ORDINANCE NO. 21-08

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HELOTES, TEXAS AUTHORIZING THE CITY TO CONSENT TO THE ASSIGNMENT OF THE DEVELOPMENT AGREEMENT FROM VT BANDERA OAKS, LTD., A TEXAS LIMITED PARTNERSHIP TO GEHAN HOMES, LTD., A TEXAS LIMITED PARTNERSHIP, AND AUTHORIZING THE MAYOR AND OR CITY ADMINISTRATOR TO EXECUTE ALL DOCUMENTS RELATED; PROVIDING FOR SEVERABILITY; REPEALING ANY OTHER CODE PROVISIONS, ORDINANCES, OR PARTS OF ORDINANCES, AND OTHER PROVISIONS IN CONFLICT HEREWITH; INCORPORATING RECITALS; AND SETTTING AN EFFECTIVE DATE.

WHEREAS, the City of Helotes Texas ("City") desires to ensure that the growth and development which occurs within the corporate limits of the City is regulated and controlled in such a manner that said growth is beneficial to the public health, safety and welfare of its residents; and

WHEREAS, VT Bandera Oaks, Ltd., a Texas limited partnership, ("Assignor") is a party to the Development Agreement (Agreement) by and between the City approved by the City Council through Ordinance 20-08 adopted on August 13, 2020; and

WHEREAS, Article VII of the Agreement required Assignor to obtain City Council approval if it wished to assign the Agreement; and

WHEREAS, Assignor is the present owner of all rights and obligations under the Development Agreement for the property to be assigned, Assignor agrees to assign Gehan Homes, Ltd., a Texas limited partnership (hereinafter referred to as "Assignee") all of its rights, title, and interest under the Agreement regarding the property constituting 8.814 acres of real property described as Bandera Oaks Subdivision, Lots 9 through 10, 902, 903 and 999, Block 2, generally located behind 12510 Bandera Road, Helotes, Texas ("Property") described in Exhibit A; and

WHEREAS, Assignee is willing to accept the entire right, title and interest of Property from Assignor as of the date of the Assignment, and hereby assumes the covenants, agreements and obligations of Assignor under the terms of the Agreement which are applicable and required to be performed, from and after the date of the Assignment; and

WHEREAS, under Section 7.1 of the Agreement, the City shall acknowledge and consent of the Assignment if Assignee is willing to accept, without limitation all duties and obligations of Assignor for the Property under the Agreement and Assignor is not in default under the terms of the current Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF HELOTES CITY COUNCIL THAT:

SECTION 1. <u>*Findings.*</u> The Helotes City Council finds that Assignor is not in default under the terms of the Agreement and acknowledges that Assignee is willing to accept, without limitation all duties and obligations of Assignor under the Agreement, pursuant to the terms of the Assignment, for the Property described in **Exhibit A**.

SECTION 2. <u>Authorizations.</u> The Helotes City Council hereby consents to the Assignment and authorizes the Mayor and or City Administrator to execute all of the documents related to the assignment of the Development Agreement from VT Bandera Oaks, Ltd., a Texas limited partnership to Gehan Homes, Ltd., a Texas limited partnership.

SECTION 3. <u>Recitals</u>. The legislative findings referenced above are hereby adopted.

SECTION 4. <u>Severability</u>. Should any article, section, part, paragraph, sentence, phrase, clause, or word of this Ordinance, or any exhibit thereof, for any reason be held illegal, inoperative, or invalid, or if any exception to or limitation upon any general provisions herein continue to be held unconstitutional or invalid or ineffective, the remainder shall, nevertheless, stand effective and valid as if it had been enacted and ordained without the portion held to be unconstitutional or invalid or ineffective.

SECTION 5. <u>*Repealer.*</u> All Code provisions, ordinances, and other provisions in conflict with the provisions of this Ordinance are hereby repealed.

SECTION 6. <u>*Effective Date.*</u> This Ordinance shall become effective upon passage by the City Council of the City of Helotes, Texas.

PASSED AND APPROVED this 13th day of May, 2021.

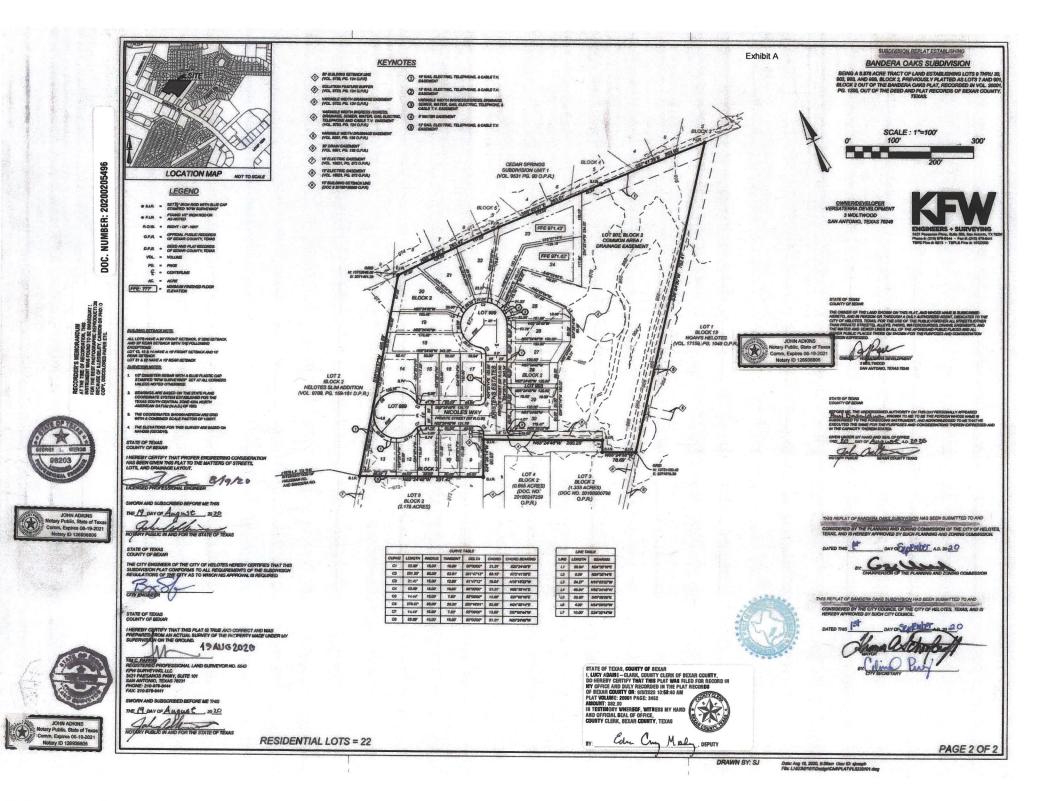
CITY OF HELOTES **TEXAS:**

Rich Whitehead, Mayor

ATTEST:

Celina Perez, City Secretary





CONTRACT ASSIGNMENT CONSENT AGREEMENT City of Helotes, Texas – Development Agreement

This Contract Assignment Consent Agreement (the "Assignment"), by and among the City of Helotes Texas, ("City"), a Texas municipality and VT Bandera Oaks, Ltd., a Texas limited partnership, serves as written consent by City for VT Bandera Oaks to assign the current Development Agreement, attached hereto as Exhibit 1, (the "Agreement"), from VT Bandera Oaks, Ltd., (the "Assignor"), to Gehan Homes, Ltd., a Texas limited partnership (the "Assignee").

WITNESSETH:

WHEREAS, the Assignor and City of Helotes, are parties to that certain Development Agreement dated as of August 13, 2020, and as may be amended in the future, the "Agreement"); and

WHEREAS, pursuant to Article VII of the Agreement, Assignor, per this Assignment, wishes to assign to the Assignee all of Assignor's rights, powers, liabilities, obligations, duties, and responsibilities and benefits under the Agreement, including, without limitation, Assignor's right to develop twenty-two (22) homes to be located on 8.814 acres of real property described as Bandera Oaks Subdivision, Lots 9 through 10, 902, 903 and 999, Block 2, generally located behind 12510 Bandera Road, Helotes, Texas ("Property"); (as defined in the Agreement); and

WHEREAS, all terms used herein not otherwise defined herein shall have the meanings ascribed thereto in the Agreement; and

WHEREAS, Assignor completed site improvements on the Property and therefore the City released the Assignors Performance Bond on April 30, 2021, and Assignee, after the effective date of the Assignment, shall be obligated for the discharge and performance of any and all duties and obligations to be performed and/or discharged by Assignee thereunder from and after the effective date;

WHEREAS, the City agrees to the Assignment of the Agreement from VT Bandera Oaks, Ltd., to Gehan Homes, Ltd.;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby confirmed, the Assignor agrees as follows:

SECTION 1. <u>Exercise of Rights</u>. Subject to the terms of this Assignment, insofar as the Assignor may have any right, benefit, privilege or claim against the other parties under the Agreement (including rights, benefits and remedies with respect to indemnification), the Assignor will use prudent business judgment concerning the enforcement of such rights and benefits and, if in the exercise of such judgment, the Assignor determines to enforce such rights, benefits or remedies, the Assignor will enforce the same diligently and in good faith.

SECTION 2. <u>Authorization of the Assignee</u>. The Assignor hereby irrevocably authorizes and empowers the Assignee or its agent, to assert, either directly or on behalf of the Assignor, any right, privilege or claim the Assignor may from time to time have under the Agreement, as the Assignee may deem proper.

SECTION 3. <u>Continued Effectiveness</u>. This Assignment shall continue in effect until all terms and conditions of the Agreement have been fully completed by Assignee and accepted by City.

SECTION 4. <u>Applicable Law; Successors and Assigns</u>. THIS ASSIGNMENT SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAWS OF THE STATE OF TEXAS AND SHALL BE BINDING UPON THE PARTIES THERETO AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS

SECTION 5. <u>**Obligations**</u>. The Assignee expressly acknowledges and agrees that it shall now be liable under the Agreement to observe and perform all of the conditions and obligations therein contained to be observed and performed by it, and that neither this Assignment, nor any action taken pursuant hereto, shall cause the Assignor to be under any obligation or liability in any respect whatsoever to any party to the Agreement for the observance or performance of any of the representations, warranties, conditions, covenants, agreements or terms therein contained unless expressly assumed by the Assignor.

SECTION 6. <u>Representations and Warranties</u>. As a material inducement, the Assignor makes the following representations and warranties:

(a) <u>Authorization</u>. The execution, delivery and performance by the Assignor of this Assignment have been duly authorized by all necessary action on the part of the Assignor and do not require any approval or consent of any other person, except for the consent of the City and approvals or consents which have been duly obtained and are in full force and effect; and

(b) <u>Subject Agreement</u>. (i) The Agreement is in full force and effect in accordance with its terms, (ii) as of the date hereof, to the knowledge of the Assignor, there are no defaults thereunder and (iii) the Assignor has not otherwise assigned, mortgaged, pledged, transferred or hypothecated the Assignor's right, title and interest in and to the Agreement.

SECTION 7. <u>General</u>.

(a) <u>Notices</u>. All notices and other communications provided to any party hereto under this Agreement shall be in writing, shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier, and addressed to such party as follows:

If to the Assignor:	VT Bandera Oaks, Ltd. 3 Woltwood San Antonio, Texas 78255 Attention: Paul Basaldua
If to the Assignee:	Gehan Homes, Ltd. Barton Creek Plaza III 3815 S. Capital of Texas Highway, Suite 275 Austin, Texas 78704 Attn: Kent Mitchell Attn: Chris Lynch

and

Gehan Homes, Ltd. Two Addison Circle 15725 North Dallas Parkway, Suite 300 Addison, Texas 75001 Attn: John Winniford

If to City:

City of Helotes 12951 Bandera Rd. Helotes, Texas 78023 Attn: City Administrator

The above parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices or other communications shall be sent. Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient).

(b) <u>Entire Agreement</u>. This Agreement constitutes the entire understanding among the parties hereto with respect to the subject matter hereof and supersedes any prior agreements, written or oral, with respect thereto.

(c) <u>Counterparts</u>. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same agreement.

(d) <u>Headings Descriptive</u>. The headings of the several sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

(e) <u>Severability</u>. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provisions in any other jurisdiction.

(f) <u>Amendment, Waiver</u>. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by the parties hereto.

(g) <u>Survival</u>. All agreements, statements, representations and warranties made by the Assignor herein shall be considered to have been relied upon by the Assignee and shall survive the execution and delivery of this Agreement.

(h) <u>No Waiver; Remedies Cumulative</u>. No failure or delay on the part of the Assignee in exercising any right, power or privilege hereunder and no course of dealing between the Assignor and the Assignee shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other exercise, or the further exercise, of any other right, power or privilege hereunder. The rights and remedies herein

expressly provided are cumulative and not exclusive of any rights or remedies which the Assignee or the Assignor would otherwise have.

IN WITNESS WHEREOF, this instrument has been duly executed and delivered as of the date first written above.

ASSIGNOR OF ORIGINAL AGREEMENT

VT Bandera Oaks, Ltd., a Texas limited partnership, By:

Name: Paul Basaldua, President

ASSIGNEE ACCEPTANCE OF ASSIGNMENT OF ORIGINAL AGREEMENT

Gehan partners	Homes, hip	Ltd.,	a	Texas	limited
Ву:		h			
Name:	JOHN	WW	SI	FORD)
Title: PRESIDENT & CEO					

CONSENT TO ASSIGNMENT

The City of Helotes, Texas, a municipal corporation located in Bexar County, Texas, hereby acknowledges the terms of the foregoing Assignment of the Development Agreement and consents thereto.

IN WITNESS WHEREOF, the undersigned has executed this Consent to Assignment as of the date of such Assignment.

City of Helotes, Texas:

By:

Rich Whitehead, Mayor



ATTEST:

Celina Perez, City Secretary

Page 4 of 4

ORDINANCE NO. 20-08

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HELOTES, TEXAS (THE "CITY") AMENDING THE DEVELOPMENT AGREEMENT BETWEEN THE CITY AND VT BANDERA OAKS, LTD. (THE "DEVELOPER") FOR THE PURPOSE OF SETTING FORTH THE TERMS AND OBLIGATIONS BETWEEN THE CITY AND THE DEVELOPER WITH RESPECT TO THE DEVELOPMENT OF APPROXIMATELY 8.814 ACRES OF REAL PROPERTY (THE **"DEVELOPMENT"); SETTING OUT THE REGULATIONS REQUIRED** BY THE CITY FOR THE DEVELOPMENT TO ENSURE THE ORDERLY **GROWTH AND PROTECTION OF PUBLIC HEALTH, SAFETY, AND** WELFARE; AUTHORIZING THE MAYOR TO EXECUTE SAID **DEVELOPMENT AGREEMENT ON BEHALF OF THE CITY COUNCIL:** AUTHORIZING THE CITY ADMINISTRATOR TO TAKE ALL NECESSARY STEPS TO IMPLEMENT THE PROVISIONS OF THIS **ORDINANCE; INCORPORATING RECITALS; PROVIDING FOR** SEVERABILITY; REPEALING ANY OTHER CODE PROVISIONS, ORDINANCES, OR PARTS OF ORDINANCES, AND **OTHER** PROVISIONS IN CONFLICT HEREWITH; AND ADOPTING AN **EFFECTIVE DATE.**

Whereas, the City of Helotes, Texas (the "City") desires to ensure that the growth and development which occurs within the corporate limits of the City is regulated and controlled in such a manner that said growth is beneficial to the public health, safety, and welfare; and

Whereas, VT Bandera Oaks, LTD., (the "Developer"), is the owner of property constituting 8.814 acres of real property described as Bandera Oaks Subdivision, Lots 9 through 30, 902, 903 and 999, Block 2, generally located behind 12510 Bandera Road, Helotes, Texas 78023; and

Whereas, the Developer has agreed, as a part of the Development Agreement (the "Agreement"), to undertake future municipal projects that preserve and expand the public's health, safety, and welfare in return for certain considerations affecting the Development; and

Whereas, the aforementioned negotiations have been memorialized in this Agreement between the City and the Developer.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HELOTES, TEXAS THAT:

Section One. <u>Approval</u>. The Development Agreement, attached hereto as Exhibit A, between the City and the Developer (collectively referred to as the "Parties") setting forth the Agreement terms and obligations of the Parties with regard to the development of approximately 8.814 acres of real property within the City of Helotes, Bexar County, Texas is hereby approved.

Section Two. <u>Authorization</u>. The Mayor is authorized to execute the Agreement on behalf of the City Council of the City of Helotes, Texas.

Section Three. <u>Authorization</u>. The City Administrator is authorized to take all necessary steps to implement the provisions of this Ordinance.

Section Four. <u>Recitals</u>. The legislative findings referenced above are hereby adopted.

Section Five. <u>Severability</u>. Should any article, section, part, paragraph, sentence, phrase, clause, or word of this Ordinance, or any appendix or exhibit thereof, for any reason be held illegal, inoperative, or invalid, or if any exception to or limitation upon any general provisions herein continue to be held unconstitutional or invalid or ineffective, the remainder shall, nevertheless, stand effective and valid as if it had been enacted and ordained without the portion held to be unconstitutional or invalid or ineffective.

Section Six. <u>Repealer.</u> Ordinance No. 20-05 and any other provisions in conflict with this Ordinance are hereby repealed.

Section Seven. <u>Effective Date.</u> This Ordinance shall become effective upon passage by the City Council of the City of Helotes, Texas.

PASSED and APPROVED this 13th day of August, 2020.

homas A. Schoolcraft. vor

ATTES

Celina Perez, City Secretary



Exhibit 1

Exhibit A

STATE OF TEXAS	§	
	§	KNOW ALL BY THESE PRESENTS:
COUNTY OF BEXAR	§	

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (sometimes hereinafter referred to as the "Agreement") is entered into by the **CITY OF HELOTES**, a Type A General Law Municipal Corporation and Political Subdivision of the State of Texas ("City"), and **VT BANDERA OAKS**, **LTD.**, hereinafter referred to as the "Developer". The City and Developer shall sometimes hereinafter be referred to collectively as the "Parties".

ARTICLE I DESCRIPTION OF PROJECT

1.1 The Developer intends to develop a single-family residential subdivision. Total planned development will equal twenty-two (22) homes. The project is described as Bandera Oaks Subdivision, Lots 9 through 30, 902, 903 and 999, Block. The property is more fully depicted in the documents attached hereto as Appendix "A".

ARTICLE II

AGREEMENT FOR PERMIT AND INSPECTION FEES

2.1 The City hereby agrees, in the manner prescribed by law, to the terms and conditions, as set forth below, for the purpose of promoting the orderly development of real property currently located in the City of Helotes, and to protect the public health, safety, and welfare of the citizens of the City of Helotes. The City agrees, on the effective date of execution, duly approved by the City Council, to provide the following:

2.1.1 Developer owns the tracts of land identified within the attached as Exhibit "A" hereto, which it intends to develop as Bandera Oaks Subdivision. Total planned development will equal twenty-two (22) homes, which will be site built on substandard lots that do not conform to current zoning and subdivision codes.

2.1.2 Developer will be allowed to plat lots with a minimum width of 50-feet.

2.1.3 Developer will be allowed to plat irregular "flag" at cul-de-sac lots provided a minimum of 20-feet frontage is maintained at the right-of-way.

Page 1 of 8

2.1.4 Developer will maintain a minimum 20-foot front setback (10-feet front setback on cul-de-sac lots # 12, 13, and 14), 5-foot side setback, and 20-foot rear setback (15-feet rear setback on cul-de-sac lots #12, 13, 14, 21 and 22).

2.1.5 All new streets will be privately owned and maintained by the developer. Streets will be a minimum of 30 feet in width with Fire Lane signs as specified in Section D103.6 of the 2015 International Fire Code posted on one side.

2.1.6 Developer will be allowed to construct a monument sign that is a maximum 6-feet tall and 15-feet long with the existing island at the intersection of the existing variable width ingress/egress easement and SH16.

2.1.7 Developer will be given a waiver for 121-inches towards the Tree Mitigation requirements for the proposed development. The Developer will still be required to either preserve the minimum of two protected/heritage trees per lot or plant a minimum of two 2-inch caliper trees per lot. The developer also agrees to follow the tree caliper inch preservation rate outlined in Chapter 94 of the vegetation code for the remaining trees within the proposed development. Developer will communicate in writing to the City whether it decides to preserve the minimum of two protected/heritage trees per lot or plant a minimum of two 2-inch caliper trees per lot.

2.1.8 A masonry wall or wood fence eight (8) feet in height shall be constructed at the rear property lines of lots 9 through 13 and along the street side property line of lot 9 and lot 30 to separate those lots from the commercial area per Code.

ARTICLE III. COVENANTS AND DUTIES OF THE DEVELOPER

3.1 The Developer makes the following covenants and warranties to the City, and agrees to timely and fully perform the obligations contained in Article III hereof in a commercially reasonable manner. Any false or substantially misleading statements contained herein or failure to timely and fully perform those obligations and duties within this Agreement shall be an act of Default by the Developer.

3.2 The Developer certifies that it is authorized to do business and is in good standing in the State of Texas and shall remain in good standing in the State of Texas and the United States of America during any term of this Agreement and shall abide by all laws, regulations, and rules thereof, including local ordinances. The Developer shall, at all times, save, defend, and hold City harmless for Developer's failure to abide by the provisions of this Subsection.

3.3 The execution of this Agreement has been duly authorized by the Developer, and the individual signing this Agreement on behalf of the Developer certifies that he / she is empowered to execute such Agreement and bind the Developer. Said authorization, signing, and binding effect

is not in contravention of any law, rule, regulation, or of the provisions of the Developer's company agreement, by-laws, or of any agreement or instrument to which Developer is a party to or by which it may be bound.

3.4 The Developer certifies that it is not a party to any bankruptcy proceedings currently pending or contemplated, and Developer has not been informed of any potential involuntary bankruptcy proceedings that will have an impact on this agreement.

3.5 The Developer shall make diligent efforts to timely and fully comply with all of the terms and conditions of this Agreement. The Developer shall use commercially reasonable efforts to confirm when the Project is fully completed. The Developer also agrees to obtain or cause to be obtained, and pay for, all necessary permits and approvals from City and/or all other governmental agencies having jurisdiction over the construction of Improvements in, on, upon, or off the Property.

3.6 The Developer shall have a continuing duty to cooperate with the City in providing all necessary information to assist City in complying with this Agreement; and to execute such other and further documents as may be reasonably required to comply herewith.

3.7 Financing. All costs, improvements and expenses associated with the Project shall be funded through the use of the Developer's own capital, through credit secured solely by the Developer, or other sources at the Developer's sole risk without recourse.

3.8 Employment of Undocumented Workers. During the term of this Agreement, the Developer agrees to not knowingly employ any undocumented workers, and, if convicted of a violation under 8 U.S.C. Section 1324a (1), the Developer shall be in Default and pay the liquidated damages set forth in Section 2.3 hereof. The Developer is not liable for an unknown violation of this Section by a Tenant or by a person with whom the Developer contracts; provided, however, the identical federal law requirements provided for herein shall be included as part of any agreement or contract, which Developer enters into with any Tenant, subsidiary, assignee, affiliate, or franchisee for which grants provided herein will be used.

ARTICLE IV OBLIGATIONS OF THE CITY

4.1 The City hereby represents and warrants to Developer that the City has full constitutional and lawful right, power and authority, under currently applicable law, to execute and deliver and perform the terms and obligations of this Agreement, and all of the foregoing have been or will be duly and validly authorized and approved by all necessary City proceedings, findings and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the City, is enforceable in accordance with its terms and provisions and does not require the consent of any other governmental authority.

4.2 If any provision of this Agreement is found by a court of competent jurisdiction to be invalid or unconstitutional, or if the application thereof to any person or circumstances is found to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the other provisions or applications of this Agreement which can be given effect without the invalid or unconstitutional provision or application.

4.3 Nothing contained herein shall ever be deemed to be a waiver or relinquishment of sovereign immunity by the City or the defenses of the Parties as to City or Developer which shall, at all times, be retained to the fullest extent authorized by law, and, minimally, to the same extent then and there existing prior to the approval and execution hereof.

ARTICLE V TERMINATION

5.1 Termination. This Agreement shall terminate upon the earliest occurrence of any one or more of the following as applicable: (a) The Developer files for bankruptcy or (b) Developer fails to meet any obligation required by Article III and Developer fails to cure after thirty (30) days written notice to the Developer.

ARTICLE VI GENERAL PROVISIONS

6.1 Severability: In the event that one or more provisions of this Agreement are found to be unenforceable or illegal, either party shall have the right to terminate this Agreement. If this Agreement is rescinded prior to plat submittal, the parties shall be placed in the position they were in immediately prior to the date of this Agreement.

6.2 Modifications and Notifications: Any modifications to this Agreement must be in writing and signed by individuals authorized to represent each Party hereof or its successor, or they shall not be binding upon any of the Parties hereto.

6.3 Successors and Assigns: The terms of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors, assigns, and legal representatives.

6.4 No Partnership: Neither this Agreement, nor any part thereof, shall be construed as creating a partnership, joint venture, or other business affiliation among the Parties or otherwise.

6.5 Entire Agreement: This Agreement and the appendices hereto supersede any and all other prior or contemporaneous agreements, oral or written, among the Parties hereto with respect to the Project.

6.6 Notices: All notices given with respect to this Agreement shall be in writing and deemed delivered upon receipt if hand delivered or sent by confirmed facsimile transmission, and, if

mailed, deemed received on the third business day after deposit with the United States Postal Service, postage prepaid, addressed to the Parties as shown below:

IF TO CITY:	IF TO DEVELOPER:
City of Helotes, Texas	VT Bandera Oaks, LTD.
City Administrator	Paul Basaldua
PO Box 507	3 Woltwood
Helotes, Texas 78023	San Antonio, Texas

6.7 Enforcement: As permitted by law, this Agreement may be enforced by either Party through specific performance. Either Party shall have the right to cure any default within sixty (60) days after notice of said default having been provided by the non-defaulting Party. In the event legal action is necessary to enforce the terms of this Agreement, the prevailing Party shall be entitled to attorney's fees, court costs, as well as any other damages found by a court of competent jurisdiction to be owned as a result of the breach.

6.8 Failure by either Party to timely and substantially comply with any performance requirement, duty, or covenant shall be considered an act of Default if uncured within sixty (60) days of receiving written notice from the other Party. Failure of the Developer to timely begin attempts to cure a default will give the City the right to terminate this Agreement, as solely and finally determined by the City Council of the City of Helotes, Texas.

6.9 INDEMNITY: DEVELOPER COVENANTS AND AGREES TO FULLY INDEMNIFY AND HOLD HARMLESS THE CITY (AND THEIR ELECTED OFFICIALS, EMPLOYEES, OFFICERS. DIRECTORS. AND REPRESENTATIVES), INDIVIDUALLY AND COLLECTIVELY, FROM AND AGAINST ANY AND ALL COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, PROCEEDINGS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY, AND SUITS OF ANY KIND AND NATURE BROUGHT BY ANY THIRD PARTY AND RELATING TO DEVELOPER'S ACTIONS IN THIS AGREEMENT, INCLUDING, BUT NOT LIMITED TO, PERSONAL INJURY OR DEATH AND PROPERTY DAMAGE, MADE UPON CITY OR DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM OR RELATED TO DEVELOPER NEGLIGENCE, WILLFUL MISCONDUCT OR OTHER CONDUCT IN ITS ACTIVITIES UNDER THIS AGREEMENT, INCLUDING ANY SUCH ACTS OR OMISSIONS OF DEVELOPER OR DEVELOPER'S TENANTS, ANY AGENT, OFFICER, DIRECTOR, **REPRESENTATIVE**, EMPLOYEE, CONSULTANT OR SUBCONSULTANTS OF DEVELOPER OR DEVELOPER'S TENANTS, AND THEIR RESPECTIVE OFFICERS. AGENTS, EMPLOYEES, DIRECTORS AND REPRESENTATIVES WHILE IN THE EXERCISE OR PERFORMANCE OF THE RIGHTS OR DUTIES UNDER THIS AGREEMENT, ALL WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. THE PROVISIONS OF THIS INDEMNIFICATION ARE SOLELY FOR THE BENEFIT OF THE CITY AND ARE NOT Page 5 of 8

INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY. DEVELOPER SHALL PROMPTLY ADVISE CITY IN WRITING OF ANY CLAIM OR DEMAND AGAINST CITY, RELATED TO OR ARISING OUT OF DEVELOPER OR DEVELOPER'S TENANTS' ACTIVITIES UNDER THIS AGREEMENT AND SHALL SEE TO THE INVESTIGATION AND DEFENSE OF SUCH CLAIM OR DEMAND AT DEVELOPER'S COST TO THE EXTENT REQUIRED UNDER THE INDEMNITY IN THIS PARAGRAPH. CITY SHALL HAVE THE RIGHT, AT THEIR OPTION AND AT THEIR OWN EXPENSE, TO PARTICIPATE IN SUCH DEFENSE WITHOUT RELIEVING DEVELOPER OF ANY OF ITS OBLIGATIONS UNDER THIS PARAGRAPH.

IT IS THE EXPRESS INTENT OF THE PARTIES TO THIS AGREEMENT THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH, SHALL NOT BE AN INDEMNITY EXTENDED BY DEVELOPER TO INDEMNIFY, PROTECT AND HOLD HARMLESS CITY FROM THE CONSEQUENCES OF THE CITY'S OWN NEGLIGENCE OR INTENTIONAL MISCONDUCT. THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL APPLY ONLY, TO THE EXTENT OF ANY COMPARATIVE NEGLIGENCE STATUTES AND FINDINGS, WHEN THE NEGLIGENT ACT OF CITY IS A CONTRIBUTORY CAUSE OF THE RESULTANT INJURY, DEATH, OR DAMAGE, AND IT SHALL HAVE NO APPLICATION WHEN THE NEGLIGENT ACT OF CITY IS THE SOLE CAUSE OF THE RESULTANT INJURY, DEATH, OR DAMAGE. DEVELOPER FURTHER AGREES TO DEFEND, AT ITS OWN EXPENSE AND ON BEHALF OF CITY AND IN THE NAME OF CITY ANY CLAIM OR LITIGATION BROUGHT AGAINST CITY (AND ITS ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS AND REPRESENTATIVES), IN CONNECTION WITH ANY SUCH INJURY, DEATH, OR DAMAGE FOR WHICH THIS INDEMNITY SHALL APPLY, AS SET FORTH ABOVE.

IT IS THE EXPRESS INTENT OF THIS SECTION THAT THE INDEMNITY PROVIDED TO THE CITY AND THE DEVELOPER SHALL SURVIVE THE TERMINATION AND OR EXPIRATION OF THIS AGREEMENT FOR THE APPLICABLE STATUTE OF LIMITATIONS AND SHALL BE BROADLY INTEREPRETED AT ALL TIMES TO PROVIDE THE MAXIMUM INDEMNIFCATION OF THE CITY AND / OR THEIR OFFICERS, EMPLOYEES AND ELECTED OFFICIALS PERMITTED BY LAW.

6.10 Sovereign Immunity: Nothing contained herein shall ever be construed as a waiver of sovereign immunity or waiver of the defenses of the Parties provided by law which are reserved herein by the Parties as applicable to the fullest extent authorized by law and minimally to the same extent then and there existing prior to the execution hereof.

6.11 Mediation. If a dispute arises out of or relates to this Agreement or a breach thereof, the Parties shall first, in good faith, seek to resolve the dispute through negotiation between the upper management of each respective Party. If such dispute cannot be settled through negotiation, the Parties agree to try in good faith to settle the dispute by mediation before resorting to arbitration, litigation, or some other dispute resolution procedure; provided that either Party may not invoke Page 6 of 8

mediation unless it has provided the other Party with written notice of the dispute and has attempted in good faith to resolve such dispute through negotiation. Notwithstanding the foregoing, either Party may seek immediate equitable relief, without attempting to settle a dispute through mediation, in any case where such Party is entitled to equitable relief by law, the terms of the Agreement, or otherwise. All costs of negotiation, mediation, and arbitration, collectively known as alternate dispute resolution ("ADR"), shall be assessed equally between the City and Developer, with each party bearing their own costs for attorney's fees, experts, and other costs of ADR and any ensuing litigation.

6.12 Interpretation. Each of the Parties has been represented by counsel of their choosing in the negotiation and preparation of this Agreement. Regardless of which Party prepared the initial draft of this Agreement, this Agreement shall, in the event of any dispute, whatever its meaning or application, be interpreted fairly and reasonably and neither more strongly for or against either Party.

6.13 Additional Instruments. The City and Developer warrant that they have the requisite authority to enter into this Agreement and agree and covenant to cooperate, negotiate in good faith, and to execute such other and further instruments and documents as may be reasonably required to fulfill the public purposes provided for and included herein.

6.14 Recitals incorporated. The representations, covenants and recitations set forth in the recitals to this Agreement are material to this Agreement and are hereby found and agreed to be true and correct, and are incorporated into and made a part hereof as though they were fully set forth in this article.

6.15 The Agreement shall be governed by the laws of the State of Texas, and exclusive venue for any action concerning this Agreement shall be in Bexar County, Texas.

6.16 Effective Date: This Agreement shall be effective on the date first written below, upon approval of the required variances after notice and hearing in the manner prescribed by law, and upon final approval of the City Council of the City of Helotes, Texas.

ARTICLE VII ASSIGNMENT

7.1 Developer shall have the right to assign all of its rights, duties, and obligations under this Agreement to a duly qualified third party with prior written approval of the City Council of the City of Helotes, Texas; provided however that any assignment provided for herein shall not serve to enlarge or diminish the obligations and requirements of this Agreement. The City may demand and receive adequate assurance of performance including the deposit or provision of financial security by any proposed Assignee prior to its approval of an assignment.

Exhibit 1

Exhibit A

CITY OF HELOTES

Thomas A. Schoolcy

Mayor

Paul Basaldua President

VT BANDERA OAKS, LTD.

ATTEST:

Celina Perez City Secretary

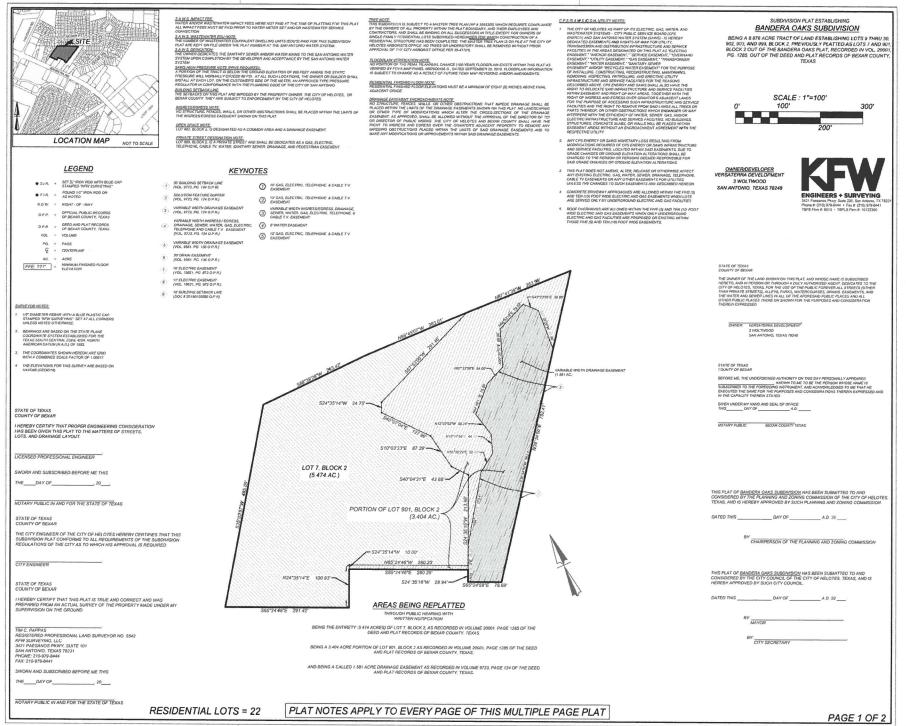
APPROVED AS TO FORM

Francisco J. Gar za City Attorney

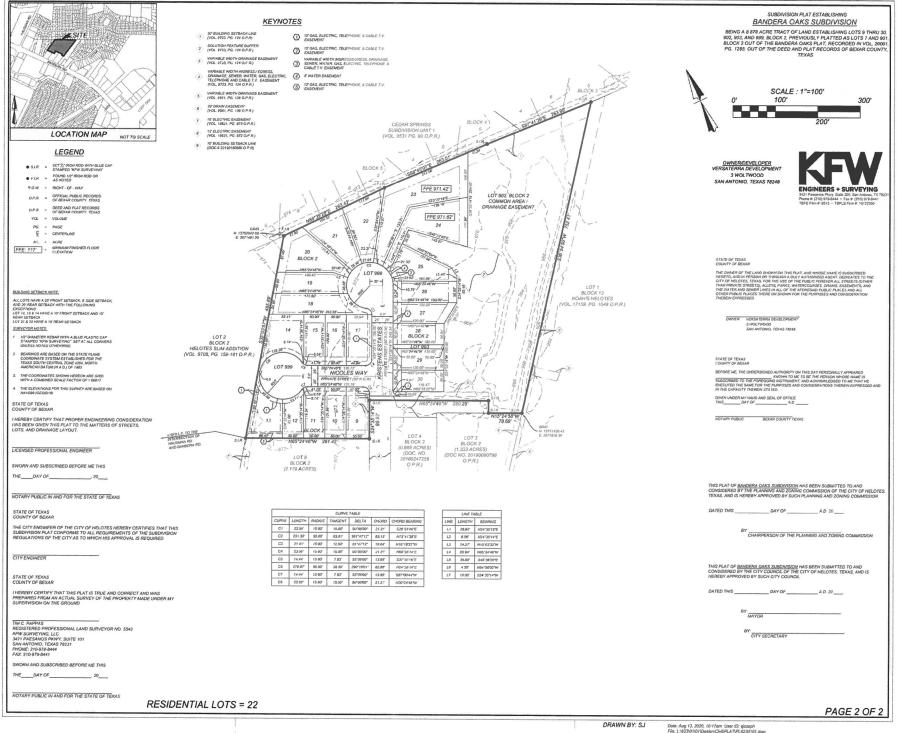


APPENDIX "A"

DESCRIPTIONS AND SUBDIVISION MAPS



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