

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

**INTERLOCAL COOPERATION AGREEMENT FOR
LAW ENFORCEMENT SERVICES**

This INTERLOCAL COOPERATION AGREEMENT FOR LAW ENFORCEMENT PROTECTION SERVICES (this "Agreement") is made and entered into on July 12, 2022, by and between the CITY OF CELINA, TEXAS, a Texas municipal corporation, acting by and through its City Council (the "City"), and NORTH COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 1, a political subdivision of the State of Texas (the "District"). The City and the District are individually referred to herein as a "Party" or collectively as the "Parties."

WHEREAS, the District was created pursuant to that certain Order Dividing Mesquaque Ranch Municipal Utility District of Collin County and Establishing Terms of Division, in accordance with House Bill No. 4626, 87th Legislature of Texas, Regular Session, 2021 codified at Chapter 7909, Texas Special District Local Laws Code (the "Creation Legislation"), for the purpose of, among other things, providing water, sanitary sewer and drainage facilities and roads to serve the land within its boundaries; and

WHEREAS, District seeks to secure Law Enforcement Services (hereinafter defined) for the benefit of the residents and property owners within District's boundaries (the "District Area"), as described in the attached Exhibit "A"; and

WHEREAS, pursuant to Section 49.216, Texas Water Code, the District may contract for peace officers with power to make arrests when necessary to prevent or abate the commission of (1) any offense against the rules of the District when the offense or threatened offense occurs on any land, water, or easement owned or controlled by the District; (2) any offense involving injury or detriment to any property owned or controlled by the District; and (3) any offense against the laws of the state; and

WHEREAS, Sections 49.212 of the Texas Water Code authorize districts to adopt and enforce all necessary charges or mandatory fees for providing or making available any district facility or service (including Law Enforcement Services); and

WHEREAS, the Board of Directors of the District has determined that it is in the best interests of the District and its residents to enter into a long-term contract with City to provide Law Enforcement Services to the District Area and proceed to secure approval of such contract by Collin County, in accordance with Section 7909.0104(a)(2) of the Creation Legislation (the "Approval"); and

WHEREAS, this Agreement is made pursuant to the authority of Section 49.213(c)(7) of the Texas Water Code and Texas Government Code, Chapter 791 as amended, more commonly known as the "Interlocal Cooperation Act", which allows governmental entities to contract with each other to perform governmental functions for

each other that they are each authorized to perform for themselves.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND CONSIDERATION PROVIDED FOR HEREIN, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY CONFIRMED, THE PARTIES AGREE AS FOLLOWS:

**Section 1.
Definitions**

In addition to other capitalized terms defined herein, when used in this Agreement, the following capitalized term shall have the meanings set forth below:

“Approval Date” means the date on which the Approval is obtained.

“Law Enforcement Services” means services including, but not limited to, patrol, traffic and criminal investigation, special response team and all resources and equipment, as defined and quantified in the annual City of Celina adopted budget, at the same level and to the same degree as are provided to the citizens of Celina.

**Section 2.
Term.**

2.1 Conditions Precedent to District’s Obligations. Pursuant to applicable law and the rules of the TCEQ, before this Agreement may become effective as to the District, the District must obtain approval from Collin County of this Agreement pursuant to Section 7909.0104(a)(2) of the Creation Legislation. The foregoing shall constitute a condition precedent to this Agreement becoming effective as to the District. If such condition precedent is not satisfied on or before December 31, 2023, this Agreement shall automatically terminate as to the District as of December 31, 2023.

2.2 Effective Date and Initial Term. This Agreement is effective upon the Approval Date. The Initial Term of this Agreement is herein defined in Section 5.1(b) below.

2.3 Renewal Terms. Upon the expiration of the Initial Term, this Agreement shall automatically renew for additional five (5) year renewal terms (the "Renewal Term(s)"), without the need for further action by the Parties, until the District Area is annexed for full purposes by the City and the District is abolished. However, any Party shall have the right to terminate this Agreement upon the conclusion of the Initial Term or any Renewal Term, by providing written notice of its election to terminate to the other Party on or before twelve (12) months preceding the scheduled date of expiration of the Initial Term or any Renewal Term.

Section 3. Scope of Services

3.1 Current Staffing, Equipment and Stations. The City owns, staffs, equips and operates fire stations as well as Law Enforcement vehicles and other equipment which City uses for the provision of Law Enforcement Services within City's incorporated limits and will be used in providing Law Enforcement Services to the District Area. In providing Law Enforcement Services to the District Area, the City shall be solely responsible for the operation of the Fire Station and all associated vehicles and equipment.

3.2 Provision of Law Enforcement Services. During the term of this Agreement (including the Initial Term and any Renewal Terms), and for so long as all payments are timely made to the City as required by Section 5, below, City agrees to:

- (a) Provide all Law Enforcement Services to the District Area, including any land added to the District Area by annexation. The Celina Police Department will enforce the laws of the State of Texas and the City ordinances, and the City will manage the response time, priority of calls and the service provided by the City for the District Area in the same manner as within the City limits.
- (b) Provide citizens and/or residents of the District with the same access to the City's Police Chief, officers, and employees as is provided to Celina's citizens and residents in relation to law enforcement activities.
- (c) Maintain records of response to emergency calls, including, but not limited to date, time, location, type of call and time to respond for up to twelve (12) months. It is understood and acknowledged that City shall not be required to provide data and information relating to periods of time beyond City's standard records retention period for such data and/or information if such data and/or information has been deleted or destroyed in accordance with City's records retention policy. Any request for records requiring information beyond the basic call for service information described above requires the submission of a public information request and shall be governed by the Texas Public Information Act Chapter 552, Texas Government Code.

3.3 Call and Response Data. City shall maintain records of response to emergency calls, including, but not limited to date, time, location of emergency, type of emergency, time to respond, and results. City agrees to provide a report to the District, as applicable, containing the foregoing information for a period of time not exceeding twelve (12) months not later than thirty (30) days after receipt of a written request. Requests for data for a period earlier than one (1) year prior than the date the request is received shall be delivered to the requesting Party as soon as reasonably feasible, but in no case later than sixty (60) days after City's receipt of the request. It is understood and acknowledged that City shall not be required to provide data and information relating to periods of time beyond City's standard records retention period for such data and/or information if such data and/or information has been deleted or destroyed in accordance with City's records retention

policy. The District expressly waives its right to request documents containing information considered confidential under the Health Insurance Portability and Accountability Act, or any similar state law (collectively "HIPAA"). The City shall not be required to release documents containing confidential HIPAA information. Any request for records requiring information beyond the basic call for service information described above requires the submission of a public information request and shall be governed by the Texas Public Information Act Chapter 552, Texas Government Code.

3.4 Insurance. City shall be responsible for providing all general and personal liability coverage necessary for the adequate protection of City employees providing Law Enforcement Services at the same level of protection afforded officers and employees while performing the same or similar duties in City's incorporated limits.

3.5 Governmental Functions. The Parties each acknowledge and agree that the Law Enforcement Services to be performed by the City are a governmental function.

Section 4. Employees, Independent Contractors and Volunteers

City's employees, independent contractors and/or volunteers shall meet at least the minimum State qualifications with respect to their performance of Law Enforcement Services required under this Agreement. District shall not (i) assume responsibility for the actions of City's employees, independent contractors and/or volunteers in performing Law Enforcement Services pursuant to this Agreement, and (ii) will make no recommendations regarding, and is in no way responsible for, the selection, sufficiency or qualification of City's employees, independent contractors and/or volunteers.

Section 5. Compensation for Law Enforcement Services

5.1 Compensation.

- (a) The Parties have agreed upon a methodology to determine a fair and equitable allocation of the costs of providing Law Enforcement Services to the District Area.
- (b) To the extent allowed by law, the City agrees to provide Law Enforcement Services at a level of service not less than those available in other parts of the City with land uses and population density similar to those reasonably projected for the District Area. Such services shall be provided by the City during the term of the agreement in consideration of a monthly fee initially in the amount of \$20.00 per water meter when a meter is issued for all types of construction, such as residential and commercial, and continuing for each month thereafter (the "Service Fee"). The Service Fee shall be billed and collected by the District in conjunction with the monthly water and sewer

collection bill for such structure. The \$20.00 Service Fee amount shall remain in effect until at least two (2) years have elapsed after 100% of the infrastructure for Phase I development in a particular District has been accepted (the "Initial Term"). During the Initial Term, the District shall pay the Service Fee collected by the District to the City on a quarterly basis.

- (c) After the Initial Term, the Parties agree to use a methodology to determine a fair and equitable allocation of the costs of providing Law Enforcement Services to the District Area. The methodology is intended to produce a cost to a resident of the District comparable to that allocable to a resident on the City for same or similar services. The methodology for calculating the annual amount (the "Annual Invoice") to be paid by the District under this section for Law Enforcement Services provided by the City is set forth on Exhibit "B" attached hereto and incorporated herein for all purposes.

Calculation for Law Enforcement Services of Annual Invoice after the Initial Term:

- (i) On or before September 1 of each year during any Renewal Term of this Agreement, the City shall provide to the District the calculation of the Annual Invoice for the coming year. The Annual Invoice shall consist of two components as follows: (A) the Annual Amount calculated by following the process set forth in Exhibit B; and (B) the Prior Year Adjustment (hereinafter defined). The Parties agree to make reasonable and good faith efforts to resolve any issues regarding such calculation. [By way of example and to further explain and confirm the intent of the Parties, the calculation of the Annual Amount for the period ending _____ is shown on Exhibit B.] Within thirty (30) days from District's receipt of such City calculation, but not later than October 1, the City shall send an invoice to the District in the amount of the Annual Invoice.
- (ii) On or before the following August 30, the City shall recalculate the Annual Amount for the current year following the process set forth in Exhibit B. Should such recalculation produce an increase or decrease, as the case may be, in the Annual Amount for that year (the amount of such increase or decrease being the "Prior Year Adjustment"), the Prior Year Adjustment shall be added to or deducted from, as appropriate, the Annual Invoice for the coming year.
- (d) The Annual Invoice shall be paid in ten (10) equal monthly payments, beginning October 25 each year and ending the following July 25.

Section 6. Notices

All notices given pursuant to this Agreement shall be in writing and given by

overnight courier or certified mail with return receipt requested, in either case with receipt being deemed the date of the signed receipt. Notice given in any other manner shall be effective only if in writing and when actually received by the party or parties to be notified. For the purpose of notice, the addresses of the parties are as follows:

If to the City:

Attn: City Manager
City of Celina
142 N. Ohio Street
Celina, Texas 75009
(972) 382-2682

If to the District:

North Collin County Municipal Utility District No. 1
c/o Coats Rose, P.C.
Attn: Mindy L. Koehne
14755 Preston Road, Suite 600
Dallas, Texas 75254

Each Party shall have the right to change its address and specify same as the notice address for purposes of this Agreement by giving at least thirty (30) days written notice to the other Party.

Section 7. Miscellaneous

7.1 **Parties In Interest.** This Agreement shall be for the sole and exclusive benefit of City and District and shall not be construed to confer any benefit or right upon any other party.

7.2 **Entire Agreement.** This Agreement constitutes the entire Agreement among the Parties relative to the subject matter hereof. There have not been and are no agreements, covenants, representations or warranties among the Parties, either oral or written, relative to such subject matter other than those expressly stated or provided for herein.

7.3 **Good Faith Cooperation.** The Parties agree to use good faith in the performance of their respective duties and obligations under this Agreement such that the intent of the Parties shall be fulfilled. The Parties further agree to take such additional actions, from time to time, as may be necessary to fully carry out the purposes and intent of this Agreement including, but not limited to, the execution of further documentation.

7.4 **Default and Remedies.**

- (a) **Notice of Default.** No Party shall be in default under this Agreement until (i) written notice of the alleged failure of such Party to perform any of its obligations hereunder has been given by another Party and (ii) such noticed Party has had a period of time, as specified below, in which to cure the alleged failure. The Party declaring a default shall notify the offending Party in writing of any such alleged failure to perform. Such notice shall specify the basis for a declaration of default, and the notified party shall have thirty (30) days from the receipt of such notice to cure any default. If a default is not cured within such 30-day period, then the noticing Party shall have the option to terminate this Agreement.
- (b) **City Termination; Other Remedies.** City shall have the right to terminate this Agreement for failure by the District, as applicable, to make the payments described in Section 5, but only after (i) City provides written notice to the District of its intent to terminate this Agreement and (ii) the District is given twenty-one (21) days from the receipt of such notice from City to cure the failure. City may terminate this Agreement for a failure to pay only after a failure to make all required payments within such 21-day period. City may further seek such legal remedies available to City under law to recover any amount which remains outstanding pursuant to this Agreement. Any amounts due and payable to City and which remain unpaid after thirty (30) days from the date such payment was due shall bear interest at the maximum rate allowed by law commencing on the 31st day after payment was due. In the event City is required to file suit to collect any unpaid amounts under this Agreement, City shall further be entitled to costs and reasonable attorneys' fees incurred in prosecuting such suit.
- (c) **District Termination.** District's recourse for failure of City to furnish Law Enforcement Services under this Agreement will be the right to terminate this Agreement on or after the 60th day after providing written notice to City of such failure containing a description of how City has failed to provide Law Enforcement Services, and City fails to cure such default. Termination pursuant to this Section 7.4(c) shall not release the District of the obligations to pay for Law Enforcement Services provided by City up to the date of termination or the date City ceased providing Law Enforcement Services, whichever is earlier.
- (d) **District's Rights Upon Termination.** Should this Agreement be terminated for any reason, or if any term of this Agreement ends and the Agreement is not renewed, District will be free to seek the services contemplated by this Agreement from any source available to District.

7.5 **Severability.** The provisions of this Agreement are severable, and if any

word, phrase, clause, sentence, paragraph, section, or other part of this Agreement, or the application 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 Agreement to other persons or circumstances shall be not be affected thereby.

7.6 Force Majeure.

- (a) In the event any Party is rendered unable, wholly or in part, by "force majeure" (as hereinafter defined) to carry out its obligations under this Agreement, then the obligations of such Party to the extent affected by such force majeure, to the extent due diligence is being used to resume performance at the earliest practical time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period of time. As soon as reasonably possible after the occurrence of the force majeure relied upon, the Party whose contractual obligations are affected shall give written notice of such force majeure to the other Party. If possible to remedy, such cause shall be remedied with all reasonable dispatch.
- (b) The term "force majeure" as used herein shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of the United States or the State of Texas or other military authority with jurisdiction over either Party, insurrections, riots, epidemics, landslides, earthquakes, fires, hurricanes, arrests, civil disturbances, widespread pestilence, explosions, breakage or accidents to machinery, pipelines or canals, significant variations from normal weather conditions reasonably expected during the period in question, and any other inability a Party could not have avoided by the exercise of due diligence and care. "Force majeure" shall not mean or refer to governmental regulations or acts of any governmental entity, board, commission or council over which a Party may reasonably exert influence in order to meet its obligations pursuant to this Agreement.

7.7 Liability.

- (a) **District.** Nothing stated herein shall be construed as a waiver of all the protections afforded District as a sovereign governmental unit. District assumes no liability or responsibility for the acts and omissions of City, its employees, agents, officers or others working through it in any capacity.
- (b) **City.** Nothing stated herein shall be construed as a waiver of all the protections afforded City as a sovereign governmental unit. City assumes no liability or responsibility for the acts and omissions of the District, its employees, agents, officers, or others working through it in any capacity.

7.8 **Attorneys' Fees and Venue.** In the event suit is filed by a Party as a result of the performance or non-performance of the terms set forth in this Agreement, and given that this Agreement is a contract for goods or services under Chapter 271 of the Texas Local Government Code, the prevailing Party shall recover its reasonable attorneys' fees and court costs, with venue of any such action to be in a state court in Collin County, Texas.

7.9. **Waiver of Breach.** No waiver by a Party of any default or breach of a term or condition of this Agreement by another Party may be treated as a waiver of any subsequent default or breach of the same or any other term or condition of this Agreement.

7.10 **Modification.** This Agreement may only be modified, changed or altered at any time upon mutual agreement of the Parties, provided that any such modification, change and/or alteration be reduced to writing and approved by the Parties' governing bodies and, to the extent required by law, the TCEQ and/or the majority voters of the District.

7.11 **No Waiver of Immunity.** Nothing in this Agreement shall give any claim or cause of action to any person or party not a party to this Agreement, nor create any claim or cause of action against City or District which would not exist in the absence of this Agreement. Nothing in this Agreement shall add to or change the liability limits or immunities otherwise available to another Party, and nothing in this Agreement shall be deemed or construed to waive any defense, privilege, or immunity of the Parties nor of any of their elected officials, officers, employees, as to any claim or cause of action brought by any Party, person or entity.

7.12 **Authority and Enforceability.** The Parties represent and warrant that this Agreement has been approved and or adopted by the Parties' authorized representatives and that the individuals executing this Agreement on behalf of each Party has been duly authorized to do so. 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.

7.13 **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.

7.14. **No Joint Enterprise.** This Agreement is not intended to and shall not be construed so as to create a joint enterprise between the Parties.

7.15 **No Interpretation Against a Party.** This Agreement shall not be construed more strictly against the drafter as the Parties have had the benefit of counsel in the negotiation and preparation of this Agreement.

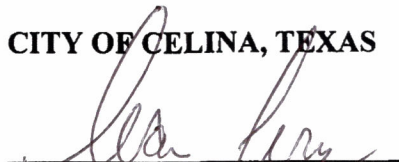
7.16 **Headings.** The headings of the various paragraphs of the Agreement have been inserted for convenient reference only and shall not be construed to enlarge, diminish, or otherwise change the express provisions hereof.

7.17 **Counterparts.** This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.


(Signatures on following pages)

Signed and agreed this 12 day of JULY, 2022.

CITY OF CELINA, TEXAS

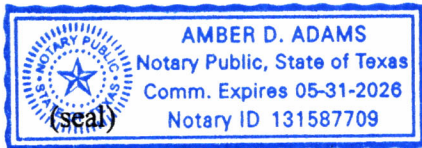

Sean Terry, Mayor


ATTEST:


Lauren Field, Deputy City Secretary

STATE OF TEXAS §
COUNTY OF Collin §

This instrument was acknowledged before me on this 12 day of July, 2022, by Sean Terry, Mayor, and Lauren Field, Deputy City Secretary, of the City of Celina, Texas, on behalf of said City.




Notary Public in and for the State of Texas

Signed and agreed this 20th day of June, 2022.

**NORTH COLLIN COUNTY MUNICIPAL
UTILITY DISTRICT NO. 1**

By: [Signature]
Name: JACK L. MORRIS, JR.
Title: PRESIDENT

STATE OF TEXAS §
COUNTY OF Dallas §

This instrument was acknowledged before me on this 20th day of June, 2022,
by Jack Morris, Jr., President of Board of Directors of North Collin County
Municipal Utility District No. 1, on behalf of said District.

[Signature]
Notary Public in and for the State of Texas

(seal)

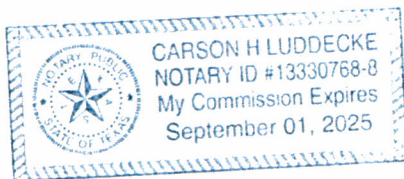


EXHIBIT "A"
Legal Description of District Area

TRACT 1:

BEING a tract of land situated in the Thomas Allen Survey, Abstract No. 13, the John W. S. Butler Survey, Abstract No. 67, the John G. Douglass Survey, Abstract No. 263, the David Douglass Survey, Abstract No. 264 and the Abner Stapp Survey, Abstract No. 832, Collin County, Texas, and being all of a called 347.852-acre tract of land described in a General Warranty Deed to Mesquoaakee Ranch LLC, as recorded in Instrument No. 20160406000409790, all of a called 177.179-acre tract of land described in a General Warranty Deed to Mesquoaakee Ranch LLC, as recorded in Instrument No. 20160322000337270, all of a called 25.864-acre tract of land described in a Special Warranty Deed to Mesquoaakee Ranch LLC, as recorded in Instrument No. 20160322000339650 and all of a called 6.000-acre tract of land described in a Warranty Deed to Mesquoaakee Ranch LLC, as recorded in Instrument No. 20160323000344750, all of the Official Public Records of Collin County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a MAG nail found at the intersection of County Road 1104, an apparent public use right of way with County Road 135, an apparent public use right of way, for the southeast corner of said 177.179-acre tract, same being the southwest corner of those tracts of land described in a Special Warranty Deed to Gary W. Cash, as recorded in Instrument No. 20170516000628920 of the Official Public Records of Collin County, Texas, same also being on the northerly line of a called 175.77-acre tract of land described in a Special Warranty Deed to Mesquoaakee Ranch LLC,, as recorded in Instrument No. 201602260002266180 of the Official Public Records of Collin County, Texas;

THENCE North 89°37'58" West, along the southerly line of said 177.179-acre tract, the northerly line of said 175.77-acre tract and generally along said County Road 135, a distance of 697.39 feet to a 1/2-inch iron rod with a red plastic cap found for the northerly, northwest corner of said 175.77-acre tract, same being the northeast corner of a called 58.02-acre tract of land described in a Warranty Deed to Shelly K. Sandler and husband, Steve A. Sandler, as recorded in Volume 4407, Page 3460 of the Land Records of Collin County, Texas;

THENCE South 89°07'21" West, continuing along the southerly line of said 177.179-acre tract, the northerly line of said 58.02-acre tract, the northerly line of a called 124.072-acre tract of land described in a Special Warranty Deed to Mesquoaakee Ranch LLC, as recorded in Instrument No. 20190913001134580, of the Official Public Records of Collin County, Texas, and continuing along said County Road 135, a distance of 1,031.93 feet to a 1/2-inch iron rod found for the southerly, southwest corner of said 177.179-acre tract, same being the southeast corner of aforesaid 347.852-acre tract;

THENCE North 89°57'53" West, along the southerly line of said 347.852-acre tract, continuing along the northerly line of said 124.072-acre tract, and continuing along said County Road 135, a distance of 1,408.63 feet to a 1/2-inch iron rod found for the southerly, southwest corner of said 347.852-acre tract, same being the southeast corner of a called 6.00-acre tract of land described in a Special Warranty Deed to Russell Verden and Kayla Verden, as recorded in Instrument No. 20150406000378640 of the Official Public Records of Collin County, Texas;

THENCE North 00°25'58" West, departing said County Road 135, along a westerly line of said 347.852-acre tract and the easterly line of said 6.00-acre tract, and generally along a barbed wire fence, a distance of 626.13 feet to a 1/2-inch iron rod found for the northeast corner of said 6.00-acre tract;

THENCE South 89°43'28" West, along a southerly line of said 347.852-acre tract, the northerly line of said 6.00-acre tract, the northerly line of a called 5.999-acre tract of land described in a Special Warranty Deed to Shannon Lynne Hughes and Buddy Jason Hughes, as recorded in Instrument No. 20170203000154150, the northerly line of a called 5.998-acre tract of land described in a General Warranty Deed to MLE Family Trust Dated May 31, 2018, as recorded in Instrument No. 20181030001348820, the northerly line of a called 6.00-acre tract of land described in a General Warranty Deed to MLE Family Trust Dated May 31, 2018, as recorded in Instrument No. 20181005001248960 and the northerly line of a called 12.006-acre tract of land described in a General Warranty Deed to MLE Family Trust Dated May 31, 2018, as recorded in Instrument No. 20181030001348810, all of the Official Public Records of Collin County, Texas, and generally along a barbed wire fence, a distance of 2,521.18 feet to a 1/2-inch iron rod found for the northwest corner of said 12.006-acre tract, same being the northeast corner of aforesaid 6.000-acre Mesquaque Ranch LLC tract;

THENCE South 00°26'02" East, departing the southerly line of said 347.852-acre tract, along the easterly line of said 6.000-acre tract and the westerly line of said 12.006-acre tract, a distance of 621.97 feet to a MAG nail with shiner set in County Road 135 for the southeast corner of said 6.000-acre tract and the southwest corner of said 12.006-acre tract, same being on the northerly line of a called 110.98-acre tract of land described in a deed recorded in County Clerk's File No. 97-0007984 of the Land Records of Collin County, Texas;

THENCE South 89°18'10" West, along the southerly line of said 6.000-acre tract, the northerly line of said 110.98-acre tract and along said County Road 135, a distance of 400.52 feet to a 1/2-inch iron rod found in the intersection of said County Road 135 with County Road 136, an apparent public use right of way, for the southwest corner of said 6.000-acre tract, same being the southeast corner of a called 666.163-acre tract of land described in a Special Warranty Deed to Huffines Ranch, LLC, as recorded in Instrument No. 20201228002323720 of the Official Public Records of Collin County, Texas;

THENCE North 03°50'56" West, along the westerly line of said 6.000-acre tract, the easterly line of said 666.163-acre tract and along said County Road 136, a distance of 626.14 feet to a 1/2-inch iron rod found for the northwest corner of said 6.000-acre tract and the westerly, southwest corner of aforesaid 347.852-acre tract;

THENCE North 05°02'25" West, along the westerly line of said 347.852-acre tract, the easterly line of said 666.163-acre tract, and continuing along said County Road 136, a distance of 649.23 feet to a MAG nail found for corner;

THENCE North 01°13'23" West, continuing along the westerly line of said 347.852-acre tract, the easterly line of said 666.163-acre tract, and continuing along said County Road 136, a distance of 770.87 feet to a MAG nail found for corner;

THENCE North 06°26'47" East, continuing along the westerly line of said 347.852-acre tract, the easterly line of said 666.163-acre tract, and continuing along said County Road 136, a distance of 50.97 feet to a MAG nail found for corner;

THENCE North 18°59'00" East, continuing along the westerly line of said 347.852-acre tract, the easterly line of said 666.163-acre tract, and continuing along said County Road 136, a distance of 85.22 feet to a MAG nail found for corner;

THENCE North 03°26'20" East, continuing along the westerly line of said 347.852-acre tract, the easterly line of said 666.163-acre tract, and continuing along said County Road 136, a distance of 61.42 feet to a MAG nail found for corner;

THENCE North 00°53'10" West, continuing along the westerly line of said 347.852-acre tract, the easterly line of said 666.163-acre tract, and continuing along said County Road 136, a distance of 1,031.18 feet to a point for corner;

THENCE North 88°05'48" East, departing the easterly line of said 666.163-acre tract and said County Road 136, continuing along the westerly line of said 347.852-acre tract, a distance of 66.00 feet to a MAG nail with shiner set for corner;

THENCE North 01°22'47" West, continuing along the westerly line of said 347.852-acre tract, a distance of 241.11 feet to a 5/8-inch iron rod with a yellow plastic cap, stamped "PELTON" found for corner;

THENCE South 88°01'14" West, continuing along the westerly line of said 347.852-acre tract, a distance of 66.00 feet to a MAG nail with shiner set for corner in said County Road 136, same being on the easterly line of aforesaid 666.163-acre tract;

THENCE North 00°53'35" West, along the westerly line of said 347.852-acre tract, the easterly line of said 666.163-acre tract, and continuing along said County Road 136, a distance of 1,790.91 feet to a MAG nail found for the northwest corner of said 347.852-acre tract, same being the southwest corner of a called 81.321-acre tract of land described in a Special Warranty Deed to E Real Estate LLC, as recorded in Instrument No. 20200212000196520, of the Official Public Records of Collin County, Texas;

THENCE North 89°48'06" East, departing the easterly line of said 666.163-acre tract and said County Road 136, along the northerly line of said 347.852-acre tract and the southerly line of said 81.321-acre tract, a distance of 2,777.95 feet to a 5/8-inch iron rod with a yellow plastic cap, stamped "PELTON" found for the southeast corner of said 81.321-acre tract, same being the southwest corner of a called 57.804-acre tract of land described in a Special Warranty Deed to Bangs Ranch, LLC, as recorded in Instrument No. 20181019001305900 of the Official Public Records of Collin County, Texas;

THENCE South 89°08'12" East, continuing along the northerly line of said 347.852-acre tract and the southerly line of said 57.804-acre tract, a distance of 172.81 feet to a 1/2-inch iron pipe

found in the center of a creek, for the northerly, northeast corner of said 347.852-acre tract, same being the northwest corner of a called 53.698-acre tract of land described in a Special Warranty Deed to Bangs Ranch, LLC, as recorded in Instrument No. 20181228001571380 of the Official Public Records of Collin County, Texas;

THENCE in a southerly direction, along the easterly line of said 347.852-acre tract, the westerly line of said 53.698-acre tract, and generally along the center of said creek, the following

South 06°48'04" East, a distance of 30.74 feet to a point for corner;
South 59°27'24" East, a distance of 75.42 feet to a point for corner;
South 15°55'24" East, a distance of 71.99 feet to a point for corner;
South 21°22'46" West, a distance of 38.23 feet to a point for corner;
South 41°21'07" West, a distance of 45.46 feet to a point for corner;
South 56°49'18" West, a distance of 54.36 feet to a point for corner;
South 09°11'21" West, a distance of 163.22 feet to a point for corner;
South 10°07'13" East, a distance of 33.18 feet to a point for corner;
South 17°17'54" West, a distance of 24.12 feet to a point for corner;
South 31°48'15" West, a distance of 45.63 feet to a point for corner;
South 05°15'15" East, a distance of 20.13 feet to a point for corner;
South 29°57'48" East, a distance of 39.65 feet to a point for corner;
South 27°42'28" West, a distance of 52.09 feet to a point for corner;
South 00°28'59" East, a distance of 11.19 feet to a point for corner;
South 16°50'20" East, a distance of 43.08 feet to a point for corner;
South 70°34'13" West, a distance of 60.70 feet to a point for corner;
South 13°42'20" West, a distance of 35.31 feet to a point for corner;
South 27°22'40" West, a distance of 52.33 feet to a point for corner;
South 00°16'38" East, a distance of 44.08 feet to a point for corner;

South 24°25'25" East, a distance of 29.95 feet to a point for corner;

South 41°56'13" East, a distance of 25.86 feet to a point for corner;

South 10°48'31" West, a distance of 121.21 feet to a point for corner;

South 15°50'04" West, a distance of 64.29 feet to a point for corner;

South 78°19'01" West, a distance of 33.46 feet to a point for corner;

South 00°30'45" West, a distance of 64.40 feet to a point for corner;

South 37°45'56" East, a distance of 51.55 feet to a point for corner;

South 21°44'55" East, a distance of 49.73 feet to a point for corner;

South 13°42'43" West, a distance of 43.49 feet to a point for corner;

THENCE North 88°39'09" East, departing the center of said creek and continuing along the easterly line of said 347.852-acre tract and the westerly line of said 53.698-acre tract, a distance of 324.85 feet to a 6-inch wooden fence corner post found for a corner;

THENCE South 01°00'59" East, continuing along the easterly line of said 347.852-acre tract and the westerly line of said 53.698-acre tract, a distance of 291.03 feet to a 1/2-inch iron rod found for the southwest corner of said 53.698-acre tract, same being the northwest corner of a called 61.380-acre tract of land described in a Quitclaim Deed to The Christopher and Elizabeth Ostolski Revocable Trust, Dated March 25, 2015, as recorded in Instrument No. 20160706000856950 of the Official Public Records of Collin County, Texas;

THENCE South 00°18'04" East, continuing along the easterly line of said 347.852-acre tract and along the westerly line of said 61.380-acre tract, a distance of 536.52 feet to a 1/2-inch iron rod with a red plastic cap found for the southwest corner of said 61.380-acre tract, same being the northwest corner of aforesaid 177.179-acre Mesquoakee Ranch LLC tract;

THENCE North 89°14'58" East, departing the easterly line of said 347.852-acre tract, along the northerly line of said 177.179-acre tract and the southerly line of said 61.380-acre tract, a distance of 2,757.43 feet to a PK nail found in County Road 1104, for the northeast corner of said 177.179-acre tract and the southeast corner of said 61.380-acre tract, same being on the westerly line of a called 57.62-acre tract of land described in a Generally Warranty Deed to Pamela L. Etzel and Lewis Scott Wallace, as recorded in Instrument No. 20180410000439230 of the Official Public Records of Collin County, Texas;

THENCE South 01°03'01" East, continuing along the easterly line of said 177.179-acre tract, the westerly line of said 57.62-acre tract, and said County Road 1104, a distance of 535.89 feet to a MAG nail found for a corner;

THENCE South 68°25'49" East, continuing along the easterly line of said 177.179-acre tract, the westerly line of said 57.62-acre tract, passing the southeast corner of said 177.179-acre tract and the northeast corner of aforesaid 25.864-acre Mesquoakee Ranch LLC tract, continuing along the easterly line of said 25.864-acre tract, and, and along said County Road 1104, a distance of 179.86 feet to a MAG nail with shiner set for corner,

THENCE South 22°51'01" East, continuing along the easterly line of said 25.864-acre tract, the westerly line of said 57.62-acre tract, passing the southerly, southwest corner of said 57.62-acre tract and the northwest corner of a called 26.752-acre tract of land described in a General Warranty Deed to Ravishankar G. Yatnatti and Shailesh Sood, as recorded in Instrument No. 2016122001583150 of the Official Public Records of Collin County, Texas, continuing along the westerly line of said 26.752-acre tract and said County Road 1104, a distance of 106.70 feet to a MAG nail with shiner set for corner;

THENCE South 03°28'09" East, continuing along the easterly line of said 25.864-acre tract, the westerly line of said 26.752-acre tract, and said County Road 1104, a distance of 67.38 feet to a MAG nail found for corner;

THENCE South 01°10'10" East, continuing along the easterly line of said 25.864-acre tract, the westerly line of said 26.752-acre tract, and said County Road 1104, a distance of 467.79 feet to a MAG nail with shiner set for the southeast corner of said 25.864-acre tract, same being the easterly, northeast corner of aforesaid 177.179-acre tract;

THENCE South 01°25'48" East, along the easterly line of said 177.179-acre tract, the westerly line of said 26.752-acre tract, and said County Road 1104, passing a 1/2-inch iron rod found for the southwest corner of said 26.752-acre tract and the northwest corner of a called 31.734-acre tract of land described in a Special Warranty Deed to Jack W. Haye and Carol B. Haye, as recorded in Volume 3903, Page 2911 of the Land Records of Collin County, Texas, continuing along the westerly line of said 31.734-acre tract, passing the southwest corner of said 31.734-acre tract and the northwest corner of aforesaid Gary W. Cash tracts, continuing along the westerly line of said Gary W. Cash tracts, a distance of 2,043.88 feet to the POINT OF BEGINNING and containing 556.456 acres (24,239,227 square feet) of land, more or less.

TRACT 2:

BEING a tract of land situated in the Leonidas Wilson Survey, Abstract No.974, Collin County, Texas and being all of called 75.335-acre tract of land described in a Special Warranty Deed to E Real Estate LLC, as recorded in Instrument No. 2020021200196510 and all of a called 81.321-acre tract of land described in a Special Warranty Deed to E Real Estate LLC, as recorded in Instrument No. 20200212000196520, both of the Official Public Records of Collin County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a MAG nail with shiner set in the intersection of County Road 136, an apparent public use right of way with County Road 138, an apparent public use right of way, for the northwest corner of said 75.335-acre tract;

THENCE North $89^{\circ}12'11''$ East, along the northerly line of said 75.335-acre tract and generally along said County Road 138, a distance of 667.27 feet to a MAG nail with shiner set for corner;

THENCE North $88^{\circ}40'54''$ East, continuing along the northerly line of said 75.335-acre tract and generally along said County Road 138 for a part of the way, a distance of 2,155.33 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for the northeast corner of said 75.335-acre tract, same being on the westerly line of a called 68.113-acre tract of land described in a Special Warranty Deed to Masoud Shaygan, as recorded in Volume 6036, Page 830 of the Land Records of Collin County, Texas;

THENCE South $00^{\circ}31'26''$ East, along the easterly line of said 75.335-acre tract and the westerly line of said 68.113-acre tract, a distance of 1,188.65 feet to a 12-inch wooden fence corner post found for the southeast corner of said 75.335-acre tract, the southwest corner of said 68.113-acre tract, the northeast corner of aforesaid 81.321-acre tract and the northwest corner of a called 57.804-acre tract of land described in a Special Warranty Deed to Bangs Ranch, LLC, as recorded in Instrument No. 20181019001305900 of the Official Public Records of Collin County, Texas;

THENCE South $01^{\circ}07'24''$ West, along the easterly line of said 81.321-acre tract and the westerly line of said 57.804-acre tract, a distance of 1,264.24 feet to a 5/8-inch iron rod with a yellow plastic cap, stamped "PELTON" found for the southeast corner of said 81.321-acre tract and the southwest corner of said 57.804-acre tract, same also being on the northerly line of a called 347.852-acre tract of land described in a General Warranty Deed to Mesquaquee Ranch LLC, as recorded in Instrument No. 20160406000409790 of the Official Public Records of Collin County, Texas;

THENCE South $89^{\circ}48'06''$ West, along the southerly line of said 81.321-acre tract and the northerly line of said 347.852-acre tract, a distance of 2,777.95 feet to a MAG nail found in aforesaid County Road 136 for the southwest corner of said 81.321-acre tract and the northwest corner of said 347.852-acre tract, same being on the easterly line of a called 170.163-acre tract of land described in a Special Warranty Deed to Andrew Pennington, as recorded in Instrument No. 20201229002348790 of the Official Public Records of Collin County, Texas;

THENCE North $00^{\circ}45'39''$ West, along the westerly line of said 81.321-acre tract, the easterly line of said 170.163-acre tract and generally along the center of said County Road 136, a distance of 1,266.61 feet to a 1/2-inch iron rod found for the northwest corner of said 81.321-acre tract and the southwest corner of aforesaid 75.335-acre tract;

THENCE North $00^{\circ}40'12''$ West, along the westerly line of said 75.335-acre tract, the easterly line of said 170.163-acre tract, passing the southeast corner of a 30' wide right of way dedication as depicted in Honey Creek Farms Addition, an addition to Collin County, Texas, as recorded in Cabinet L, Page 409 of the Map Records of Collin County, Texas, continuing along the easterly line of said 30' wide right of way dedication, a distance of 1,136.92 feet to the POINT OF BEGINNING and containing 156.444 acres (6,814,686 square feet) of land, more or less.

EXHIBIT "B"
Calculation of Annual Amount

Estimate September 1st	
Step 1	SUM \$County Certified Roll, A, C1, O times \$Effective O&M rate in Budget =Revenues derived from Residential taxes
Step 2	Revenues derived from Residential taxes divided by Total General Fund Revenues Budgeted =% of Residential Revenues
Step 3 a	Total Fire Budget multiplied by % of Residential Revenues (Step 2) = \$ of Fire Expenses Paid by Residential Taxes
Step 3 b	Total Police Budget multiplied by % of Residential Revenues (Step 2) = \$ of Police Expenses Paid by Residential Taxes
Step 4 a	\$ Paid by Residential Taxes for Fire (above) divided by Total County "count" previously used = \$ Costs per Living Unit Equivalent (LUE - Fire)
Step 4 b	\$ Paid by Residential Taxes for Police (above) divided by Total County "count" previously used = \$ Costs per living Unit Equivalent (LUE - Police)
Step 5 a	\$ Costs per LUE Fire (above) Multiplied by total DISTRICT LUE on the ground, plus any permits pulled effective September 30th = Annual Fire Cost to DISTRICT
	\$ Costs per LUE Police (above) Multiplied by total DISTRICT LUE on the ground, plus any permits pulled effective September 30th = Annual Police Costs to DISTRICT
Step 5c	Sum of Annual Fire and Police costs to DISTRICT (above) = Annual TOTAL Cost to DISTRICT
Invoice October 1st	Payments can be made in 10 equal installments, beginning October 25th and ending July 25th.

(continued on next page)

True up next August 30th

Using actual 11 month
FY Collections/ Expenses

Step 6	Collected Revenues from Residential taxes divided by Total Collected General Fund Revenues FYE = % of Residential Revenues
Step 7 a	Total Fire Budget Amended multiplied by % Residential Revenues (Step 2) = \$ of Amended Fire Expenses Paid by Residential Taxes
Step 7 b	Total Police Budget Amended multiplied by % Residential Revenues (Step 2) = \$ of Amended Police Expenses Paid by Residential Taxes
Step 8 a	\$ Paid by Residential Taxes for Fire (above) divided by Total County "count" previously used = \$ Costs per Living Unit Equivalent (LUE - Fire)
Step 8 b	\$ Paid by Residential Taxes for Police (above) divided by Total County "count" previously used = \$ Costs per living Unit Equivalent (LUE - Police)
Step 9 a	\$ Costs per LUE Fire (above) Multiplied by total DISTRICT LUE previously used = Annual Fire Cost to DISTRICT added to next year's invoice total (Step 4A)
Step 9 b	\$ Costs per LUE Police (above) Multiplied by total DISTRICT LUE previously used = Annual Police Cost to DISTRICT added to next year's invoice total (Step 4B) = Annual credit or increase to DISTRICT's next year calculation