

FIRE PROTECTION AGREEMENT

This Fire Protection Agreement (the "Agreement") is entered into on this 22 day of Sept., 2021, by and between the Blue Ridge Fire Department (the "Department") and Blue Meadow Municipal Utility District No. 1 of Collin County (the "District").

RECITALS

WHEREAS, the District is a conservation and reclamation district and political subdivision of the State of Texas, operating under the provisions of Article XVI, Section 59, and Article III, Section 52 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, and Chapter 7929A of the Texas Special District Local Laws Code; and

WHEREAS, the District is seeking to secure fire protection services for the benefit of future residents and property owners within the District's boundaries, as described in the attached Exhibit "A"; and

WHEREAS, the Department is willing to provide fire protection services to the land located within the boundaries of the District under the terms provided herein; and

WHEREAS, pursuant to Section 49.351, Texas Water Code, the Districts may contract with a municipality for the performance of all fire-fighting services within the Districts and may provide for the construction and purchase of necessary buildings, facilities, land and equipment and the provision of an adequate water supply; and

WHEREAS, Section 49.212, Texas Water Code, authorizes the District to adopt and enforce all necessary charges or mandatory fees for providing or making available any district facility or service (including fire-fighting services); and

WHEREAS, the Board of Directors of the District has determined that it is in the best interest of the District to enter into an agreement with the City relative to providing fire-fighting services to the District; and

WHEREAS, the District and the Department now wish to establish a formal agreement for the provision of fire-fighting services to the District.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the District and the Department hereby covenant and agree as follows:

Section 1. Purpose. The purpose of this Agreement is to contract with the Department to provide fire protection services to the residents and property in the District in return for payment of fire protection fees, in accordance with this Agreement.

Section 2. Definitions. In this Agreement:

"Department" means the Blue Ridge Fire Department.

"District" means Blue Meadow Municipal Utility District No. 1 of Collin County.

"Effective Date" means the date on which this Agreement becomes effective as provided in Section 3(b).

"Fire Protection Services" means all fire suppression and emergency medical/first responder and rescue services regularly provided by the Blue Ridge Fire Department to persons and property located within the District, except for fire inspections of buildings and properties, code enforcement services, and arson investigations. However, it is acknowledged that as of the date of this Agreement, the (i) Department does not operate any ambulance or medical transport facilities, and (ii) the Department is staffed solely with volunteers.

"Parties" means the District and the Department.

"TCEQ" means the Texas Commission on Environmental Quality.

Section 3. Effective Date.

(a) The Parties recognize that before this Agreement becomes effective, the District must develop a fire plan, including a plan for emergency medical services, in accordance with Section 49.351, Texas Water Code, and the rules of the TCEQ (the "Plan"), submit the Plan to the TCEQ for its approval, obtain TCEQ approval and the District call an election and obtain voter approval of the Plan and this Agreement. The District will use its best efforts to cause this Agreement and the Plan to be submitted to the TCEQ for approval and obtain voter approval of the Plan in accordance with the terms of this Agreement.

(b) This Agreement will take effect on the first day of the month following the adoption of an order by the District canvassing the results of the election approving the Plan and this Agreement.

Section 4. Fire Protection Services.

(a) The Department has an existing fire station. The Department will operate and respond with sufficient personnel twenty-four (24) hours per day, seven (7) days per week during

the term of this Agreement. The Department owns and operates necessary equipment for the operation of its fire station, trucks and fire department. In providing Fire Protection Services to residents and property located in the District, the Department shall be solely responsible for the operation and maintenance of the Department fire station and equipment.

(b) The Parties acknowledge that in providing Fire Protection Services to the residents and property in the District, the Department will use the fire hydrants, connections, and water distribution system located within the District ("Water Distribution System"), but the Department shall not be responsible for providing for, constructing, inspecting, maintaining, or repairing any part of the Water Distribution System, and the Department shall not be liable to the District or any District occupant, resident or property owner for any deficiency or malfunction of the Water Distribution System.

(c) During the term of this Agreement, the Department will provide Fire Protection Services to persons, buildings, and property located within the District, including, any land that is added to the District via annexation, upon notification to the Department of final District action annexing any land ("annexation area"). The Department will provide Fire Protection Services to residents and property in the District in the same manner and with the same standard of care as it would to those residences and structures located in other areas of Department coverage.

(d) The Parties acknowledge that the Department must also respond to requests for Fire Protection Services in other areas outside the District and that the Department has contracts to provide Fire Protection Services to other entities. In providing Fire Protection Services to the District, the Department will follow its adopted standard operating procedures, subject to its sole discretion, without being in breach of this Agreement and without liability to the District or its occupants, residents, or property owners to determine: (1) whether Fire Protection Services are needed in a particular case; (2) whether and when personnel or equipment are available to respond to a request for Fire Protection Services; (3) the order in which to respond to requests for Fire Protection Services; and (4) the time in which to respond to a request for Fire Protection Services.

(e) The District assumes no responsibility for the reliability, promptness, or response time of the Department. The District's sole obligation for provision of Fire Protection Services to its residents is to make payments as described below.

Section 5. Personnel. The Department shall provide all required personnel (volunteers and future employees) who meet, at least, minimum state qualifications to perform the Fire Protection Services required by this Agreement. The District assumes no responsibility for the actions of the Department's personnel in performing their fire protection duties. The District

will make no recommendations and is in no way responsible for the selection, sufficiency or qualifications of the Department's personnel.

Section 6. Payment for Fire Protection Services.

(a) Monthly Payments. In consideration of the Department providing Fire Protection Services, the District agrees to make monthly payments to the Department as follows:

(1) Residential Properties. The District shall pay to the Department a monthly charge for each single-family residential unit in the District that is connected to and receiving service from the District's water supply system on or before the twentieth (20th) day of the immediately preceding month. A residential unit shall mean any building or part of a building designed for permanent occupancy by one family.

(2) Non-residential Properties. The District will also pay the Department a monthly charge for each 2,000 square feet or part thereof of building floor area for every "improved non-residential property" located in the District that is connected to and receiving service from the District's water distribution system on or before the twentieth (20th) day of the immediately preceding month. "Improved non-residential property" means any improved real property, whether or not such property is tax-exempt, on which there is located a building or structure that is not residential property. The square footage used to determine the charge is based on the records of the Collin Central Appraisal District. However, the monthly charge provided in this paragraph for improved non-residential property does not apply to, and the District is not obligated to, collect or pay the monthly fee for improved non-residential property owned by the District.

(3) The District and the Department each acknowledges that the above are mandatory monthly fees imposed on District customers pursuant to the Fire Plan voted on by the registered voters of the District.

(4) The payments hereunder shall be mailed or delivered to the Department at:

Blue Ridge Fire Department
203 W. FM 545
Blue Ridge, Texas 75424

(b) Initial Monthly Charge. The initial monthly charge provided for in Sections 6(a)(1) and 6(a)(2) is \$10.00. The first payment shall be due on the first day of the month following approval of the Fire Plan by the District voters. The monthly charge shall continue thereafter through December 31, 2024. The monthly fee shall increase annually on January 1 of each year during the term of this Agreement in accordance with the CPI adjustment procedures established in Section 6(c).

(c) Subsequent Charges. Beginning January 1, 2025, and on each January 1 thereafter, the monthly charge will be adjusted by 100% of the increase, if any, between the most recently published CPI and the CPI for the preceding calendar year. "CPI" as used herein shall mean the revised Consumer Price Index for All Urban Consumers (CPI-U), all items, published by the United States Department of Labor, Bureau of Labor Statistics 1982-1984. In the event the U.S. Department of Labor, Bureau of Labor Statistics ceases to publish the CPI, the parties agree to substitute another equally authoritative measure of change in the purchasing power of the U.S. dollar as may then be available so as to carry out the intent of this provision.

(d) Additional Services. The monthly charges specified in this Section 6 are based upon the Fire Protection Services being provided by volunteers. In the future the Department expects that the Fire Protection Services will be provided by paid employees. At such time as the Department begins providing the Fire Protection Services with paid employees, the Parties agree to negotiate in good faith an increase in the monthly charges sufficient to cover Department employee salaries and benefits. In the event the Parties are unable to agree upon an increased monthly charge, then, upon six (6) months advance written notice, either Party may terminate this Agreement.

(e) Monthly Charge Due Date. The monthly charge required herein shall be paid by the District within sixty (60) days after the first of each month. All monthly payments shall be paid by the District to the Department without notice or demand at the offices of the Department, unless the District is notified otherwise. All or part of any monthly payment paid by the District after the sixtieth day is delinquent and shall include an additional monetary penalty equal to twelve percent (12%) of the delinquent amount as allowed by the Texas Local Government Code.

(f) Additional Fees. Within fifteen (15) days of the approval of this Agreement by the Collin County Commissioners County, the District agrees to deposit \$50,000.00 with the Department. Within thirty (30) days after the date of the issuance of a certificate of occupancy for the first model home within the District, the District agrees to deposit \$250,000.00 with the Department.

Section 7. Covenant Regarding Monthly Fees. The District shall impose the requisite mandatory monthly fee on District customers throughout the term of this Agreement.

Section 8. Term. Once effective, the Agreement will continue in effect for 15 years (the "Initial Term") and shall be automatically renewed thereafter for successive two (2) year terms.

Section 9. Termination and Default. In the event the Fire Plan is not approved by the TCEQ and voters located within the District by December 31, 2024, then the Department shall have the right to terminate this Agreement at any time up to the Effective Date. Following the Effective Date, either Party may terminate this Agreement after the expiration of the Initial

Term, by giving the other Party written notice of termination at least one (1) year prior to the termination date. Either Party may declare a default hereunder if either Party fails, refuses, or neglects to comply with any of the terms of this Agreement. If a Party declares a default of this Agreement, this Agreement shall terminate after notice and opportunity to cure as provided for herein. The Party declaring a default shall notify the other Party of any default in writing in the manner prescribed herein. The notice shall specify the basis for the declaration of default, and the Party shall have thirty (30) days from the receipt of such notice to cure any default (except when curing the default requires activity over a period of time in excess of thirty (30) days, performance shall commence within thirty (30) days after the receipt of notice, and such performance shall be diligently continued until the default is cured).

Section 10. Notice. All notices shall be in writing and given by (1) email with receipt determined by the date sent, or (2) certified mail with return receipt requested, with receipt determined by the date of the signed receipt. Notice given in any other manner shall be effective only if and when received by the Party to be notified. For the purpose of notice, the addresses of the Parties shall, unless changed as hereinafter provided, be as shown as follows:

If to District: Blue Meadow Municipal Utility District No. 1 of Collin County
 c/o Coats | Rose, P.C.
 Attention: Mindy L. Koehne
 14755 Preston Road, Suite 600
 Dallas, Texas 75254
 Email: *mkoehne@coatsrose.com*

If to Department: Blue Ridge Fire Department
 203 W. FM 545
 Blue Ridge, Texas 75424
 Attention: Steve Straka
 Email: *srstraka@gmail.com*

The Parties shall have the right to change their respective addresses and each shall have the right to specify their respective new addresses by at least fifteen (15) days written notice to the other party.

Section 11. No Additional Waiver Implied. No waiver or waivers of any breach or default or any breaches or defaults by either Party hereto of any term, covenant, condition, or liability hereunder, or of performance by the other Party of any duty or obligation hereunder, shall be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, under any circumstances.

Section 12. Modification. This Agreement shall be subject to change or modification only with the written mutual consent of the Parties hereto. thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or

unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section or other part of this contract to other persons or circumstances shall not be affected thereby.

Section 13. Severability. The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section or other part of this contract or the application.

Section 14. Assignment. The rights and obligations of the Parties hereunder may not be assigned without the prior written consent of the other Party hereto.

Section 15. Liability. The Department shall not be liable to the District or any other person for its decisions in the manner or method of providing for Fire Protection Services under this Agreement. This Agreement is not intended to waive or alter any defense or immunity the Department has under State law for claims arising from the performance of this Agreement, including the failure to provide or the method of providing fire protection services under this Agreement.

Section 16. Entire Agreement. Upon execution of this Agreement by both of the Parties, this Agreement shall constitute the entire agreement between the Parties for the provision of Fire Protection Services.

[EXECUTION PAGES FOLLOW]

IN WITNESS WHEREOF, the Department and Owner on behalf of the District have executed this Fire Protection Agreement in multiple counterparts as of the date and year first listed above, to be effective on the Effective Date as specified in this Agreement.

BLUE MEADOW MUNICIPAL UTILITY
DISTRICT NO. 1 OF COLLIN COUNTY

By: *Benedict Nieswizdomy*
Name: Benedict Nieswizdomy
Title: President
Date: 10/7/21

BLUE RIDGE FIRE DEPARTMENT

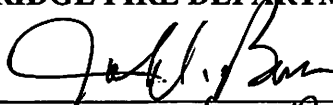
By: 
Name: John Bowers
Title: Fire Chief
Date: 09/22/2021

EXHIBIT "A"

BEING all that tract of land in Collin County, Texas, out of the Jonathan Douthit Survey, A-251, and being part of that called 196.345 acres, all of that called 169.531 acres, and part of that called 79.452 acres of land described as Tract 1, Tract 2, Tract 3, respectively, in deed to Stonehollow Homes, LLC as recorded under CC# 20170322000362630 of the Official Public Records of Collin County, Texas, and being all of that called 75.012 acres of land described in deed to Stonehollow Homes, LLC as recorded under CC# 20170104000011010 of the Official Public Records of Collin County, Texas, and being all of that called 37.530 acres of land in deed to Stonehollow Homes, LLC as recorded under CC# 20170104000011020 of the Official Public Records of Collin County, Texas, and being all of that called 37.432 acres of land described in deed to Stonehollow Homes, LLC as recorded under CC# 20170104000011000 of the Official Public Records of Collin County, Texas, and being further described as follows:

BEGINNING at a 5/8 inch steel rod found at a turn in County Road No. 502, at the Southeast corner of said 196.345 acres, and at the Southwest corner of that called 10.363 acres of land described in deed to Byron Shelton and Sadie Shelton as recorded under CC# 20190418000415530 of the Official Public Records of Collin County, Texas;

THENCE North 89 degrees 50 minutes 47 seconds West, 99.86 feet to a 5/8 inch steel rod set;

THENCE North 00 degrees 38 minutes 29 seconds East, 323.07 feet to a 5/8 inch steel rod set;

THENCE North 89 degrees 21 minutes 31 seconds West, 2400.00 feet to a 5/8 inch steel rod set;

THENCE South 00 degrees 38 minutes 29 seconds West, 300.00 feet to a 5/8 inch steel rod set;

THENCE North 89 degrees 21 minutes 31 seconds West, 85.00 feet to a 5/8 inch steel rod set;

THENCE North 00 degrees 38 minutes 29 seconds East, 300.00 feet to a 5/8 inch steel rod set;

THENCE North 89 degrees 21 minutes 31 seconds West, 900.00 feet to a 5/8 inch steel rod set;

THENCE South 00 degrees 38 minutes 29 seconds West, 300.00 feet to a 5/8 inch steel rod set;

THENCE North 89 degrees 21 minutes 31 seconds West, 60.00 feet to a 5/8 inch steel rod set;

THENCE North 00 degrees 38 minutes 29 seconds East, 300.00 feet to a 5/8 inch steel rod set;

THENCE North 89 degrees 21 minutes 31 seconds West, 601.65 feet to a 5/8 inch steel rod set;

THENCE South 00 degrees 19 minutes 52 seconds West, 340.05 feet to a 5/8 inch steel rod set to a point in the center of County Road No. 502;

THENCE North 88 degrees 46 minutes 28 seconds West, 50.01 feet along the approximate center of said County Road No. 502 to a 60d nail set at the Southwest corner of said 79.452 acres, and at the Southeast corner of that called 6.000 acres of land described as Tract I in deed to Alton W. Hopper as recorded under CC# 20060407000462250 of the Official Public Records of Collin County, Texas;

THENCE North 00 degrees 19 minutes 52 seconds East, 1291.43 feet to a 1/2 inch steel rod found at the Westerly most Northwest corner of said 79.452 acres, at the Northeast corner of that called 11.621 acres of land described as Tract I in deed to Collin County as recorded in Volume 5910, Page 3146 of the Land Records of Collin County, Texas, and on the South line of that called 54 acres of land described in deed to Kimberly Cantrell Wright as recorded under CC# 20080516000598880 of the Official Public Records of Collin County, Texas;

THENCE North 89 degrees 41 minutes 48 seconds East, 130.95 feet to a 3/8 inch steel rod found at an ell corner of said 79.452 acres, and at the Southeast corner of said 54 acres;

THENCE North 01 degrees 16 minutes 55 seconds East, 1623.59 feet to a 1/2 inch steel rod found at the Northwest corner of said 79.452 acres, at the Southwest corner of said 37.432 acres, at the Southeast corner of said 37.530 acres, and at the Northeast corner of said 54 acres;

THENCE North 89 degrees 54 minutes 28 seconds West, 730.81 feet to a 5/8 inch steel rod set at the Southwest corner of said 37.530 acres, and at the Southeast corner of that called 37.48 acres of land described as Tract Two in deed to Justin Ray Armbrister and Wendi Lynn Armbrister as recorded under CC# 20160104000002710 of the Official Public Records of Collin County, Texas;

THENCE North 01 degrees 00 minutes 40 seconds West, 1219.81 feet to a point on the South line of the Anna E.T.J.;

THENCE Northeasterly, 2067.03 feet along said South line of Anna E.T.J. and a curve to the left having a radius of 5358.48 feet and a central angle of 22 degrees 06 minutes 07 seconds (Chord bears North 55 degrees 19 minutes 30 seconds East, 2054.24 feet) to a point;

THENCE South 89 degrees 36 minutes 54 seconds East, 482.37 feet to a 3/8 inch steel rod found at an ell corner of said 169.531 acres, and at the Southeast corner of that called 25.05 acres of land described in deed to Leroy W. Warren, Jr. and Linda F. Warren as recorded under CC# 20070530000726310 of the Official Public Records of Collin County, Texas;

THENCE North 00 degrees 56 minutes 06 seconds West, 191.40 feet to a 1/2 inch steel rod found at a Northwest corner of said 169.531 acres, and at the Southwest corner of that called 96.806 acres of land described in deed to R&D Aycok, Ltd. as recorded in Volume 5105, Page 2819 of the Land Records of Collin County, Texas;

THENCE South 88 degrees 31 minutes 34 seconds East, 1381.94 feet to a 1/2 inch steel rod found at an ell corner of said 169.531 acres, and at the Southeast corner of said 96.806 acres;

THENCE North 89 degrees 56 minutes 56 seconds East, 1325.67 feet to a 5/8 inch steel rod set on the East line of said 75.012 acres;

THENCE along the East line of said 75.012 acres as follows:

North 89 degrees 05 minutes 15 seconds East, 16.83 feet to a 5/8 inch steel rod set;

South 02 degrees 35 minutes 43 seconds West, 1434.52 feet to a 5/8 inch pipe found at the Southeast corner of said 75.012 acres, and at the Northeast corner of that called 51.26 acres of land described in deed to Joe Brent Cantrell as recorded under CC# 96-0016857 of the Land Records of Collin County, Texas;

THENCE South 89 degrees 56 minutes 04 seconds West, 2009.91 feet to a 1/2 inch steel rod found at an ell corner of said 169.531 acres, and at the Northwest corner of said 51.26 acres;

THENCE South 00 degrees 05 minutes 52 seconds East, 1121.56 feet to a 1/2 inch steel rod found at the Southerly most Southeast corner of said 169.531 acres, and at the Southwest corner of said 51.26 acres;

THENCE North 89 degrees 54 minutes 51 seconds East, 1960.98 feet to a 5/8 inch steel rod set at the Northeast corner of said 196.345 acres, and at the Southeast corner of said 51.26 acres;

THENCE South 00 degrees 50 minutes 54 seconds East, 85.79 feet to a Bois d'arc post found at an angle point of said 196.345 acres, and at the Northwest corner of that called 5.311 acres of land described as Tract Two in deed to J.D. Horton and Linda K. Horton as recorded under CC# 94-0004753 of the Land Records of Collin County, Texas;

THENCE South 00 degrees 35 minutes 21 seconds West, 1835.45 feet to a 5/8 inch steel rod set at centerline intersection of a turn in County Road No. 502;

THENCE South 00 degrees 31 minutes 06 seconds East, 1013.39 feet along the approximate center of said County Road No. 502 to the POINT OF BEGINNING, containing 444.35 acres of land.