

RESOLUTION NO. 21-2025

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A PROGRAM TO PROMOTE LOCAL ECONOMIC DEVELOPMENT AND STIMULATE BUSINESS AND COMMERCIAL ACTIVITY IN THE CITY; AUTHORIZING THE CITY MANAGER TO FINALIZE AND EXECUTE A FIRST AMENDMENT TO AN ECONOMIC DEVELOPMENT PROGRAM CHAPTER 380 AGREEMENT WITH TDI VALLEYBROOKE LLC, REGARDING THE CONSTRUCTION AND DEVELOPMENT OF THE PROPERTY LOCATED AT 2400, 2402, 2404, AND 2800 MESQUITE VALLEY ROAD, IN THE CITY OF MESQUITE, TEXAS; AND AUTHORIZING THE CITY MANAGER TO FINALIZE, EXECUTE AND ADMINISTER THE FIRST AMENDMENT TO THE AGREEMENT ON BEHALF OF THE CITY.

WHEREAS, Chapter 380 of the Texas Local Government Code authorizes the City of Mesquite, Texas (the “**City**”), and other municipalities to establish and provide for the administration of programs that promote local economic development and stimulate business and commercial activity; and

WHEREAS, on September 20, 2021, and pursuant to Chapter 380 of the Texas Local Government Code, the City Council of the City (the “**City Council**”) approved Resolution No. 59-2021 approving a Chapter 380 Agreement and economic development program (the “**Program**”) between the City and TDI Valleybrooke LLC, an affiliate of Taylor-Duncan Interests, LLC (the “**Company**”), for the construction and development of approximately 51.644 acres to construct a master-planned, low density, single-family residential development located at 2400, 2402, 2404, and 2800 Mesquite Valley Road, Mesquite, Texas 75181 (the “**Original Agreement**”); and

WHEREAS, the City has been presented with a proposed amendment to the Original Agreement, a copy of said amendment being attached hereto as Exhibit 1 and incorporated herein by reference for all purposes (the “**First Amendment**”); and

WHEREAS, the First Amendment amends the Original Agreement at the Company’s request to deadlines to start the first home and complete all improvements, to shift responsibility for maintenance of trails on the developer’s property from the City to the Home Owner’s Association (“**HOA**”), and to allow for payment of half of the economic development incentive now and the remainder at the original deadline, and the City desires to grant the requests; and

WHEREAS, after holding a public hearing and upon full review and consideration of the First Amendment and all matters related thereto, the City Council finds that the First Amendment will assist in implementing a program promoting local economic development, stimulating business and commercial activity in the City, and benefiting the City and its citizens.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS:

Economic Development / First Amendment to 380 Agreement / TDI Valleybrook LLC

June 16, 2025

Page 2 of 3

SECTION 1. The facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct and are incorporated and adopted as part of this Resolution for all purposes.

SECTION 2. The City Council finds that the terms of the proposed First Amendment, a copy of which is attached hereto as Exhibit 1 and incorporated herein by reference, will benefit the City and will serve the public purpose of promoting local economic development and stimulating business and commercial activity in the City in accordance with Section 380.001 of the Texas Local Government Code.

SECTION 3. The City Council hereby approves the First Amendment and authorizes the First Amendment as part of the Program whereby, subject to the terms and conditions of the Original Agreement, as amended by the First Amendment, the City will provide economic development incentives to the Company and take other specified actions as more fully set forth in the Original Agreement, as amended by the First Amendment.

SECTION 4. The City Manager is hereby authorized to finalize and execute the First Amendment and to take all actions necessary or advisable to complete the transactions contemplated by the First Amendment.

SECTION 5. The City Manager is further hereby authorized to administer the Original Agreement and First Amendment on behalf of the City including, without limitation, the City Manager shall have the authority to: (i) provide any notices per the Original Agreement or First Amendment; (ii) approve amendments to the Original Agreement or First Amendment provided such amendments, together with all previous amendments approved by the City Manager, do not increase City expenditures under the Original Agreement and First Amendment in excess of \$100,000; (iii) approve or deny any matter in the Original Agreement or First Amendment requiring the consent of the City with the exception of any matter requiring the consent of the City Council pursuant to the terms of the Original Agreement or First Amendment; (iv) approve or deny the waiver of performance of any covenant, duty, agreement, term, or condition of the Original Agreement or First Amendment; (v) exercise any rights and remedies available to the City under the Original Agreement or First Amendment; and (vi) execute any notices, amendments, approvals, consents, denials, and waivers authorized by this Section 5 provided, however, notwithstanding anything contained herein to the contrary, the authority of the City Manager pursuant to this Section 5 shall not include the authority to take any action that cannot be delegated by the City Council or that is within the City Council's legislative functions.

SECTION 6. The sections, paragraphs, sentences, clauses, and phrases of this Resolution are severable and, if any phrase, clause, sentence, paragraph, or section of this Resolution should be declared invalid, illegal, or unenforceable by the final judgment or decree of any court of competent jurisdiction, such invalidity, illegality, or unenforceability shall not affect the validity, legality, or enforceability of any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Resolution and such remaining provisions shall remain in full force and effect and shall be construed and enforced as if the invalid, illegal, or unenforceable provision had never been included in this Resolution.

Economic Development / First Amendment to 380 Agreement / TDI Valleybrook LLC

June 16, 2025

Page 3 of 3

DULY RESOLVED by the City Council of the City of Mesquite, Texas, on the 16th day of June 2025.

Signed by:

Daniel Aleman

D999585317D142B...

Daniel Alemán, Jr.
Mayor

ATTEST:

DocuSigned by:

Sonja Land

C2518095973F46A...

Sonja Land
City Secretary

APPROVED AS TO LEGAL FORM:

Signed by:

David L. Paschall

666E18891208434...

David L. Paschall
City Attorney

**FIRST AMENDMENT TO
DEVELOPMENT AGREEMENT AND CHAPTER 380 AGREEMENT
(Taylor Duncan/Valley Brooke)**

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT AND CHAPTER 380 AGREEMENT (this “**Amendment**”), dated as of May 28, 2025 (the “**Effective Date**”), is entered into by and between TDI Valleybrooke LLC, a Texas limited liability company (the “**Developer**”), and the City of Mesquite, a Texas home-rule municipality (the “**City**”). The Developer and the City are hereinafter sometimes referred to individually as a “**Party**” and sometimes referred to collectively as the “**Parties**”.

RECITALS:

WHEREAS, the Parties entered into that certain Development Agreement and Chapter 380 Agreement dated effective September 20, 2021 (the “**Agreement**”) with respect to development and economic incentives relating to the Property described and defined therein; and

WHEREAS, the Parties desire to modify certain provisions of the Agreement and agree to certain other matters as set forth below. The capitalized terms not otherwise defined herein shall have the same meanings as in the Agreement.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, the Parties agree as follows:

1. Recitals. The foregoing recitals (“**Recitals**”) are incorporated as part of this Amendment, are true and correct, constitute legislative findings of the City, form the basis upon which the Parties have entered into this Amendment and establish the intent of the Parties in entering into this Amendment.

2. Commencement Deadline Date. The definition of “**Commencement Deadline Date**” in the Agreement is hereby deleted and replaced with the following:

“**Commencement Deadline Date**” shall mean the date that is one (1) year after the Effective Date for public improvements, two (2) years after the Effective Date for amenities and trails, and on or before January 1, 2025, for the first Home.

3. Complete Construction. The definition of “**Complete Construction**” and “**Completion of Construction**” is amended to delete subsection (ii) thereof.

4. Completion Deadline Date. The definition of “**Completion Deadline Date**” in the Agreement is hereby deleted and replaced with the following:

“**Completion Deadline Date**” shall mean July 1, 2026, for all required improvements other than Homes and ten (10) years after the Effective Date for Homes.

5. Sidewalks/Trails. Section 5.07 of the Agreement is amended so that the Developer shall dedicate the Trails to the HOA by separate instrument. The definition of “**HOA Maintained Improvements**” is amended to include the Trails.

6. Trails Design. Reference is made to Section 5.07(B) of the Agreement. Developer has timely submitted the design and construction plans for the Trails attached hereto as Schedule 6 (the “**Trails Plan**”) to the City Manager, and the City Manager has approved the Trails Plan.

7. Economic Development Incentive. The Parties agree that the Economic Development Incentive shall be paid by the City to the Developer in two, equal payments. The first payment shall occur upon (a) satisfaction of the conditions precedent set forth in Section 6.01 of the Agreement (as may be amended by this Amendment) except that the now existing state of development of the Trails is satisfactory for the first payment and (b) execution and recording in the official records of Dallas County of a Trail Easement in the form attached hereto as Exhibit A. The second payment of the Economic Development Incentive shall occur upon satisfaction of all conditions precedent set forth in Section 6.01 of the Agreement (as may be amended by this Amendment) including Completion of Construction (to the extent applicable for Trails) of the Trails.

8. Construction of the Trails. Section 7.01(A) and Section 7.01(D) are hereby deleted. Section 7.01(E) is hereby amended so that the Developer shall dedicate the Trails to the HOA by separate instrument.

9. Contracts for the Construction of the Trails. Section 7.02 of the Agreement is hereby amended to delete the following: the third sentence of Section 7.02(A); Section 7.02(C)(ii); Section 7.02(C)(iii).

10. Construction of Trails on City Property or within Public Right-of-Way or Easements. Section 7.04 of the Agreement is hereby deleted.

11. Trails to be Owned by the City – Title Evidence. Section 7.05 of the Agreement is hereby deleted.

12. Trails Constructed on the Property. Section 7.06 of the Agreement is hereby amended such that no Trails will be constructed on land owned by the City.

13. Ownership of Trails. Section 7.07 of the Agreement is hereby deleted.

14. Title and Mechanic’s Liens. Section 7.09(A) of the Agreement is amended to delete, “dedication to and acceptance by the City” and replace it with, “conveyance to the HOA”.

15. Right of City to Make Inspection. Section 7.10 of the Agreement is hereby deleted.

16. Contractors’ Release and Indemnities. Section 9.02 of the Agreement is hereby deleted.

17. Miscellaneous.

a. Captions. The titles of the articles and the headings and descriptive captions of this Amendment are for convenience or reference only and shall in no way define, describe, limit, expand, or affect the scope, terms, conditions, or intent of this Amendment.

b. Interpretation. Regardless of the actual drafter of this Amendment, this Amendment shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against any Party.

c. Severability. The sections, paragraphs, sentences, clauses, and phrases of this Amendment are severable and, if any phrase, clause, sentence, paragraph, or section of this Amendment should be declared invalid, illegal or unenforceable by the final judgment or decree of any court of competent jurisdiction, such invalidity, illegality, or unenforceability shall not affect the validity, legality, or enforceability of any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Amendment and such remaining provisions shall remain in full force and effect and shall be construed and enforced as if the invalid, illegal or unenforceable provision had never been included in the Amendment.

d. Number and Gender. Whenever used herein, unless the context otherwise provides, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all other genders.

e. Counterparts. This Amendment may be executed in any number of original, facsimile, or electronically scanned counterparts, each of which shall be considered an original and all of which shall be considered one and the same instrument.

f. Entire Agreement. This Amendment (together with the Agreement) sets forth the entire agreement between the Parties with respect to the subject matter hereof, and all prior discussions, representations, proposals, offers, and oral or written communications of any nature (other than the Agreement, except to the extent modified by this Amendment) are entirely superseded hereby and extinguished by the execution of this Amendment. There are no oral agreements between the Parties.

g. Authority. The Developer represents that: (i) it is duly formed, validly existing and in good standing under the laws of the State of its formation and is duly authorized to transact business in the State of Texas; (ii) it has the full power and authority to enter into this Amendment and to fulfill its obligations under this Amendment; (iii) all consents or approvals required to enter into this Amendment have been obtained by the Developer; (iv) the execution of this Amendment and the consummation by the Developer of the transactions contemplated hereby are not in violation of or in conflict with, or a default under, any term or provision of the organizational documents of the Developer, or any of the terms of any agreement or instrument to which the Developer is a party, or by which the Developer is bound; and (v) that the Person signing this Amendment on behalf of the Developer has the authority to sign this Amendment on behalf of the Developer. Each Person signing this Amendment represents that such Person has the authority to sign this Amendment on behalf of the Party indicated. The representations and warranties of the

Developer set forth in this Section 14(g) shall expressly survive the expiration or termination of the Agreement.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date above written.

DEVELOPER:

TDI VALLEYBROOKE LLC,
a Texas limited liability company

By: [Signature]
Name: Spencer Taylor
Title: Manager
Date: 5/28/2025

STATE OF TEXAS §

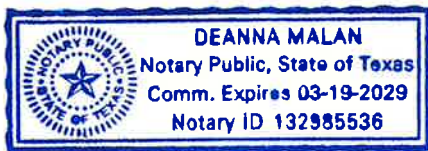
COUNTY OF DALLAS §

Before me, the undersigned officer, on this day personally appeared Spencer Taylor, Manager of TDI Valleybrooke LLC, a Texas limited liability company, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this 28 day of May, 2025.

SEAL

[Signature]
Notary Public, State of Texas



[Signatures continue on following page.]

CITY:

CITY OF MESQUITE,
a Texas home rule municipality

By: _____
Name: _____
Title: _____
Date: _____

STATE OF TEXAS §

COUNTY OF DALLAS §

Before me, the undersigned officer, on this day personally appeared _____, _____ of the City of Mesquite, a Texas home rule municipality, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this ____ day of _____, 2025.

SEAL

Notary Public, State of Texas

**Schedule 6
Trails Plan**

[See attached.]

EXHIBIT A

TRAIL EASEMENT

STATE OF TEXAS §
 § KNOW ALL PERSONS BY THESE PRESENTS THAT:
 COUNTY OF DALLAS §

That TDI VALLEYBROOKE LLC, a Texas limited liability company (“Grantor”), for and in consideration of the payment of TEN and NO/100 DOLLARS (\$10.00), and other good and valuable consideration, in hand paid to Grantor by the CITY OF MESQUITE, TEXAS, a Texas home-rule municipality (“Grantee”), the receipt of which is hereby acknowledged, has GRANTED, SOLD and CONVEYED and by these presents does GRANT, SELL, and CONVEY unto Grantee, a non-exclusive easement for the purpose of the use of a trail by the public for walking, jogging, hiking, and biking (the “Easement”) over and across the that certain tract of real property described in Exhibit A attached hereto and incorporated herein (the “Easement Tract”). The Easement will include the right for Grantee to connect any trails constructed by Grantee on Grantee-owned property to trails within the Easement, in locations reasonably agreed between Grantor and Grantee.

This grant and conveyance is made subject to all matters of record affecting the Easement Tract. The Easement is being granted and conveyed by Grantor, and accepted by Grantee, in “AS IS” condition, with any and all faults, and without any express or implied representation or warranty by Grantor.

Grantor reserves all rights in, on, under, over, and across the Easement Tract, shall continue to have the right to use and enjoy the Easement Tract for any uses, and shall continue to have the right to grant other rights and easements in, on, under, over, and across the Easement Tract to other persons and entities; provided, however, (1) no such other use or easement shall unreasonably interfere with the use of the Easement for the purpose of the Easement granted herein and (2) Grantor may not place any trees, fences, or buildings within the Easement Tract.

TO THE EXTENT ALLOWED BY LAW, GRANTEE HEREBY RELEASES AND AGREES TO INDEMNIFY, DEFEND, AND SAVE AND HOLD HARMLESS GRANTOR AND THE VALLEYBROOKE HOMEOWNERS ASSOCIATION, INC., A TEXAS NON-PROFIT CORPORATION, AND THEIR RESPECTIVE AFFILIATES, OFFICERS AND DIRECTORS FROM AND AGAINST ALL INJURY, DEATH, DAMAGES, LOSSES, CLAIMS, CAUSES OF ACTION, ORDERS, JUDGMENTS, AND EXECUTIONS ARISING FROM OR IN ANY MANNER RELATED TO GRANTEE’S OR THE PUBLIC’S USE OF THE EASEMENT.

THE EASEMENT IS NOT ASSIGNABLE BY GRANTEE WITHOUT PRIOR WRITTEN CONSENT OF GRANTOR.

TO HAVE AND TO HOLD the rights and interests described unto Grantee and their successors and assigns, forever, and Grantor does hereby bind themselves their heirs, successors

and assigns, and legal representatives, to warrant and forever defend, all and singular, the above-described Easement and rights and interests unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming, or to claim some, or any part thereof, by, through or under Grantor, but not otherwise, subject to any reservations, exceptions, and restrictions of record and the terms, provisions and conditions herein.

[Signature Page Follows.]

Executed to be effective as of the 28 day of May, 2025.

GRANTOR:

TDI VALLEYBROOKE LLC,
a Texas limited liability company

By: [Signature]

Name: Spencer Taylor

Title: Manager

STATE OF TEXAS §

§

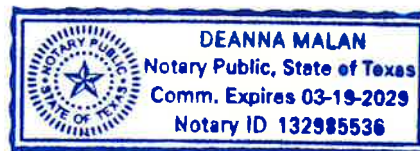
COUNTY OF DALLAS §

§

This instrument was acknowledged before me on the 28 day of May, 2025, by Spencer Taylor, the Manager of TDI VALLEYBROOKE LLC, a Texas limited liability company, on behalf of said limited liability company.

[Signature]

Notary Public, State of Texas



GRANTEE:

CITY OF MESQUITE, TEXAS,
a Texas home-rule municipality

By: _____

Name: _____

Title: _____

STATE OF TEXAS §

COUNTY OF DALLAS §

Before me, the undersigned officer, on this day personally appeared _____, _____ of the City of Mesquite, a Texas home rule municipality, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office this ____ day of _____, 2025.

SEAL

Notary Public, State of Texas

When recorded, return to:

CONSENT AND SUBORDINATION

First Continental Investment Co., Ltd., a Texas limited partnership ("Lienholder"), hereby consents to and approves the execution, delivery and recordation of this instrument, and hereby subordinates the Liens (hereinafter defined) to this instrument. Lienholder agrees that any foreclosure of the Liens, or any of them, shall in no way affect, extinguish or diminish this instrument or the rights, liens or interests created by this instrument, all of which shall remain in full force and effect notwithstanding any such foreclosure. As used herein, the "Liens" means and refer to the following, and any other liens and/or security interests now or hereafter held by Lienholder against the Easement (as defined in this instrument) or any portion of it:

That certain Deed of Trust from TDI VALLEYBROOKE LLC to JOHN BONNER, Trustee, for the benefit of Lienholder, dated December 15, 2021, recorded in Document No. 202100375424 of the Official Public Records of Dallas County, Texas, which secures a promissory note in the original principal sum of \$10,500,000, as amended by that certain Amendment to Deed of Trust and Security Agreement dated September 29, 2023, recorded in Document No. 202300201325 of the Official Public Records of Dallas County, Texas, and as supplemented by that certain First Supplemental Deed of Trust and Security Agreement dated February 12, 2025, recorded in Document No. 202500029522 of the Official Public Records of Dallas County, Texas.

Date: _____

FIRST CONTINENTAL INVESTMENT CO., LTD.,
a Texas limited partnership

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
COUNTY OF _____ §

The foregoing instrument was acknowledged before me on this the ____ day of _____, 2025, by _____, the _____ of First Continental Investment Co., Ltd., a Texas limited partnership, on behalf of said limited partnership.

Notary Public, State of Texas

Exhibit A
Description of the Easement Tract

Lot 1X, Block A; Lot 1X, Block B; VALLEYBROOKE, PHASE 1, an addition to the City of Mesquite, Dallas County, Texas, according to the Map/Plat thereof recorded under Clerk's File No. 202400211558, Real Property Records, Dallas County, Texas.