltd. recorded in County Clerk's Document Number 96-0013989, Deed Records, Collin County, Texas and being a part of a called 12.686 acre tract of land described in Deed to Robert S. Folsom, Trustee of the Twin Eagles Qualified Personal Residence Trust recorded in County Clerk's Document Number 95-0093145, Deed Records, Collin County, Texas and being a part of a called 50.00 acre tract of land described in Deed to Twin Eagles Ltd. recorded in Volume 4826, Page 2205, Deed Records, Collin County, Texas and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod found in the North line of Farm-To-Market Road 1461, a variable width right-of-way, at the Southwest corner of a called 19.93 acre tract of land described in Deed to Debra Folsom Jarma and Don M. Jarma recorded in Volume 3790, Page 267, Deed Records, Collin County, Texas, said point being the Southeast corner of said 50.00 acre tract;

THENCE South 89 degrees 41 minutes 18 seconds West, along the North line of said Farm-To-Market Road 1461, a distance of 750.84 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner, from which a 1/2 inch iron rod found bears South 76 degrees 31 minutes 14 seconds West, a distance of 2.08 feet;

THENCE South 89 degrees 16 minutes 18 seconds West, continuing long the North line of said Farm-To-Market Road 1461, a distance of 231.01 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Southwest corner of Lot 30, Block C of TWELVE OAKS PHASE II, an Addition to Collin County, Texas according to the Plat thereof recorded in Cabinet P, Slide 486, Map Records, Collin County, Texas, from which a 1/2 inch iron rod with a yellow plastic cap stamped "EC&D RPLS 5439" bears South 06 degrees 27 minutes 24 seconds West, a distance of 0.32 feet;

THENCE North 00 degrees 54 minutes 55 seconds East, along the West line of said TWELVE OAKS PHASE II, a distance of 2,206.67 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set in the South line of said 632.051 acre tract at the Northeast corner of Lot 18, Block C of said TWELVE OAKS PHASE II, from which a 1/2 inch iron rod with a yellow plastic cap stamped "ROOME" bears South 50 degrees 24 minutes 07 seconds West, a distance of 0.44 feet;

THENCE South 89 degrees 37 minutes 23 seconds West, along the North

line of said TWELVE OAKS PHASE II, a distance of 2,146.50 feet to a 3/8 inch iron rod found at the Southwest corner of said 632.051 acre tract;

THENCE North 00 degrees 07 minutes 29 seconds East, along the West line of said 632.051 acre tract, a distance of 1,637.32 feet to a point for corner in the approximate centerline of Wilson Creek and in the East line of Lot 5, Block A of WILSON CREEK ESTATES, an Addition to Collin County, Texas according to the Plat thereof recorded in Cabinet J, Slide 605, Map Records, Collin County, Texas;

THENCE Northerly, along the East line of said WILSON CREEK ESTATES and the approximate centerline of said Wilson Creek, the following five (5) courses and distances;

North 39 degrees 31 minutes 50 seconds East, a distance of 1.00 feet to a point for corner;

North 14 degrees 09 minutes 54 seconds East, a distance of 67.24 feet to a point for corner;

North 01 degrees 45 minutes 24 seconds West, a distance of 113.30 feet to a point for corner;

North 08 degrees 43 minutes 39 seconds West, a distance of 137.99 feet to point for corner;

North 02 degrees 14 minutes 13 seconds West, a distance of 113.37 feet to point at the Southeast corner of WILSON CREEK ESTATES 2, an Addition to Collin County, Texas according to the Plat thereof recorded in Cabinet K, Slide 192, Map Records, Collin County, Texas;

THENCE Northerly, along the East line of said WILSON CREEK ESTATES 2 and the approximate centerline of said Wilson Creek, the following eight (8) courses and distances;

North 15 degrees 56 minutes 43 seconds East, a distance of 284.21 feet to point for corner;

North 27 degrees 49 minutes 29 seconds East, a distance of 53.72 feet to a point for corner;

North 13 degrees 03 minutes 17 seconds East, a distance of 109.39 feet to point for corner;

North 10 degrees 02 minutes 27 seconds West, a distance of 235.76 feet to point for corner;

North 04 degrees 58 minutes 53 seconds East, a distance of 56.26 feet to a point for corner;

North 05 degrees 12 minutes 56 seconds West, a distance of 121.33 feet to point for corner;

North 09 degrees 39 minutes 44 seconds West, a distance of 165.65 feet to point for corner;

North 01 degrees 30 minutes 36 seconds East, a distance of 45.98 feet to a point for corner in the South line of a called 185.094 acre tract of land described as Tract One in Deed to J. Baxter Brinkman recorded in County Clerk's Document Number 92-0052450, Deed Records, Collin County, Texas, from which a 3/4 inch iron rod found bears South 89 degrees 38 minutes 46 seconds West; a distance of 39.22 feet;

THENCE North 89 degrees 38 minutes 46 seconds East, along the common line of said 185.094 acre tract and said 632.051 acre tract, a distance of 1,947.39 feet to a 1/2 inch iron rod found for corner;

THENCE North 00 degrees 14 minutes 27 seconds West, along the common line of said 185.094 acre tract and said 632.051 acre tract, a distance of 1,721.69 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Southwest corner of a called 5.384 acre tract of land described as Tract Two in Deed to J. Baxter Brinkman recorded in County Clerk's Document Number 92-0052450, Deed Records, Collin County, Texas, from which a 1/2 inch iron rod found bears South 85 degrees 18 minutes 16 seconds West, a distance of 1.01 feet;

THENCE Easterly, along the common line of said 5.384 acre tract and said 632.051 acre tract, the following six (6) courses and distances:

North 89 degrees 48 minutes 09 seconds East, a distance of 2,167.88 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "COLLIS RPLS 1764" found for corner;

North 89 degrees 49 minutes 55 seconds East, a distance of 465.82 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner, from which a 1/2 inch iron rod found bears South 35 degrees 46 minutes 01 seconds West, a distance of 0.39 feet;

North 89 degrees 47 minutes 20 seconds East, a distance of 305.39 feet to a 1/2 inch iron rod found for corner;

North 89 degrees 51 minutes 51 seconds East, a distance of 816.05 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for

corner;

South 89 degrees 56 minutes 24 seconds East, a distance of 311.73 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

North 89 degrees 42 minutes 42 seconds East, a distance of 330.59 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Northwest corner of a called 1.0000 acre tract of land described in Deed to Danville Water Supply Corporation recorded in Volume 1992, Page 738, Deed Records, Collin County, Texas;

THENCE South 00 degrees 15 minutes 01 seconds East, along the common line of said 1.0000 acre tract and said 632.051 acre tract, a distance of 146.88 feet to a 1/2 inch iron rod found for corner;

THENCE North 89 degrees 44 minutes 59 seconds East, continuing along the common line of said 1.0000 acre tract and said 632.051 acre tract a distance of 299.37 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner in the West line of Farm-To-Market Road 2478, a variable width right-of-way, from which a 1/2 inch iron rod found bears South 89 degrees 44 minutes 59 seconds East, a distance of 0.33 feet;

THENCE Southerly, along the West line of said Farm-To-Market Road 2478, the following eight (8) courses and distances:

South 04 degrees 07 minutes 13 seconds East, a distance of 113.40 feet to a wood right-of-way marker found for corner;

South 03 degrees 46 minutes 13 seconds East, a distance of 525.05 feet to a 1/2 inch iron rod found for corner;

South 01 degrees 56 minutes 26 seconds West, a distance of 100.50 feet to a nail found in wood right-of-way marker for corner;

South 03 degrees 46 minutes 13 seconds East, a distance of 200.00 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner, from which a wood right-of-way marker found bears North 78 degrees 39 minutes 45 seconds West, a distance of 0.95 feet;

South 09 degrees 28 minutes 51 seconds East, a distance of 100.50 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

South 03 degrees 46 minutes 13 seconds East, a distance of 415.90 feet

to a wood right-of-way marker found for corner at the beginning of a curve to the right having a central angle of 03 degrees 41 minutes 00 seconds, a radius of 5,679.58 feet and a chord bearing and distance of South 01 degrees 55 minutes 43 seconds East, 365.06 feet;

Southerly, along said curve to the right, an arc distance of 365.12 feet to a wood right-of-way marker found for corner;

South 00 degrees 05 minutes 13 seconds East, a distance of 2,278.15 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Northeast corner of a called 1.000 acre tract of land described in Deed to Rhea's Mill Baptist Church recorded in Volume 1745, Page 773, Deed Records, Collin County, Texas, from which a 1/2 inch square pipe found bears South 89 degrees 48 minutes 02 seconds West, a distance of 1.07 feet;

THENCE South 89 degrees 48 minutes 02 seconds West, a distance of 291.81 feet to a 1/2 inch iron rod found at the Northwest corner of said Rhea's Mill Baptist Church tract;

THENCE South 00 degrees 20 minutes 34 seconds East, a distance of 150.52 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner in the North line of Lot 4 of ROLLING MEADOWS ESTATES, an Addition to Collin County, Texas according to the Plat thereof recorded in Cabinet P, Slide 486, Map Records, Collin County, Texas;

THENCE South 89 degrees 40 minutes 07 seconds West, along the common line of said ROLLING MEADOWS ESTATES and said 632.051 acre tract, passing at a distance of 1,509.89 feet a 1 inch iron rod found at the Northwest corner of said ROLLING MEADOWS ESTATES and the Northeast corner of a called 81.104 acre tract described in Deed to Debra F. Jarma and Don M. Jarma recorded in County Clerk's Document Number 95-0092267, Deed Records, Collin County, Texas and continuing along the common line of said 81.104 acre tract and said 632.051 acre tract, in all for a total distance of 2,209.89 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

THENCE South 00 degrees 52 minutes 41 seconds West, along the common line of said 81.104 acre tract and said 632.051 acre tract, a distance of 421.13 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

THENCE South 89 degrees 27 minutes 07 seconds West, continuing along the common line of said 81.104 acre tract and said 632.051 acre tract, a distance of 1,159.85 feet to a 1/2 inch iron square pipe found at

the Northwest corner of said 81.104 acre tract and the Northeast corner of a called 11.252 acre tract of land described in Deed to Debra F. Jarma and Don M. Jarma recorded in Volume 4973, Page 3420, Deed Records, Collin County, Texas;

THENCE South 89 degrees 24 minutes 47 seconds West, along the common line of said 11.252 acre tract and said 632.051 acre tract, a distance of 281.99 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Northwest corner of said 11.252 acre tract;

THENCE Southerly, along the West line of said 11.252 acre tract, the following six (6) courses and distances:

South 00 degrees 55 minutes 08 seconds West, a distance of 420.00 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

South 14 degrees 29 minutes 02 seconds East, a distance of 241.26 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

South 00 degrees 55 minutes 08 seconds West, a distance of 320.00 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

South 12 degrees 45 minutes 08 seconds West, a distance of 449.55 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

South 19 degrees 10 minutes 32 seconds East, a distance of 436.57 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

South 33 degrees 22 minutes 42 seconds East, a distance of 288.40 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner in the West line of said 19.93 acre tract;

THENCE South 01 degrees 56 minutes 48 seconds West, along the West line of said 19.93 acre tract, a distance of 139.88 feet to the POINT OF BEGINNING and containing 681.999 acres of land, more or less.

Exhibit B

Map of Property

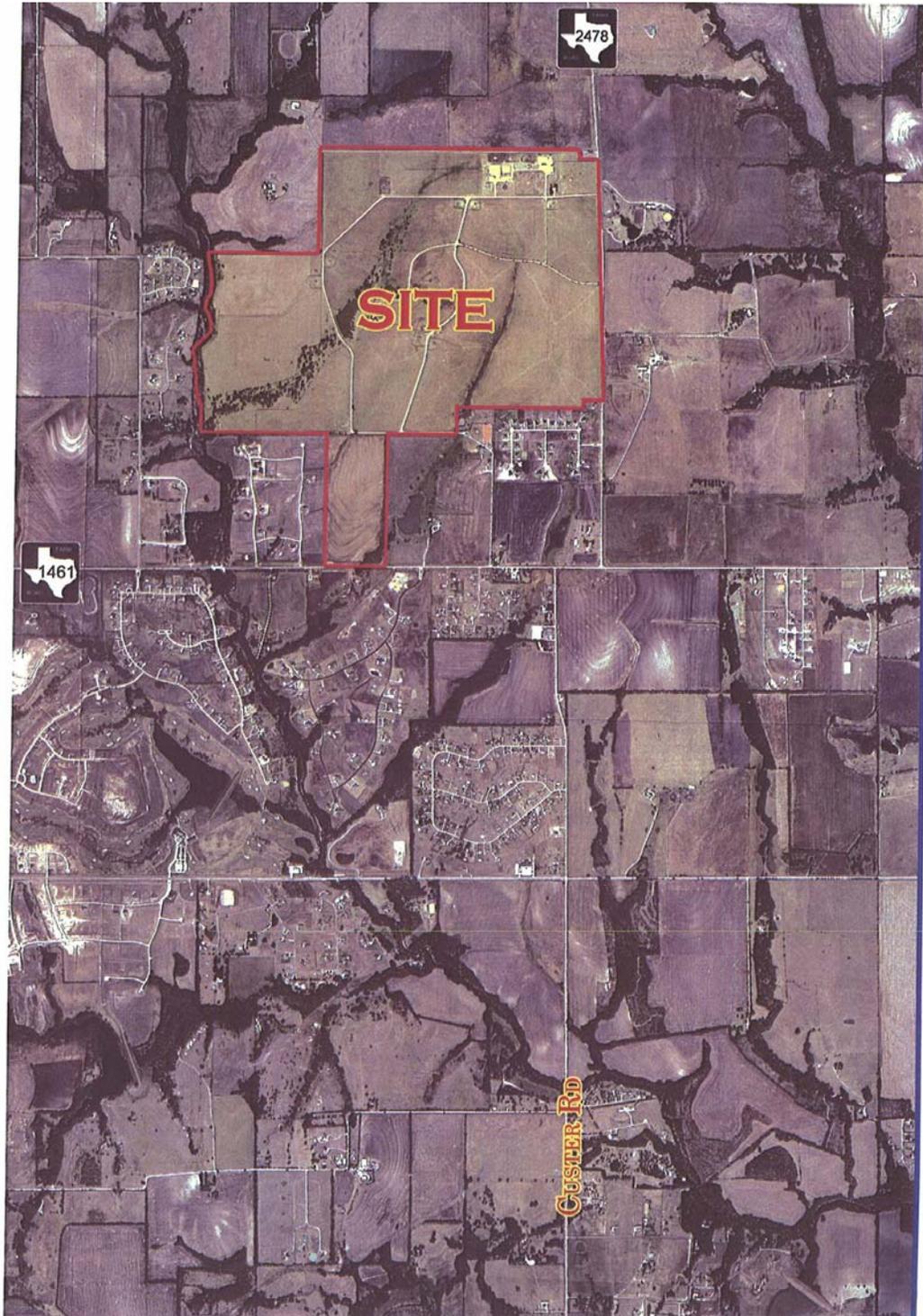


Exhibit C
 Concept Plan

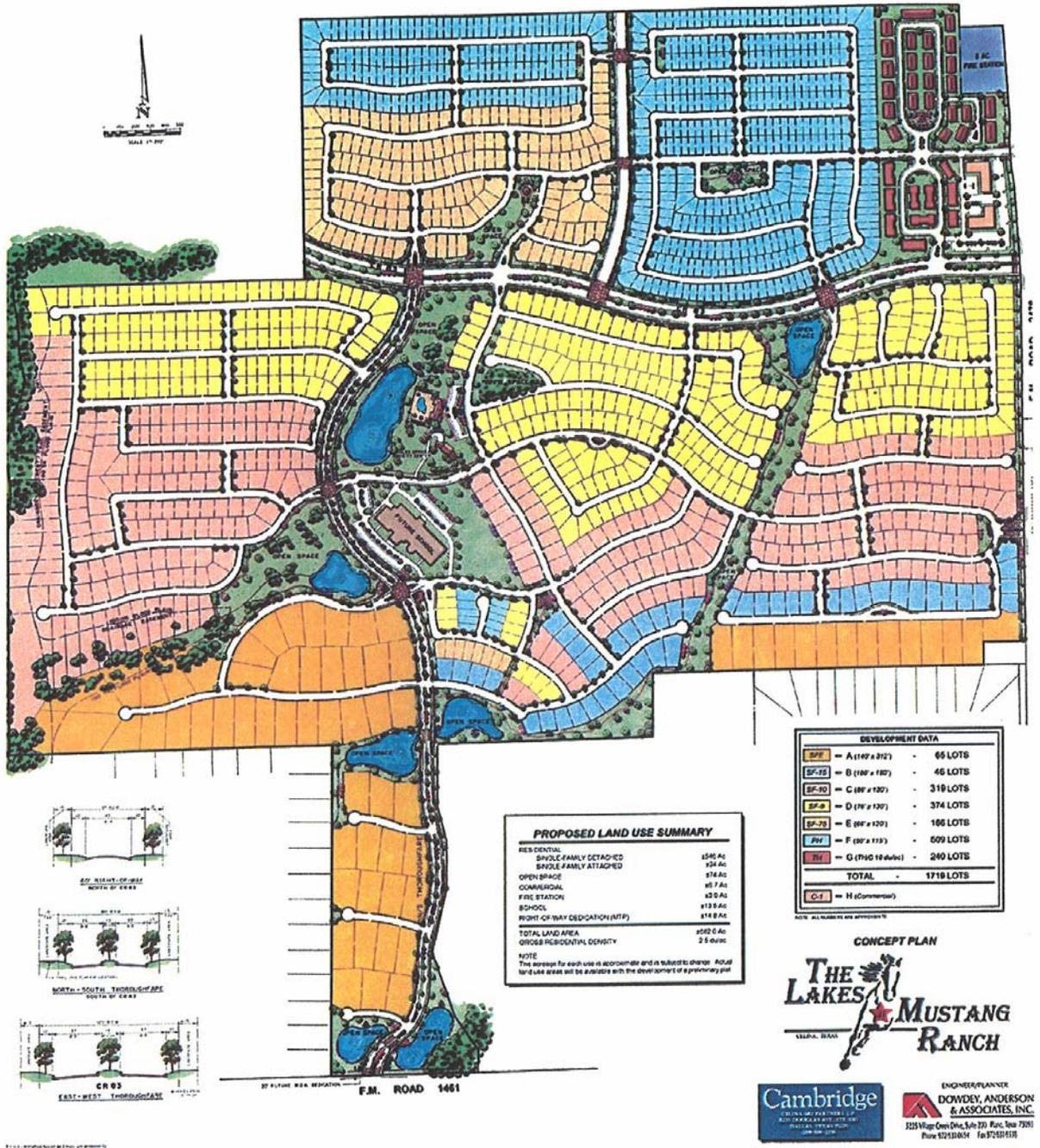


Exhibit D

Development Regulations



Planned Development Regulations

Submitted: March 5, 2007

Revised: _____

Owner/Developer/Applicant:

Celina 682 Partners, L.P. or Assigns
8235 Douglas Ave. Ste. 650
Dallas, Texas 75225
(214) 691-2256
(214) 691-0682 Fax

Planner/Engineer/Surveyor:

Dowdey, Anderson and Associates, Inc.
5225 Village Creek Drive
Suite 200
Plano, Texas 75093
(972) 931-0694
(972) 931-9538 Fax

DAA Job No. 05052A

THE LAKES at MUSTANG RANCH
PLANNED DEVELOPMENT REGULATIONS

Index:

- 1.0 Purpose
- 2.0 Definitions
- 3.0 General Regulations
- 4.0 Use Regulations
- 5.0 Area Regulations
- 6.0 Parking Regulations
- 7.0 Building Regulations
- 8.0 Screening Regulations
- 9.0 Landscape & Irrigation Regulations
- 10.0 Open Space Regulations
- 11.0 Specific Deviations from City Zoning Ordinance
- 12.0 Sub-division Regulations
- 13.0 Legal Description

Appendices:

Appendix A: *Aerial Concept Plan*
Illustrative Concept Plan
Concept Plan
Community Plan
Enhanced Paving & Screening Plan
Parks & Open Space Plan (Trail Section)
Side Yard Fencing & Landscaping Detail
Thoroughfare Section Detail

THE LAKES at MUSTANG RANCH

PLANNED DEVELOPMENT REGULATIONS

For a 682 acre tract of land out of the Coleman Watson Survey, Abstract No. 945 in the City of Celina ETJ and Collin County, Texas. *(Please refer to Appendix "A" to review a variety of maps relative to this PD and refer to Section 12 for a legal description of the tracts overall boundary.)*

1.0 Purpose

The purpose of this PD is to create a community by connecting a group of neighborhoods linked together by a series of trails and enhanced open space areas that encourage and promote outdoor activity among the residents. The Open Space areas shall consist of existing trees, existing lakes as well as proposed lakes, trails, ornamental trees and shade trees. In addition, this planned development provides an opportunity for the development of neighborhood commercial services that would serve the community and provide a natural progression of residential development from denser residential product, in the form of town home and/or patio homes adjacent to the commercial, to traditional, less dense, residential product.

2.0 Definitions

Definitions used herein shall be the same as those found in Section 5.8 of the Zoning Ordinance for the City of Celina, Texas.

3.0 General Regulations

- 3.1 All regulations for The Lakes at Mustang Ranch not redefined by this amendment shall conform to the existing regulations set forth in the City of Celina Zoning Ordinance No. 2006-57, adopted by the City on September 12, 2006, and the Sub-division Ordinance No. 97-9. All other references to the zoning ordinance shall refer to the same.
- 3.2 Any future modification to this adopted PD shall be limited to the specific sub-tracts/neighborhoods being modified.
- 3.3 A property owners association and/or Public Improvement District (PID) shall be established and shall be responsible for the maintenance of all park/open space areas, not including the trail easement area.

- 3.4 Upon approval of a final plat, the raising of large animals such as, horses, swine, sheep, cows etc. on any lot less than 2 acres is prohibited.
- 3.5 All single-family detached and attached residences can be front-entry and have garage access from a dedicated public street.

4.0 Use Regulations

- 4.1 The permitted uses within each Neighborhood are outlined below. In addition, any residential or commercial use that is less intense than the permitted use within each neighborhood is also permitted. *(For a visual representation of the Community Plan, refer to Appendix A; note, the Community Plan is not a Phasing Exhibit.):*

Neighborhood "I" (+/- 102 ac.): The permitted uses shall be SFE or Type A residential uses, referred to herein, and the associated permitted uses defined in sections 4.1 of the City of Celina Zoning Ordinance.

Neighborhood "II" (+/- 114 ac.): The permitted uses shall be SFE, SF-15, SF-10 and SF-9 or Type A, Type B, Type C and Type D residential uses, referred to herein, and the associated permitted uses defined in sections 4.1 of the City of Celina Zoning Ordinance.

Neighborhood "III" (+/- 152 ac.): The permitted uses shall be SFE, SF-15, SF-10, and SF-9 or Type A, Type B, Type C and Type D residential uses, referred to herein, school, residential sales center, amenity center, sports court/fields, and the associated permitted uses defined in sections 4.1 of the City of Celina Zoning Ordinance. In addition, the following uses are permitted within the designated model court: SF-15, SF-10, SF-9, SF-7.5 and PH or Type B-Type F.

Neighborhood "IV" (+/- 117 ac.): The permitted uses shall be SF-10 and SF-9 or Type C and Type D residential uses, referred to herein, and the associated permitted uses defined in sections 4.1 of the City of Celina Zoning Ordinance.

Neighborhood "V" (+/- 83.0 ac.): The permitted uses shall be SF-7.5 and PH or Type E and Type F residential uses, referred to herein, and the associated permitted uses defined in sections 4.1 of the City of Celina Zoning Ordinance.

Neighborhood "VI" (+/- 80.0 ac): The permitted uses shall be PH or Type F residential uses, referred to herein, and the associated permitted uses defined in sections 4.1 of the City of Celina Zoning Ordinance.

Neighborhood "VII" (+/- 34 ac.): The permitted uses shall be TH or Type G residential uses and C-1 or Type H commercial uses, as permitted and defined in sections 4.1 of the City of Celina Zoning Ordinance.

5.0 Area Regulations

5.1 General Area regulations:

- (a) The lot widths shall be measured at the front building line.
- (b) The minimum lot width, measured at the right-of-way, shall be thirty-five (35) feet for cul-de-sacs and eye-brows/elbows.

5.2 The following amended area regulations shall apply *(For a visual representation of the Concept Plan, refer to Appendix A):*

Neighborhood Type A (SFE):

Minimum Lot Area: The minimum lot area shall be one (1) acre or 43,560 square feet.

Minimum Lot Width: The minimum lot width shall be eighty (80) feet.

Minimum Lot Depth: The minimum lot depth shall be one-hundred-twenty (120) feet.

Minimum Front Yard: The minimum depth of the front yard shall be thirty (30) feet.

Minimum Rear Yard: The minimum depth of the rear yard shall be twenty-five (25) feet.

Minimum Side Yard: The minimum side yard shall be eight (8) feet and the minimum side yard for a corner lot shall be fifteen (15) feet.

Minimum Dwelling Size: The minimum dwelling unit size shall be twenty-four-hundred (2,400) square feet.

Neighborhood Type B (SF-15):

Minimum Lot Area: The minimum lot area shall be fifteen-thousand (15,000) square feet.

Minimum Lot Width: The minimum lot width shall be seventy-five (75) feet.

Minimum Lot Depth: The minimum lot depth shall be one-hundred-twenty (120) feet.

Minimum Front Yard: The minimum depth of the front yard shall be thirty (30) feet.

Minimum Rear Yard: The minimum depth of the rear yard shall be twenty-five (25) feet.

Minimum Side Yard: The minimum side yard shall be eight (8) feet and the minimum side yard for a corner lot shall be fifteen (15) feet.

Minimum Dwelling Size: The minimum dwelling unit size shall be eighteen-hundred (1,800) square feet.

Neighborhood Type C (SF-10):

Minimum Lot Area: The minimum lot area shall be ten-thousand (10,000) square feet.

Minimum Lot Width: The minimum lot width shall be seventy-five (75) feet.

Minimum Lot Depth: The minimum lot depth shall be one-hundred-twenty (120) feet.

Minimum Front Yard: The minimum depth of the front yard shall be twenty-five (25) feet.

Minimum Rear Yard: The minimum depth of the rear yard shall be twenty-five (25) feet.

Minimum Side Yard: The minimum side yard shall be eight (8) feet and the minimum side yard for a corner lot shall be fifteen (15) feet.

Minimum Dwelling Size: The minimum dwelling unit size shall be sixteen-hundred (1,600) square feet.

Neighborhood Type D (SF-9):

Minimum Lot Area: The minimum lot area shall be nine-thousand (9,000) square feet.

Minimum Lot Width: The minimum lot width shall be seventy (70) feet.

Minimum Lot Depth: The minimum lot depth shall be one-hundred-fifteen (115) feet.

Minimum Front Yard: The minimum depth of the front yard shall be twenty-five (25) feet.

Minimum Rear Yard: The minimum depth of the rear yard shall be twenty-five (25) feet.

Minimum Side Yard: The minimum side yard shall be eight (8) feet and the minimum side yard for a corner lot shall be fifteen (15) feet.

Minimum Dwelling Size: The minimum dwelling unit size shall be sixteen-hundred (1,600) square feet.

Neighborhood Type E (SF-7.5):

Minimum Lot Area: The minimum lot area shall be seventy-five hundred (7,500) square feet.

Minimum Lot Width: The minimum lot width shall be sixty-five (65) feet.

Minimum Lot Depth: The minimum lot depth shall be one-hundred-ten (110) feet.

Minimum Front Yard: The minimum depth of the front yard shall be twenty-five (25) feet.

Minimum Rear Yard: The minimum depth of the rear yard shall be twenty-five (25) feet.

Minimum Side Yard: The minimum side yard shall be eight (8) feet and the minimum side yard for a corner lot shall be fifteen (15) feet.

Minimum Dwelling Size: The minimum dwelling unit size shall be sixteen-hundred (1,600) square feet.

Neighborhood Type F (PH):

Minimum Lot Area: The minimum lot area shall be forty-five-hundred (4,500) square feet.

Minimum Lot Width: The minimum lot width shall be forty (40) feet.

Minimum Lot Depth: The minimum lot depth shall be one-hundred-ten (110) feet.

Minimum Front Yard: The minimum depth of the front yard shall be twenty-five (25) feet.

Minimum Rear Yard: The minimum depth of the rear yard shall be fifteen (15) feet.

Minimum Side Yard: The minimum side yard shall be zero (0) feet and ten (10) feet or five (5) feet and five (5) feet. A minimum three (3) foot side yard maintenance easement shall be placed on the adjacent lot for the purpose of maintenance. The minimum side yard for a corner lot shall be fifteen (15) feet.

Minimum Building Separation: The minimum building separation shall be ten (10) feet.

Minimum Dwelling Size: The minimum dwelling unit size shall be twelve-hundred (1,200) square feet.

Neighborhood Type G (TH):

Maximum Dwellings per Acre: The maximum dwelling units per acre is ten (10).

Minimum Lot Area: The minimum lot area shall be twenty-four hundred (2,400) square feet.

Minimum Lot Width: The minimum lot width shall be twenty-four (24) feet.

Minimum Lot Depth: The minimum lot depth shall be one-hundred (100) feet.

Minimum Front Yard: The minimum depth of the front yard shall be twenty (20) feet.

Minimum Rear Yard: The minimum depth of the rear yard shall be fifteen (15) feet.

Minimum Building Separation: The minimum building separation shall be fifteen (15) feet.

Minimum Dwelling Size: The minimum dwelling unit size shall be twelve-hundred (1,200) square feet.

Neighborhood Type H (C-1):

For area regulations, refer to the current City of Celina Zoning Ordinance.

6.0 Parking Regulations

- 6.1 **Residential:** The off-street residential parking requirement is two (2) covered vehicle spaces for each dwelling unit that are located behind the front building line. In addition, for Type G or TH one (1) visitor parking space for every four (4) dwelling units shall be provided within six-hundred (600) feet of the building it serves. The spaces provided shall be either parallel spaces (8'x22') or head-in spaces (9'x18').
- 6.2 **Non-Residential:** The parking requirement for all non-residential uses shall conform to City of Celina Development Standards and Use Regulations described in Section 5.1 of the City of Celina Zoning Ordinance.

7.0 Building Regulations

7.1 Exterior Building Façade for Residential:

- (a) The front façade of single-family residences shall be one-hundred (100) percent masonry exclusive of doors, windows, dormers and other architectural elements. The sides and rear elevations shall not be less than fifty (50) percent masonry each nor shall the combined overall be less than eight-five (85) percent masonry, exclusive of doors and windows.
- (b) The building elevation of each lot adjacent to the proposed lot shall not be similar. Furthermore, the building elevation of the house most directly across the street from the proposed lot and the adjacent lots on either side of it shall not be similar.
- (c) All garage doors shall be allowed at the front building line.
- (d) The primary roof pitch for Type A, Type B, and Type C shall not be less than 8:12.
- (e) The primary roof pitch for Type D, Type E, Type F and Type G

shall not be less than 6:12.

- (f) Only one (1) story single-family residences are permitted to back either to FM 1461, FM 2478, CR83 and the N/S thoroughfare.
- (g) No building shall exceed two and one-half (2-1/2) stories in height nor more than thirty-five (35) feet, measured at the mid-point between the top plate and the dominate roof ridge.

7.2 Exterior Building Façade of Accessory Structure:

- (a) Any accessory structure or building shall be constructed of complementary material to the associated residence and the general architecture of the development.
- (b) An accessory building shall be located not less than fifty (50) feet from the front lot line, fifteen (15) feet from any other street, and not less than three (3) feet from any side or rear lot line.
- (c) Garage door entrances to accessory building must be located at least twenty (20) feet from any property line it faces.
- (d) The maximum height of any accessory structure shall not exceed fifteen (15) feet for Type A - Type B and ten (10) feet for Type C – Type F.

8.0 Screening Regulations

8.1 General Screening (*For a visual representation of the Enhanced Paving & Screening, refer to Appendix A*):

- 1. Chain Link Fence is prohibited.
- 2. The following items shall be screened from the public street:
 - (a) Clothes lines or drying racks
 - (b) Yard maintenance equipment
 - (c) Garbage and refuse containers, except on collection day
 - (d) Wood piles and compost piles
 - (e) Accessory structures, such as dog houses, gazebos, storage sheds and green houses
 - (f) Roof mounted TV antennas or dishes

(g) Pool equipment

8.2 Thoroughfare screening regulations:

- (a) A screening wall shall be provided generally along right-of-way or adjacent landscape buffer of the North-South Thoroughfare, CR 83 (East-West Thoroughfare) and FM 2478 (Custer Road). All screening walls shall be constructed in conjunction with the associated residential phase.
- (b) Screening fences shall be comprised of masonry and shall be a minimum height of six (6) feet with masonry columns on a minimum of eighty (80) foot centers. The screening fence may be comprised of any of the following:
 - 1. Solid masonry (stone or brick) or thin wall
 - 2. Masonry or ornamental metal or a combination thereof
 - 3. A five (5) foot decorative metal fence with shrubbery and masonry columns on a minimum of eighty (80) foot centers between the front building lines of open ended cul-de-sac's to the proposed thoroughfares is required.
 - 4. Any use of ornamental metal shall be accompanied by shrubbery in front of such metal. Shrubby when planted shall be a minimum size of three (3) gallons placed on thirty-six (36) inch centers.
 - 5. No access through the rear or side yards of lots that side or back to the North-South Thoroughfare, CR 83 (East-West Thoroughfare) or FM 2478 is permitted.
 - 6. The Sub-division name, Logo, or initials may be incorporated into the screening wall at the entrances and/or on the columns.
- (c) A Living Screen in conjunction with an ultimate six (6) foot hedge or greater can replace a masonry screening wall.

8.3 Open Space screening regulations:

- (a) The rear yards of all single-family residences which back or side to an open space shall have a five (5) foot ornamental metal fencing adjacent to the open space area. For rear and

side yards that have a pool and are adjacent to an open space area, a six (6) foot ornamental fences is required. No fencing shall be allowed within the 100-yr. flood plain.

8.4 Builder's Side Yard screening regulations:

- (a) The builder shall construct fencing and landscaping in accordance with the "Side yard Fencing & Landscape Detail" found in Appendix A.

9.0 Landscape & Irrigation Regulations

- 9.1 The residential builder of each lot shall provide at a minimum the following landscape material:

Turf:

The front, side and rear yard of each shall be sodded and fully irrigated with an automatic sprinkler system.

Trees:

Type A - Type B: There shall be a minimum of twelve (12) total diameter inches of shade or ornamental trees planted for each residential lot; however, at least fifty (50) percent of the trees shall be shade trees.

Type C - Type F: There shall be a minimum of six (6) total diameter inches of shade or ornamental trees planted for each residential lot; however, at least fifty (50) percent of the trees shall be shade trees.

Type G: There shall be one (1) four (4) inch shade tree and one (1) eight-ten (8-10) foot ornamental tree planted for every two residential lot.

Type H: The landscape and irrigation shall be in accordance with Section 5.2 of the Celina Zoning Ordinance – Landscape requirements.

Shrubs:

Type A - Type B: There shall be a minimum of twenty-five (25) 3-gallon shrubs across the front of the house.

Type C - Type E: There shall be a minimum of eighteen (18) 3-

gallon shrubs across the front of the house.

Type F - Type G: There shall be a minimum of six (6) 3-gallon shrubs across the front of the house.

Type H: The landscape and irrigation shall be in accordance with Section 5.2 of the Celina Zoning Ordinance – Landscape requirements.

10.0 Open Space Regulations

10.1 *General (For a visual representation of the Parks and Open Space plan, refer to Appendix A):*

- (a) All parks and open space areas are open to the public.
- (b) All open space areas and detention areas shall be maintained by the HOA/District except for the floodplain/drainage/trail easement adjacent to the existing creek located along the most western boundary which shall be dedicated to and maintained by the City. The City shall install and maintain a concrete trail.
- (c) All proposed (wet) lakes shall be equipped with a water fountain or aerator devices.
- (d) No physical improvements are permitted within the flood plain that would impact the capacity of the floodplain.
- (e) All open space areas shall have slope not greater than 4:1.
- (f) On the opposite side of the street from a six (6) foot trail shall be a four (4) foot walk. The builder is responsible for constructing the trail and/or walk referenced above when the proposed trail/walk is located along the front and/or side of a lot.

10.2 Open Space Area Specifics:

Area A: shall include monument signage, a faux bridge, entry monument, a water feature with a fountain in each lake on either side of the north-south thoroughfare, a six (6) foot trail, landscaping and irrigation.

Area B: shall include a water/detention feature with a fountain, landscaping and irrigation.

Area C: shall include two water/detention features with a fountain in each, a six (6) foot trail, landscaping and irrigation.

Area D: shall include a water/detention feature with a lighted fountain, a six (6) foot trail, landscaping and irrigation.

Area E: shall include an amenity center and sales center, cabana, playground equipment, parking, water/detention feature with a fountain, a six (6) foot trail, landscaping and irrigation.

Area F: shall include playground equipment, a six (6) foot trail, landscaping and irrigation.

Area G: shall include playground equipment, a six (6) foot trail, landscaping and irrigation.

Area H: This area is located along the west right-of-way line of FM 2478 (an existing 100-foot right-of-way). It shall include a fifty (50) foot wide landscape buffer, outside the existing right-of-way, with shade trees planted on an average of fifty (50) feet on center, clustering or grouping of trees is permitted. In addition, the area shall be complimented with shrubs, ground cover, berms, accent stones and ornamental trees. This area shall be fully landscaped and irrigated.

Area I: This area is located outside the designated right-of-way on either side of a divided thoroughfare called CR 83. It shall be a fifteen (15) – twenty-five (25) foot wide landscape buffer with shade trees planted on an average of fifty (50) feet on center, clustering or grouping of trees is permitted. In addition, the area shall be complimented with shrubs, ground cover, berms, accent stones and ornamental trees. This area and the associated median shall be fully landscaped and irrigated. Also within one side of this landscape buffer shall be a meandering six (6) foot trail.

Area J: The area is located outside of the designated right-of-way and on either side of the North-South Thoroughfare, south of CR 83. It shall be a fifteen (15) foot wide landscape buffer with shade trees planted on an average of fifty (50) feet on center, clustering or grouping of trees is permitted. In addition, the area shall be complimented with shrubs, ground cover, berms, accent stones and ornamental trees. This area and the associated median shall be fully landscaped and irrigated. Also within one side of this landscape buffer shall be a meandering six (6) foot trail.

Area K: The area is located outside of the designated right-of-way and on either side of the North-South Thoroughfare, north of CR 83. It shall be a fifteen (15) foot wide landscape buffer with shade trees planted on an average of fifty (50) feet on center, clustering or grouping of trees is permitted. In addition, the area shall be

complimented with shrubs, ground cover, berms, accent stones and ornamental trees. This area shall be fully landscaped and irrigated. Also within one side of this landscape buffer shall be a meandering six (6) foot trail. complimented with shrubs, ground cover, berms, accent stones and ornamental trees. This area shall be fully landscaped and irrigated. Also within one side of this landscape buffer shall be a meandering six (6) foot trail.

11.0 Specific Deviations from City Zoning Ordinance

Below is a list of deviations from the City of Celina's referenced Zoning Ordinance above:

- (a) All single-family detached and attached residential lots may have garage access from a public street.
- (b) The minimum garage door set-back shall equal the front yard set-back.
- (c) The side yards for Type F or PH shall be either zero (0) and ten (10) or five (5) and five (5).
- (d) The minimum lot width for Type G or TH shall be twenty-four (24) feet.
- (e) The minimum lot area for Type G or TH shall be twenty-four hundred (2,400) square feet.
- (f) The side and rear elevations shall not be less than fifty (50) percent masonry, exclusive of windows and doors.

12.0 Sub-division Regulations

12.1 Development shall meet the standards as required in the City of Celina Subdivision Ordinance except as follows:

- (a) Cul-de-Sac Length: – The maximum cul-de-sac length is nine-hundred (900) feet.
- (b) Center-line Radii – the minimum center-line radius for a Major arterial shall be one-thousand (1000) feet; the minimum center-line radius for Minor Collector shall be six (600) feet; and the minimum center-line radius for a residential street shall be one-hundred-fifty (150) feet.
- (c) East-West Thoroughfare (CR 83): – The East-West Thoroughfare shall be a six (6) lane divided roadway within a one-hundred-twenty (120) foot right-of-way that will be dedicated to the City; this thoroughfare is depicted on the City's Master Thoroughfare Plan as a Major Arterial. The Developer/District will be responsible for the construction of two (2) twelve (12) foot lanes in

either direction and the construction of left turn lanes at each of the median openings illustrated on the Concept Plan that are related to the residential neighborhoods. The left turn lanes shall provide for one-hundred (100) foot of stacking and one-hundred (100) foot of transition.

- (d) North-South Thoroughfare (South of CR 83): – The North-South Thoroughfare shall be a four (4) lane divided roadway within an eighty (80) foot right-of-way that will be dedicated to the City; this thoroughfare is depicted on the City's Master Thoroughfare Plan as a Minor Collector. The Developer/District will be responsible for the construction of two (2) twelve (12) foot lanes in both directions. Median Openings will be constructed as illustrated on the Concept Plan; however, no left turn lanes are required along the north-south thoroughfare.
- (e) North-South Collector (North of CR 83): – The North-South collector shall be a four (4) lane un-divided roadway within a sixty-five (65) foot right-of-way that will be dedicated to the City; this thoroughfare is depicted on the City's Master Thoroughfare Plan as a Minor Collector. The Developer/District will be responsible for the construction of two (2) eleven (11) foot lanes in both directions.
- (f) FM 2478 & FM 1461: – It is anticipated that a maximum thirty (30) foot right-of-way dedication along FM 2478 and FM 1461 may be required in the future.

12.2 Development shall meet or exceed the design criteria outlined below:

a. Residential Lot Grading:

1. Front & Rear Yards – the front and/or rear yard slopes shall not be less than one (1) percent nor greater than twelve (12) percent without requiring a wall.
2. Driveway – the driveway slope shall not exceed fourteen (14) percent.
3. Pad Height – the building pad shall not be less than six (6) inches above the flow –line of the rear swale.
4. Side Yards – the horizontal side yard slope shall not exceed 3:1; the minimum longitudinal side yard slope shall not be less than one (1) percent.

b. Paving:

1. Residential Streets – the residential streets shall be twenty-six (26) feet wide from face-to-face; roll-over curbs are permitted in all neighborhoods except for Type A or SFE.
2. Minimum Street Grade – the street grade shall not be less than six (6) inches every one (100) feet.
3. Maximum Street Grade – the street grade shall not exceed eight (8) percent.
4. Sidewalks – the residential sidewalks shall be four (4) feet wide and the placement of the outside edge of the walk shall typically be one (1) foot inside the right-of-way or within a sidewalk easement.
5. Trails – the trails shall be six (6) feet wide and shall serpentine within the parkway and associated landscape buffer, where applicable, but in no instance shall the outside edge of the trail be closer than three (3) feet to the back-of-curb or five (5) feet to the screening wall/fence.
6. Curb Return Radii – the curb radii for Major Arterial shall be thirty-five (35) feet; the curb radii for Minor Collectors shall be twenty-five (25) feet; and the curb radii for residential streets shall be twenty (20) feet.

c. Drainage Criteria

1. Run-off Co-efficient (C) – the residential run-off co-efficient shall be 0.5; the run-off co-efficient for commercial shall be 0.9.
2. Time of Concentration (TC) – the time of concentration for residential areas shall be fifteen (15) minutes and the time of concentration for commercial shall be ten (10) minutes.
3. Rainfall Intensity (I) – the rainfall intensity for residential areas shall be 7.52 in/hr and the rainfall intensity for commercial areas shall be 8.88 in/hr.

d. General Storm Sewer Requirements

1. Storm Inlets – all storm inlets shall be standard non-recessed inlet and shall be either five (5), six (6), eight (8), ten (10), twelve (12), or fourteen (14) feet in length.

2. Hydraulic Grade Line – the 100-yr HGL shall not be less than one (1) foot below the top-of-curb.

e. Sanitary Sewer Mains

1. Minimum Size – the minimum sewer main size shall be six (6) inches.
2. Clean-outs – clean-outs are allowed at the up-stream end of a sewer main provided the main is three-hundred (300) feet or less in length.
3. Minimum Radius – the minimum center-line radius for sewer mains shall be two-hundred feet.
4. Pipe Embedment – the embedment for sewer mains shall generally be class B+, unless otherwise noted by the engineer of record.
5. Manholes – sewer mains less than twelve (12) inches in diameter shall have a four (4) diameter manhole every five-hundred (500) feet or less and sewer mains greater than twelve (12) inches in diameter shall have a five (5) foot diameter manhole every eight (800) feet or less.
6. Services – all residential sewer services shall be four (4) inches in diameter, located in the center of the lot and extended ten (10) feet beyond the right-of-way.
7. Off-site Sewer mains – any off-site sewer main extensions shall meet or exceed the requirements of the NTMWD.

f. Domestic Water

1. Minimum Size – the minimum water main size shall be eight (8) inches.
2. Services – all residential domestic water services shall be ¾-inch for lots Type D (SF-9) – Type F (PH) and 1-inch for all lots Type A (SFE) – Type C (SF-10). The services shall be located two (2) feet from a common lot line and the meter box shall be located two (2) feet beyond the right-of-way.
3. Fire Hydrants – a fire hydrant shall be located every five-hundred (500) feet along the water main and placed three-six (3-6) feet behind the back-of-curb.

4. Water Line Testing – all water lines shall sustain a pressure test of two-hundred (200) psi for three (3) hours prior to acceptance.
5. Off-site Water Extensions – any off-site domestic water main extensions shall meet or exceed the requirements specified by the City of Celina.

g. Miscellaneous

1. Street Light Standards – a street light shall be located a maximum of three-hundred (300) feet apart. An ornamental street light fixture and pole shall be selected from those available through the electric provider. The light standard selected shall used throughout the development.

13.0 Legal Description

BEING a tract of land located in the COLEMAN WATSON SURVEY, ABSTRACT NO. 945, Collin County, Texas and being a part of a called 632.051 acre tract of land described in Deed to Twin Eagles, Ltd. recorded in County Clerk's Document Number 96-0013989, Deed Records, Collin County, Texas and being a part of a called 12.686 acre tract of land described in Deed to Robert S. Folsom, Trustee of the Twin Eagles Qualified Personal Residence Trust recorded in County Clerk's Document Number 95-0093145, Deed Records, Collin County, Texas and being a part of a called 50.00 acre tract of land described in Deed to Twin Eagles Ltd. recorded in Volume 4826, Page 2205, Deed Records, Collin County, Texas and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod found in the North line of Farm-To-Market Road 1461, a variable width right-of-way, at the Southwest corner of a called 19.93 acre tract of land described in Deed to Debra Folsom Jarma and Don M. Jarma recorded in Volume 3790, Page 267, Deed Records, Collin County, Texas, said point being the Southeast corner of said 50.00 acre tract;

THENCE South 89 degrees 41 minutes 18 seconds West, along the North line of said Farm-To-Market Road 1461, a distance of 750.84 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner, from which a 1/2 inch iron rod found bears South 76 degrees 31 minutes 14 seconds West, a distance of 2.08 feet;

THENCE South 89 degrees 16 minutes 18 seconds West, continuing long the North line of said Farm-To-Market Road 1461, a distance of 231.01 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Southwest corner of Lot 30, Block C of TWELVE OAKS PHASE II, an Addition to Collin County, Texas according to the Plat thereof recorded in Cabinet P, Slide 486, Map Records, Collin County, Texas, from which a 1/2 inch iron rod with a yellow plastic cap stamped "EC&D RPLS 5439" bears South 06 degrees 27 minutes 24 seconds West, a distance of 0.32 feet;

THENCE North 00 degrees 54 minutes 55 seconds East, along the West line of said TWELVE OAKS PHASE II, a distance of 2,206.67 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set in the South line of said 632.051 acre tract at the Northeast corner of Lot 18, Block C of said TWELVE OAKS PHASE II, from which a 1/2 inch iron rod with a yellow plastic cap stamped "ROOME" bears South 50 degrees 24 minutes 07 seconds West, a distance of 0.44 feet;

THENCE South 89 degrees 37 minutes 23 seconds West, along the North

line of said TWELVE OAKS PHASE II, a distance of 2,146.50 feet to a 3/8 inch iron rod found at the Southwest corner of said 632.051 acre tract;

THENCE North 00 degrees 07 minutes 29 seconds East, along the West line of said 632.051 acre tract, a distance of 1,637.32 feet to a point for corner in the approximate centerline of Wilson Creek and in the East line of Lot 5, Block A of WILSON CREEK ESTATES, an Addition to Collin County, Texas according to the Plat thereof recorded in Cabinet J, Slide 605, Map Records, Collin County, Texas;

THENCE Northerly, along the East line of said WILSON CREEK ESTATES and the approximate centerline of said Wilson Creek, the following five (5) courses and distances;

North 39 degrees 31 minutes 50 seconds East, a distance of 1.00 feet to a point for corner;

North 14 degrees 09 minutes 54 seconds East, a distance of 67.24 feet to a point for corner;

North 01 degrees 45 minutes 24 seconds West, a distance of 113.30 feet to a point for corner;

North 08 degrees 43 minutes 39 seconds West, a distance of 137.99 feet to point for corner;

North 02 degrees 14 minutes 13 seconds West, a distance of 113.37 feet to point at the Southeast corner of WILSON CREEK ESTATES 2, an Addition to Collin County, Texas according to the Plat thereof recorded in Cabinet K, Slide 192, Map Records, Collin County, Texas;

THENCE Northerly, along the East line of said WILSON CREEK ESTATES 2 and the approximate centerline of said Wilson Creek, the following eight (8) courses and distances;

North 15 degrees 56 minutes 43 seconds East, a distance of 284.21 feet to point for corner;

North 27 degrees 49 minutes 29 seconds East, a distance of 53.72 feet to a point for corner;

North 13 degrees 03 minutes 17 seconds East, a distance of 109.39 feet to point for corner;

North 10 degrees 02 minutes 27 seconds West, a distance of 235.76 feet to point for corner;

North 04 degrees 58 minutes 53 seconds East, a distance of 56.26 feet to a point for corner;

North 05 degrees 12 minutes 56 seconds West, a distance of 121.33 feet to point for corner;

North 09 degrees 39 minutes 44 seconds West, a distance of 165.65 feet to point for corner;

North 01 degrees 30 minutes 36 seconds East, a distance of 45.98 feet to a point for corner in the South line of a called 185.094 acre tract of land described as Tract One in Deed to J. Baxter Brinkman recorded in County Clerk's Document Number 92-0052450, Deed Records, Collin County, Texas, from which a 3/4 inch iron rod found bears South 89 degrees 38 minutes 46 seconds West; a distance of 39.22 feet;

THENCE North 89 degrees 38 minutes 46 seconds East, along the common line of said 185.094 acre tract and said 632.051 acre tract, a distance of 1,947.39 feet to a 1/2 inch iron rod found for corner;

THENCE North 00 degrees 14 minutes 27 seconds West, along the common line of said 185.094 acre tract and said 632.051 acre tract, a distance of 1,721.69 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Southwest corner of a called 5.384 acre tract of land described as Tract Two in Deed to J. Baxter Brinkman recorded in County Clerk's Document Number 92-0052450, Deed Records, Collin County, Texas, from which a 1/2 inch iron rod found bears South 85 degrees 18 minutes 16 seconds West, a distance of 1.01 feet;

THENCE Easterly, along the common line of said 5.384 acre tract and said 632.051 acre tract, the following six (6) courses and distances:

North 89 degrees 48 minutes 09 seconds East, a distance of 2,167.88 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "COLLIS RPLS 1764" found for corner;

North 89 degrees 49 minutes 55 seconds East, a distance of 465.82 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner, from which a 1/2 inch iron rod found bears South 35 degrees 46 minutes 01 seconds West, a distance of 0.39 feet;

North 89 degrees 47 minutes 20 seconds East, a distance of 305.39 feet to a 1/2 inch iron rod found for corner;

North 89 degrees 51 minutes 51 seconds East, a distance of 816.05 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for

corner;

South 89 degrees 56 minutes 24 seconds East, a distance of 311.73 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

North 89 degrees 42 minutes 42 seconds East, a distance of 330.59 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Northwest corner of a called 1.0000 acre tract of land described in Deed to Danville Water Supply Corporation recorded in Volume 1992, Page 738, Deed Records, Collin County, Texas;

THENCE South 00 degrees 15 minutes 01 seconds East, along the common line of said 1.0000 acre tract and said 632.051 acre tract, a distance of 146.88 feet to a 1/2 inch iron rod found for corner;

THENCE North 89 degrees 44 minutes 59 seconds East, continuing along the common line of said 1.0000 acre tract and said 632.051 acre tract a distance of 299.37 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner in the West line of Farm-To-Market Road 2478, a variable width right-of-way, from which a 1/2 inch iron rod found bears South 89 degrees 44 minutes 59 seconds East, a distance of 0.33 feet;

THENCE Southerly, along the West line of said Farm-To-Market Road 2478, the following eight (8) courses and distances:

South 04 degrees 07 minutes 13 seconds East, a distance of 113.40 feet to a wood right-of-way marker found for corner;

South 03 degrees 46 minutes 13 seconds East, a distance of 525.05 feet to a 1/2 inch iron rod found for corner;

South 01 degrees 58 minutes 26 seconds West, a distance of 100.50 feet to a nail found in wood right-of-way marker for corner;

South 03 degrees 46 minutes 13 seconds East, a distance of 200.00 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner, from which a wood right-of-way marker found bears North 78 degrees 39 minutes 45 seconds West, a distance of 0.95 feet;

South 09 degrees 28 minutes 51 seconds East, a distance of 100.50 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

South 03 degrees 46 minutes 13 seconds East, a distance of 415.90 feet

to a wood right-of-way marker found for corner at the beginning of a curve to the right having a central angle of 03 degrees 41 minutes 00 seconds, a radius of 5,679.58 feet and a chord bearing and distance of South 01 degrees 55 minutes 43 seconds East, 365.06 feet;

Southerly, along said curve to the right, an arc distance of 365.12 feet to a wood right-of-way marker found for corner;

South 00 degrees 05 minutes 13 seconds East, a distance of 2,278.15 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Northeast corner of a called 1.000 acre tract of land described in Deed to Rhea's Mill Baptist Church recorded in Volume 1745, Page 773, Deed Records, Collin County, Texas, from which a 1/2 inch square pipe found bears South 89 degrees 48 minutes 02 seconds West, a distance of 1.07 feet;

THENCE South 89 degrees 48 minutes 02 seconds West, a distance of 291.81 feet to a 1/2 inch iron rod found at the Northwest corner of said Rhea's Mill Baptist Church tract;

THENCE South 00 degrees 20 minutes 34 seconds East, a distance of 150.52 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner in the North line of Lot 4 of ROLLING MEADOWS ESTATES, an Addition to Collin County, Texas according to the Plat thereof recorded in Cabinet P, Slide 486, Map Records, Collin County, Texas;

THENCE South 89 degrees 40 minutes 07 seconds West, along the common line of said ROLLING MEADOWS ESTATES and said 632.051 acre tract, passing at a distance of 1,509.89 feet a 1 inch iron rod found at the Northwest corner of said ROLLING MEADOWS ESTATES and the Northeast corner of a called 81.104 acre tract described in Deed to Debra F. Jarma and Don M. Jarma recorded in County Clerk's Document Number 95-0092267, Deed Records, Collin County, Texas and continuing along the common line of said 81.104 acre tract and said 632.051 acre tract, in all for a total distance of 2,209.89 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

THENCE South 00 degrees 52 minutes 41 seconds West, along the common line of said 81.104 acre tract and said 632.051 acre tract, a distance of 421.13 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

THENCE South 89 degrees 27 minutes 07 seconds West, continuing along the common line of said 81.104 acre tract and said 632.051 acre tract, a distance of 1,159.85 feet to a 1/2 inch iron square pipe found at

the Northwest corner of said 81.104 acre tract and the Northeast corner of a called 11.252 acre tract of land described in Deed to Debra F. Jarma and Don M. Jarma recorded in Volume 4973, Page 3420, Deed Records, Collin County, Texas;

THENCE South 89 degrees 24 minutes 47 seconds West, along the common line of said 11.252 acre tract and said 632.051 acre tract, a distance of 281.99 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Northwest corner of said 11.252 acre tract;

THENCE Southerly, along the West line of said 11.252 acre tract, the following six (6) courses and distances:

South 00 degrees 55 minutes 08 seconds West, a distance of 420.00 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

South 14 degrees 29 minutes 02 seconds East, a distance of 241.26 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

South 00 degrees 55 minutes 08 seconds West, a distance of 320.00 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

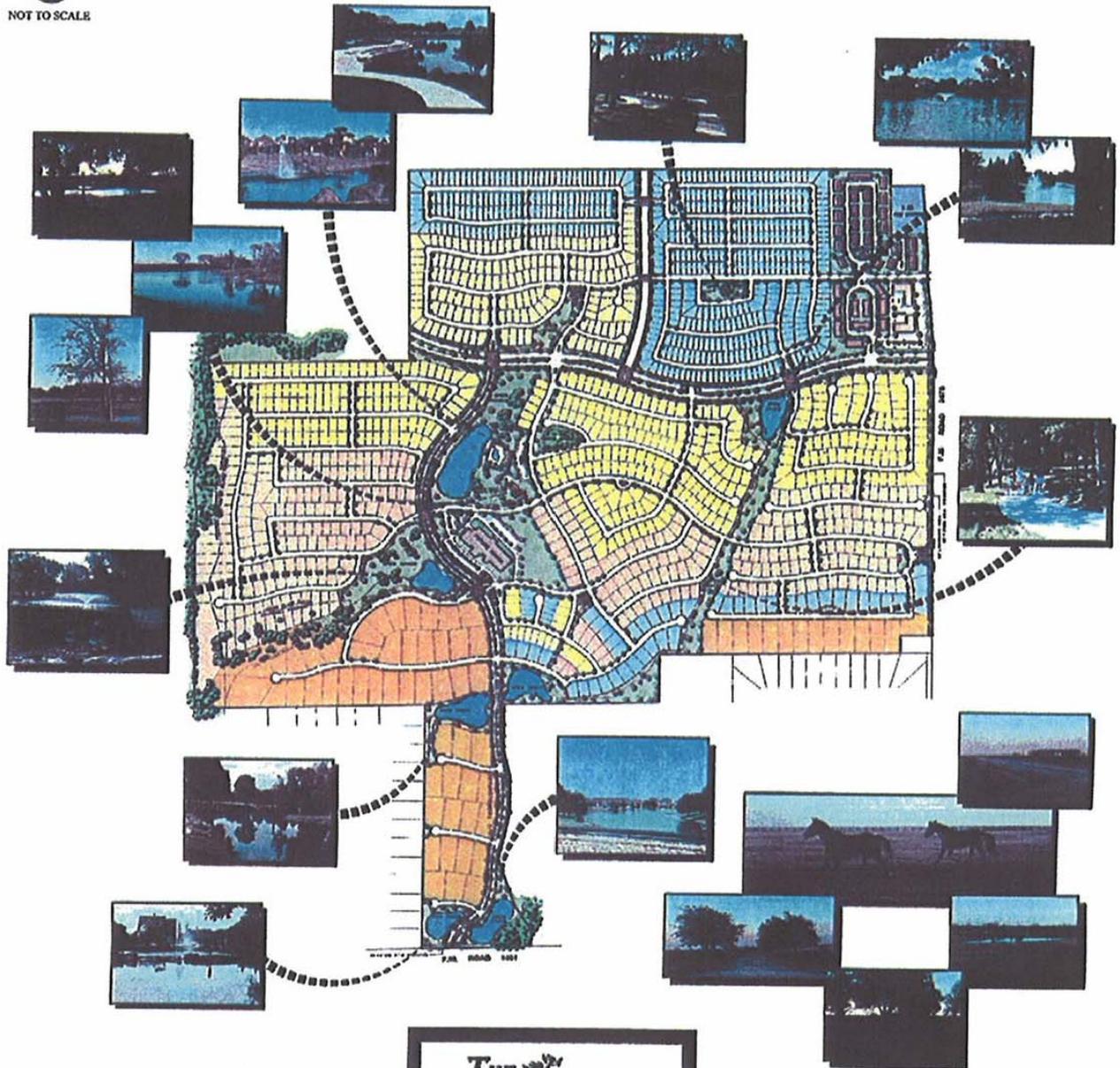
South 12 degrees 45 minutes 08 seconds West, a distance of 449.55 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

South 19 degrees 10 minutes 32 seconds East, a distance of 436.57 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

South 33 degrees 22 minutes 42 seconds East, a distance of 288.40 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner in the West line of said 19.93 acre tract;

THENCE South 01 degrees 56 minutes 48 seconds West, along the West line of said 19.93 acre tract, a distance of 139.88 feet to the POINT OF BEGINNING and containing 681.999 acres of land, more or less.

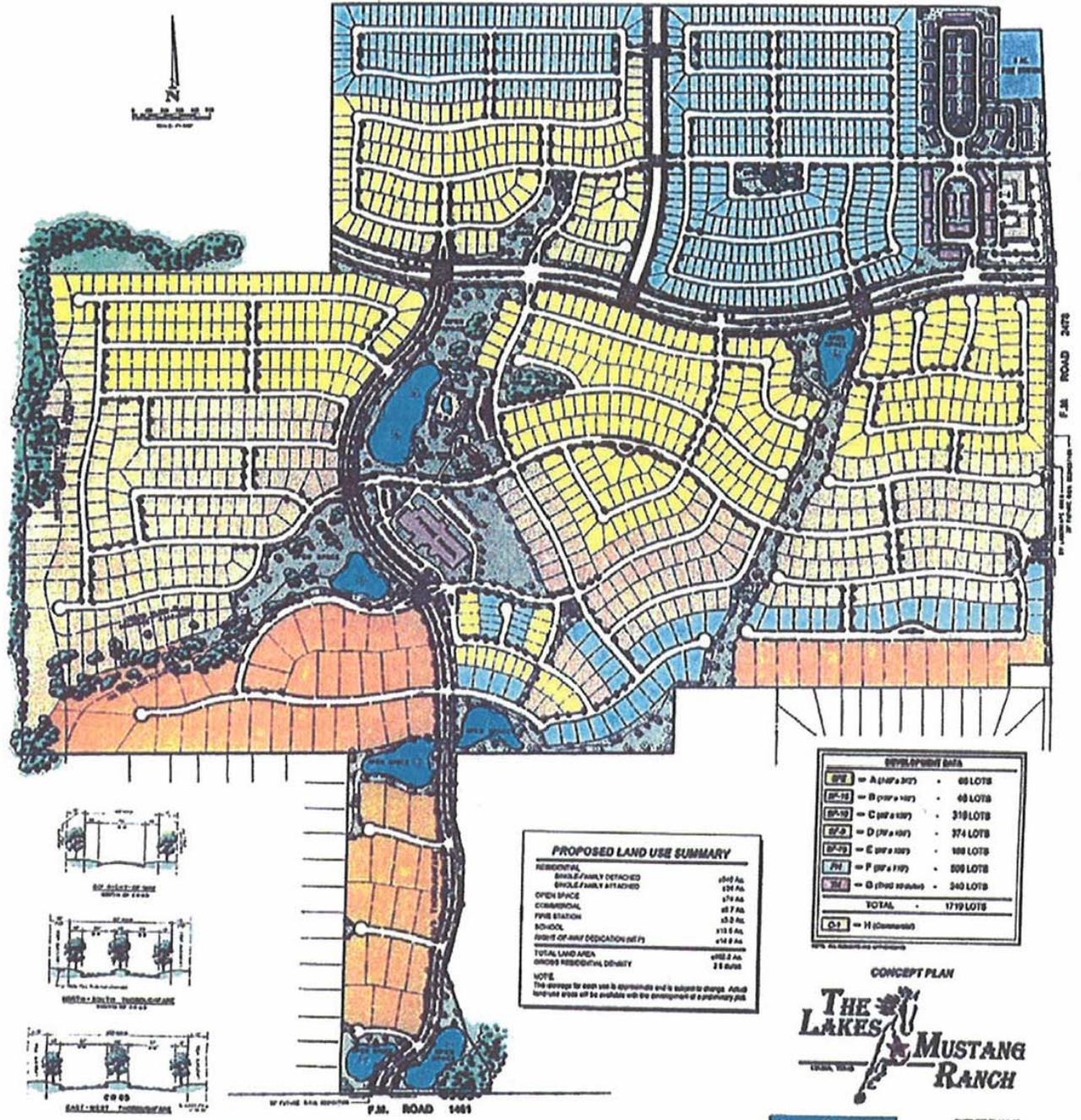
NOT TO SCALE



This is a conceptual layout and does not necessarily depict the project, as it shall finally be developed.



ILLUSTRATIVE CONCEPT PLAN



PROPOSED LAND USE SUMMARY

RESIDENTIAL, SINGLE-FAMILY DETACHED	4345 Ac.
RESIDENTIAL, SINGLE-FAMILY ATTACHED	124 Ac.
OPEN SPACE	487 Ac.
COMMERCIAL	487 Ac.
PARK STATION	13.2 Ac.
SCHOOL	113.8 Ac.
RIGHT-OF-WAY DEDICATION (66 FT)	474.2 Ac.
TOTAL LAND AREA	4742.2 Ac.
DENSITY RESIDENTIAL	22 DENSITY

NOTE:
The coverage for each use is approximate and is subject to change. Actual lot coverage will be available with the completion of a preliminary plat.

DEVELOPMENT DATA

SP-1	= A (20' x 100')	• 68 LOTS
SP-2	= B (20' x 100')	• 48 LOTS
SP-3	= C (20' x 100')	• 318 LOTS
SP-4	= D (20' x 100')	• 374 LOTS
SP-5	= E (20' x 100')	• 108 LOTS
SP-6	= F (20' x 100')	• 508 LOTS
SP-7	= G (20' x 100')	• 240 LOTS
TOTAL		• 1719 LOTS

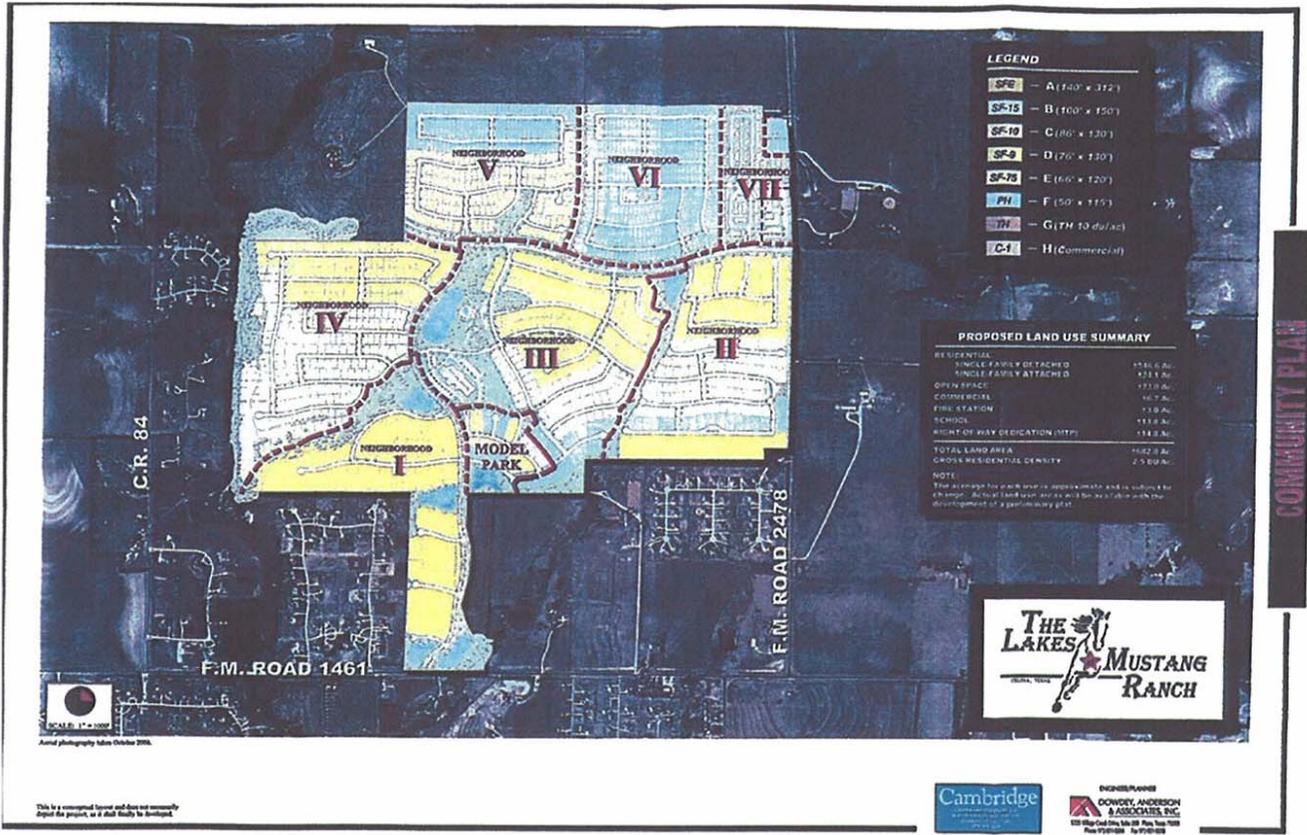
SP-1 = H (Common)

CONCEPT PLAN

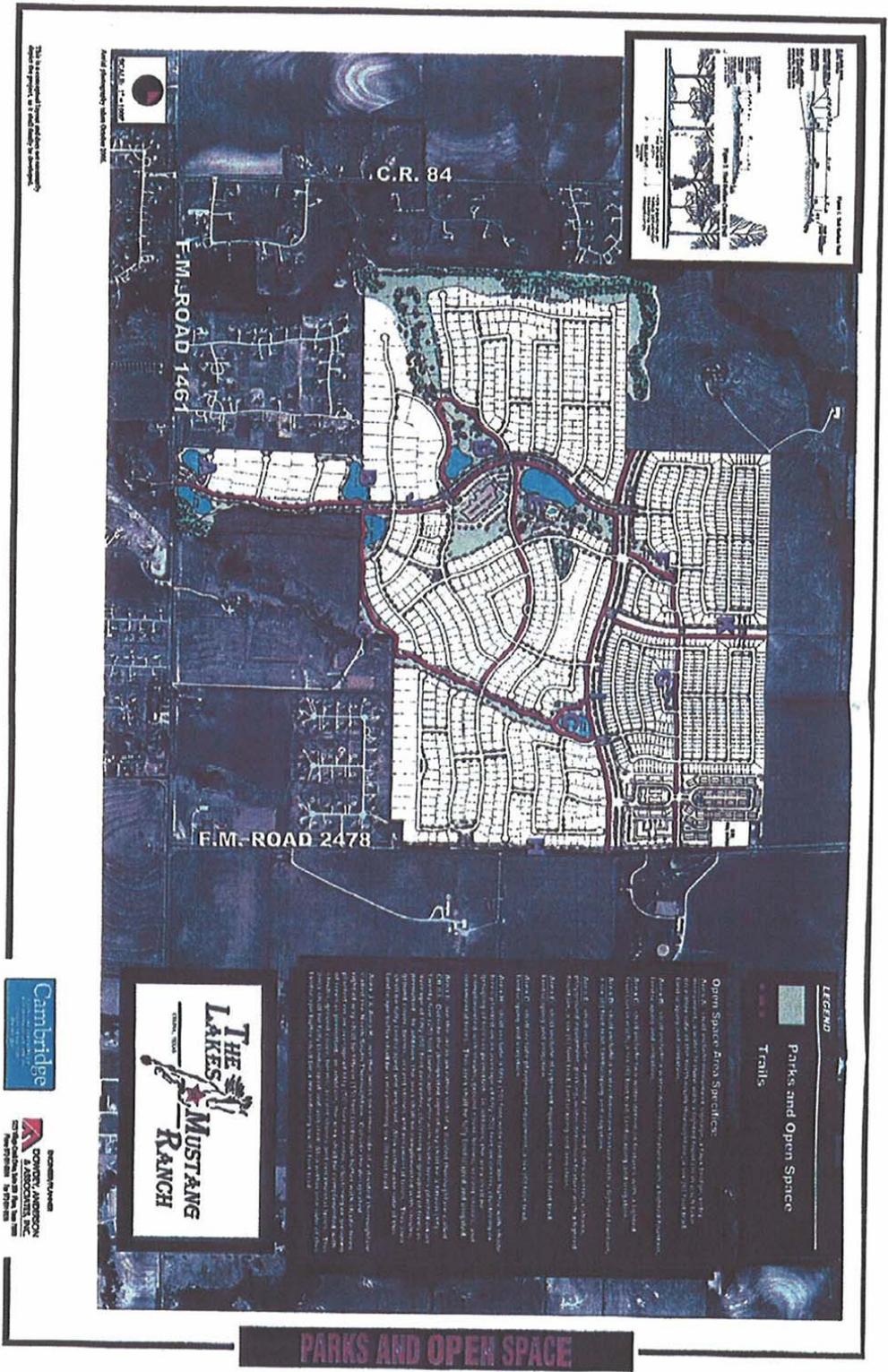
THE LAKES **MUSTANG RANCH**

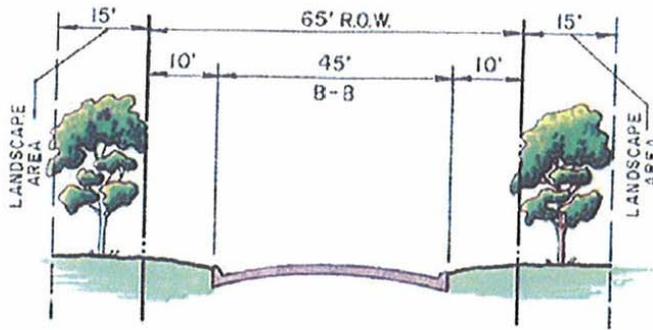


CONCEPT PLAN

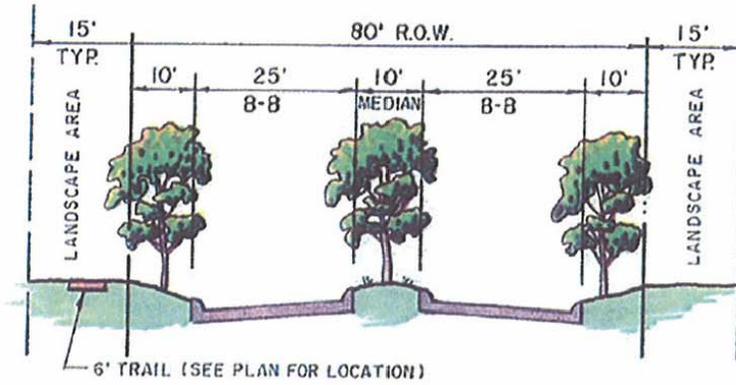




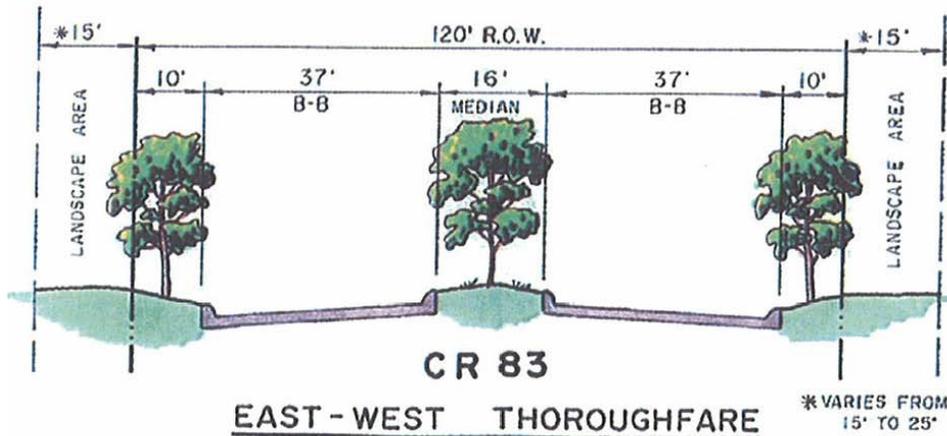




**65' RIGHT-OF-WAY
NORTH OF CR 83**

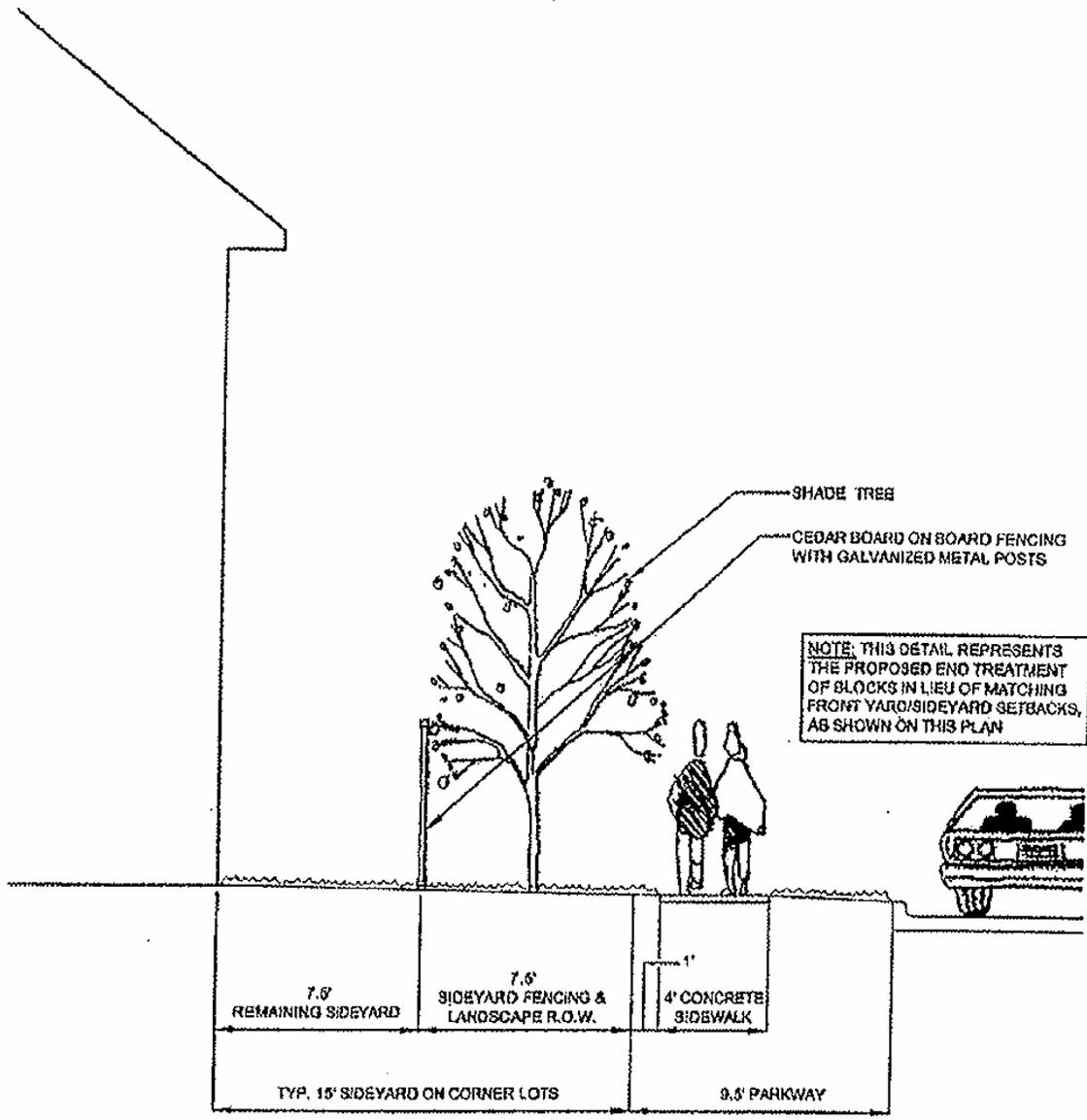


**NORTH - SOUTH THOROUGHFARE
SOUTH OF CR 83**



**CR 83
EAST - WEST THOROUGHFARE**

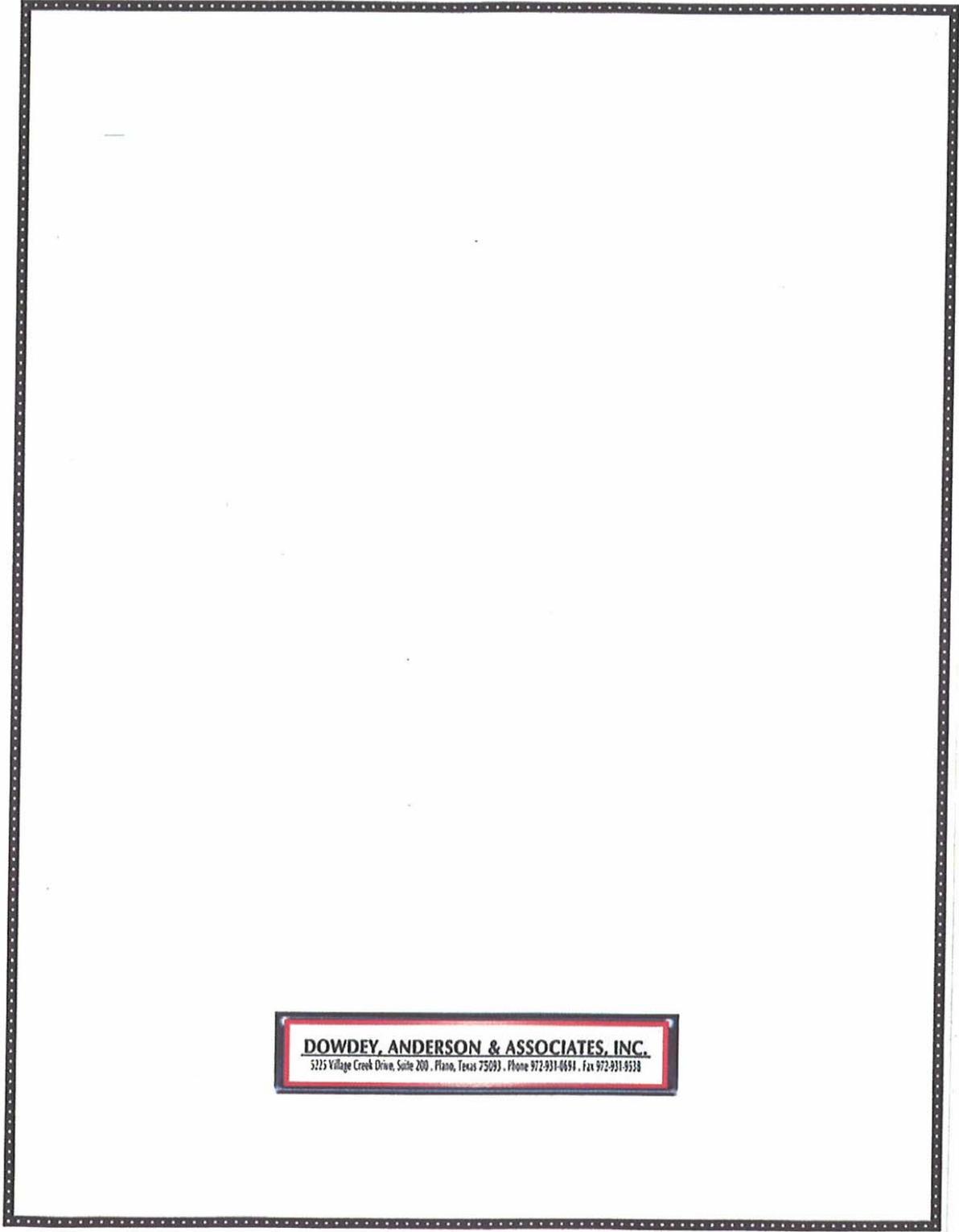
* VARIES FROM
15' TO 25'



SIDEYARD FENCING & LANDSCAPE DETAIL

SECTION/ELEVATION

SCALE, N.T.S.

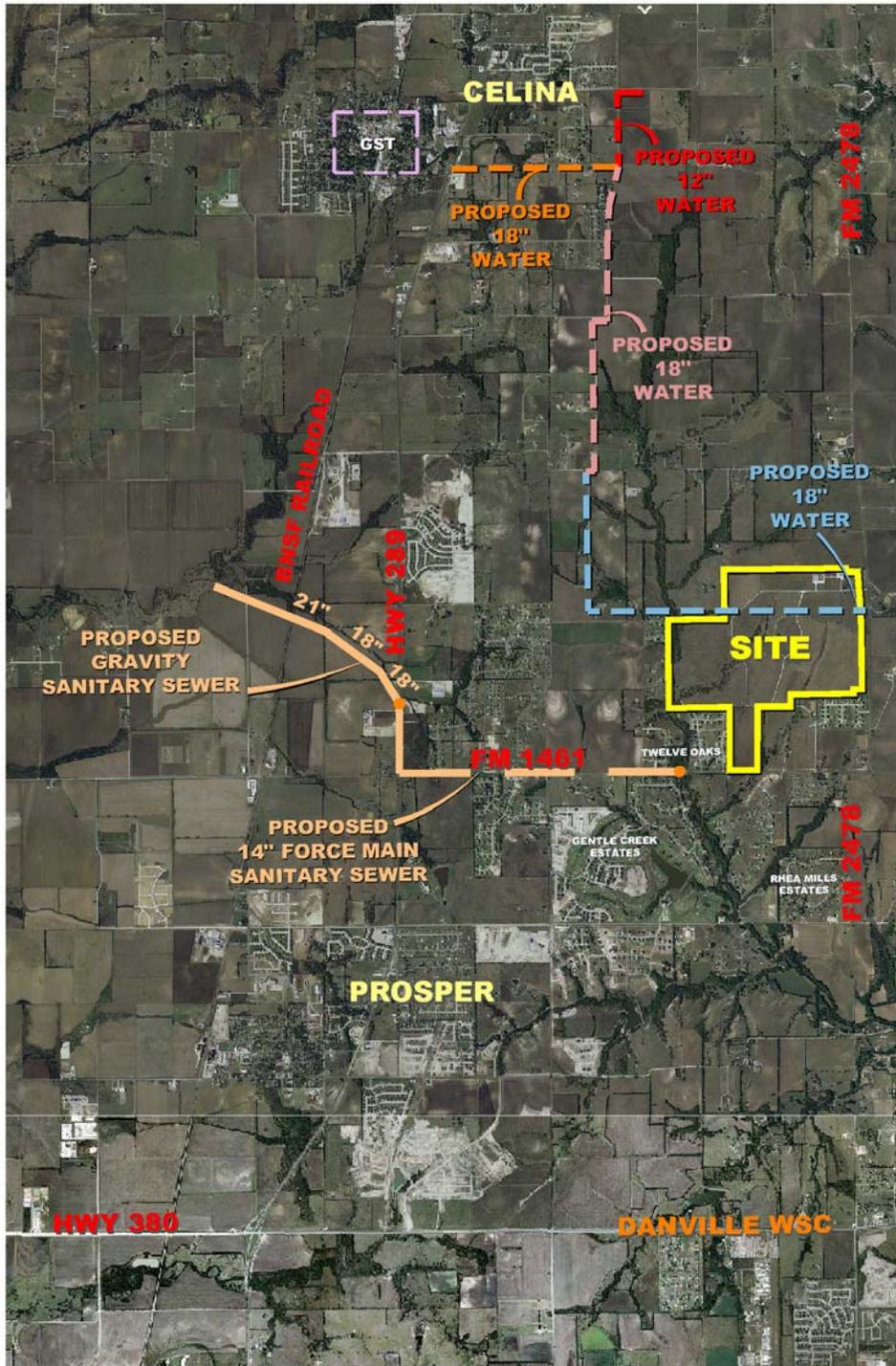


DOWDEY, ANDERSON & ASSOCIATES, INC.

5725 Village Creek Drive, Suite 200 - Plano, Texas 75093 - Phone 972-931-6691 - Fax 972-931-9338

Exhibit E

Alignment of Water Line and Sewer Line



NOT TO SCALE
This is a conceptual plan and does not constitute
any part of a contract or other legal document.

THE LAKES OF MUSTANG RANCH

