
COMPROMISE AGREEMENT

This Compromise Agreement ("Agreement") is made and entered into by and between COLLIN COUNTY, TX ("County"), BEATEN PATH DEVELOPMENT – HIGHLAND CROSSING, LLC ("Beaten Path") and GREAT MIDWEST INSURANCE COMPANY ("Surety") (individually each, a "Party" and collectively, the "Parties").

RECITALS

WHEREAS, Beaten Path developed a subdivision in Collin County, TX known as Highland Crossing North ("Subdivision") that required the construction of certain Road and Drainage Infrastructure Improvements consisting of roads, alleys, bridges, ditches, stormwater control and drainage improvements and facilities, vegetative cover, and items associated therewith ("Subdivision Improvements");

WHEREAS, County accepted the Subdivision Improvements on July 28, 2022 ("Acceptance");

WHEREAS, Surety, on behalf of Beaten Path, as principal, executed and delivered to County Maintenance Bond, No. GM215270, with a penal sum of \$1,332,123.75 (the "Maintenance Bond"), which secures Beaten Path's obligation to maintain and keep in good repair the Subdivision Improvements in accordance with the County's Subdivision Regulations, as set out in the terms and conditions of the Bond and expiring at the end of the two-year period following the July 28, 2022 Acceptance;

WHEREAS, on or about July 22, 2024, County issued a Notice of Default asserting a claim against the Maintenance Bond alleging Beaten Path had not corrected certain deficiencies in the maintenance of the Subdivision Improvements, such deficiencies are memorialized in a Collin County Inspection Report dated July 19, 2024, which is attached to this Agreement as Exhibit "A" ("Inspection Report"); and

WHEREAS, the Parties desire to enter into this Agreement for the purpose of fully and finally resolving all legal and equitable claims that exist or may exist between the Parties regarding the Subdivision, the Maintenance Bond, and the Inspection Report ("Disputes"), on the terms and conditions set forth in this Agreement and subject to the exception set forth herein.

AGREEMENT

NOW THEREFORE, in consideration of the following good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the mutual promises and agreements herein contained, the Parties agree as follows:

1. A Settlement Has Been Reached. To avoid the costs, inconvenience, and burdens associated with the fees incurred by the Parties, and, without admitting liability on any outstanding claims and the Disputes, the Parties enter into this Agreement to resolve the claims and the Disputes and avoid litigating the issues between them.

2. Settlement Consideration. Beaten Path agrees to pay ONE HUNDRED AND TWELVE THOUSAND AND 00/100 DOLLARS (\$112,000.00) to County (the **"Settlement Consideration."**) The Settlement Consideration is due to County within thirty (30) days after the Parties' receipt of a fully executed copy of this Agreement and a completed W-9 form from County. The Settlement Consideration shall be made payable to COLLIN COUNTY, TX, and mailed to counsel for County: Attn: Mike Dixon, Haley Olson, 100 N. Ritchie Road, Suite 200, Waco, Texas 76712.

3. Release.

(a) Upon County's receipt of the Settlement Consideration, the Parties, each for itself and its affiliates, officers (present and former), directors (present and former), managers (present and former), members (present and former), agents, attorneys, employees, legal representatives, predecessors, successors, and permitted assigns, hereby release, acquit, and discharge each other and their respective affiliates, officers (present and former), directors (present and former), managers (present and former), members (present and former), agents, attorneys, employees, legal representatives, predecessors, successors, and permitted assigns of and from any and all claims, demands, causes of action, damages, losses and expenses of whatever nature or character, whether in contract or in tort, known or unknown, asserted or unasserted, contingent or otherwise, arising out of or relating to the Subdivision and/or the Subdivision Improvements, including but not limited to, claims arising out of or relating to the Maintenance Bond, the Inspection Report, and/or the Disputes.

(b) Without limiting the foregoing and upon County's receipt of the Settlement Consideration, County, for itself and its affiliates, officers (present and former), directors (present and former), managers (present and former), members (present and former), agents, attorneys, employees, legal representatives, predecessors, successors, and permitted assigns, hereby release, acquit, and discharge GFO Home, LLC and its affiliates, officers (present and former), directors (present and former), managers (present and former), members (present and former), agents, attorneys, employees, legal representatives, predecessors, successors, and permitted assigns of and from any and all claims, demands, causes of action, damages, losses and expenses of whatever nature or character, whether in contract or in tort, known or unknown, asserted or unasserted, contingent or otherwise, arising out of or relating to the items shown on the Inspection Report.

4. Representations. Each Party hereby represents and warrants that it is authorized and has full capacity to enter into this Agreement, that the Agreement is enforceable against it, upon execution hereof and according to the terms hereof and that no Party hereto has assigned any claims or rights intended to be addressed and released hereunder. The Parties further represent and warrant that they have read each page of this Agreement and fully understand them, agree to them, and voluntarily sign them.

5. Costs. Each of the Parties hereto agrees to bear all of its own costs, including attorneys' fees, incurred in connection with the negotiation and drafting of this Agreement.

6. Entire Consideration. It is agreed and understood that this Agreement sets forth the entire consideration for the agreements and understandings of the Parties and that all agreements and understandings among the Parties are embodied and expressed in this Agreement.

7. Venue. The Parties hereby stipulate and agree that if it becomes necessary for either Party to file any action in connection with this Agreement including, without limitation, to enforce any breach of this Agreement, that such action shall be brought in a court of competent jurisdiction for Collin County, Texas. The Parties hereto do expressly waive any right to a trial by jury and understand and agree this waiver is valid, enforceable, and is supported by valuable consideration between the Parties, it being a material inducement to the Parties in entering into this Agreement.

8. No Third-Party Rights. This Agreement is solely between the Parties named herein. Performance of the respective obligations of each Party under this Agreement shall be rendered solely to the other Party. This Agreement may not be assigned in whole or in part by any Party without the prior written approval of each of the Parties to this Agreement. Other than those third parties expressly released under this Agreement, no group, individual, or third party have any rights under this Agreement.

9. No Admissions by the Parties. This Agreement is a compromise, settlement and release of doubtful and disputed claims, and, except where otherwise expressly noted in this Agreement, it does not constitute, nor can it be construed to constitute, nor shall it ever be treated as evidence of, or an admission of, liability by or against any Party hereto for any purpose whatsoever.

10. Binding Effect. This Agreement shall be binding upon the Parties hereto, their heirs, successors and assigns, and to the extent any provision in this Agreement shall be deemed unenforceable for whatever reason, the balance of the terms and conditions herein shall be enforceable.

11. Drafting. Each of the Parties hereto agree that this Agreement was jointly negotiated and drafted by the Parties and should not be construed by a court of law against

any Party as the drafter thereof.

12. Construction. In giving meaning to this Agreement, the singular shall be held to include the plural, the plural shall be held to include the singular, and the use of any gender shall be held to include every other and all genders.

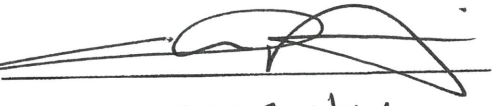
13. Headings. Each of the Parties hereto agree that the section headings contained herein are included for convenience only and are not to be deemed part of this Agreement.

14. Counterparts. This Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. A facsimile signature shall constitute an original signature. Each counterpart may consist of a number of copies each signed by less than all, but together signed by all of the Parties.

15. Date of Execution. This Agreement shall be in effect on the date of execution of the last Party hereto.

[SIGNATURE PAGE TO FOLLOW]

COLLIN COUNTY, TX – COUNTY JUDGE

BY: 

NAME: CHRIS HILL

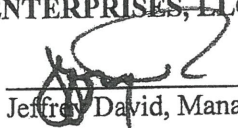
ITS: COUNTY JUDGE

DATE: 28 FEB 2025

BEATEN PATH DEVELOPMENT – HIGHLAND CROSSING, LLC

BY: BEATEN PATH DEVELOPMENT, LLC, ITS SOLE MANAGER

BY: OCH ENTERPRISES, LLC, SOLE MEMBER

BY: 

Jeffrey David, Manager

DATE: 2/6/2025

GREAT MIDWEST INSURANCE COMPANY

BY: 

NAME: Richard Bandonin

ITS: Senior Surety Counsel

DATE: 2/10/2025

EXHIBIT A
INSPECTION REPORT

HALEY OLSON

ATTORNEYS AT LAW

Herbert S. Bristow
Blake Rasner
Charles D. Olson
Daniel A. Palmer
Michael W. Dixon
Brandon R. Oates
Rick R. Bradley
David Shaw
Grant Jones

Of Counsel:
Richard J. Vander Woude

July 22, 2024

Great Midwest Insurance Company
800 Gessner Road, Suite 600
Houston, Texas 77024
Via CMRRR, 9589 0710 5270 0423 9878 93 + FedEx Next Day

Beaten Path Development – Highland Crossing, LLC
700 W. Harwood, Drive
Hurst, Texas 76054
Via CMRRR, 9589 0710 5270 0423 9878 86

Notice of Default and Demand

Bond No.: GM215270
Principal: Beaten Path Development – Highland Crossing, LLC
Obligee: Collin County, Texas
Project: Highland Crossing North SUBDIVISION

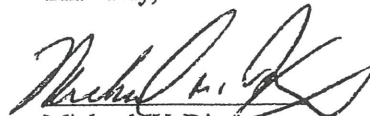
We represent Collin County, Texas, a political subdivision of the State of Texas. Collin County has directed us to make a claim on the Maintenance Bond for the above-referenced Project. It is my understanding that the County has already sent you some correspondence and inspection reports on this matter.

Enclosed herewith is the applicable inspection report. The Principal has defaulted in many respects, and at this time is not correcting the deficiencies.

Correcting the deficiencies on this Project has an estimated cost attached hereto. Please let us know as soon as possible if you intend to hire your own contractors to perform the corrective work to County standards, or if you would rather pay the cost to the County of having the work performed. Please let us know your choice within 20 days of receipt of this Notice.

We want to work with you to achieve a solution to this problem. Please do not hesitate to contact me about this matter.

Sincerely,


Michael W. Dixon

100 N. Ritchie Road | Suite 200 | Waco, Texas 76712
P.O. Box 21147 | Waco, Texas 76702-1147
P 254-776-3336 | F 254-776-6823

www.haleyolson.com

W.C. Haley (1912 - 1996)
Lyndon L. Olson, Sr. (1925 - 2005)

COLLIN COUNTY INSPECTION REPORT



Location: Highland Crossing North Inspection: FINAL INSPECTION FOR WARRANTY PERIOD

Inspector: Bob Watkins Contractor:

DATE	Project Mgr. Initial upon completion	NOTES:	Pictures
7.19.24		Remove silt in ditch's including rock, regrade ditches per plan and sod all bare area of ditches.	Yes
		North pond (Remove all silt from pond and pilot channel) Remove silt fence	
		Remove all construction debris from south end of road	
		South pond (Remove all silt from pond and pilot channel.) Remove check dam from road to pond, and sod bare areas. Remove silt fence	
		Remove silt in ditch's including rock, regrade ditches per plan and sod all bare area of ditches.	Yes
		Some ditches at east end will need additional top soil prior to placing sod.	
		Mow high grass area at Cut-De-Sac.	
		Remove silt fence around pond outlet.	
		Clean up or remove check dam at pond inlet.	
		Mow pond.	
		Clean all trash from pond area.	
		Some ditches will require additional top soil prior to placing sod	
		Remove silt in ditch's including rock, regrade ditches per plan and sod all bare area of ditches.	Yes
		Remove silt in ditch's including rock, regrade ditches per plan and sod all bare area of ditches.	Yes
		Some ditches at east end will need additional top soil prior to placing sod.	
		At Bonnie and Dunnet sign needs to be turned	
		Some ditches will require additional top soil prior to placing sod	
		Remove silt in ditch's including rock, regrade ditches per plan and sod all bare area of ditches.	Yes
		Note: Any ditches that do not have a home under construction, must be FULL VEGETATED by end of warranty period!!	

HIGHLAND CROSSING NORTH-REPAIR QUOTE

Noted ditches need to be graded and sod installed

Road Name	From	To	Road Side
Dunnit Dr.	Bonnie Dr.	Corrie Dr.	South Ditch
	Bonnie Dr.	Corrie Dr.	North Ditch
Gaelic Dr.	Dunnit Dr.	Solasta Ct.	East Ditch-Lot 7
	Dunnit Dr.	Solasta Ct.	East Ditch-Lots 1-2
	Dunnit Dr.	Solasta Ct.	West Ditch-Lot 8
	Dunnit Dr.	Solasta Ct.	West Ditch-Lot 14
Solasta Ct.	West Cul-de-Sac	Bonnie Dr.	South Ditch lot 4
	West Cul-de-Sac	Bonnie Dr.	South Ditch lots 1-2
	West Cul-de-Sac	Bonnie Dr.	North Ditch
Bonnie Dr.	South End	CR 168	East Ditch from lot 2 into south det. Pond
	South End	CR 168	East Ditch from lot 2 to north det. Pond
	South End	CR 168	West Ditch from south end to Dunnit
Coorle Dr.	CR 168	Solasta Ct.	West Ditch from CR - lot 19
	CR 168	Solasta Ct.	East Ditch from CR - lot 6
			TOTAL

Ditches that will require additional top soil prior to sodding

Solasta Ct.	Gaelic Dr.	Bonnie Dr.	North Ditch
	Gaelic Dr.	Bonnie Dr.	South Ditch
Dunnit Dr.	Gaelic Dr.	Bonnie Dr.	North Ditch
	Gaelic Dr.	Bonnie Dr.	South Ditch
			TOTAL

Mowing required

Solasta CT.	South West Detention pond	

Silt removal and clean up required

Bonnie Dr.	South Detention pond	Remove silt, clean pilot channel
	North Detention pond	Remove silt, clean pilot channel
		TOTAL

565	15	8,475	\$7,847.22	\$4,237.50	\$12,084.72
565	15	8,475	\$7,847.22	\$4,237.50	\$12,084.72
560	15	8,400	\$7,777.78	\$4,200.00	\$11,977.78
560	15	8,400	\$7,777.78	\$4,200.00	\$11,977.78
		33,750			

		13,000
		9,000
		22,000

\$169,495.37 \$80,527.50 \$250,022.87

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