

STATE OF TEXAS           §  
  §  
COUNTY OF HOOD       §

**DEVELOPMENT AGREEMENT**  
**HCAD Tax Roll R#\_\_\_\_\_**

This agreement is entered into pursuant to Section 43.035 of the Texas Local Government Code (the “Code”) between the City of Granbury, Texas (the “City”) and the undersigned property owner(s) (the “Owner”). The term “Owner” includes all owners of the Property.

**WHEREAS**, the Owner owns a parcel of real property (the “Property”) in Hood County, Texas, more particularly and separately described in the attached Exhibit “A”, which is located in the extraterritorial jurisdiction of the City; and

**WHEREAS**, the Owner acknowledges that the City is a home-rule city and as such has the authority to involuntarily annex land in accordance with Chapter 43 of the Code; and

**WHEREAS**, pursuant to Section 43.052(h)(1) of the Code, the proposed annexation is exempt from the requirements of an annexation plan; and

**WHEREAS**, the City has begun the process to institute annexation proceedings on the Owner’s Property; and

**WHEREAS**, the Owner desires to have the Property remain in the City’s extraterritorial jurisdiction, in consideration for which the Owner agrees to enter into this Agreement; and

**WHEREAS**, the Owner has represented to the City that the entirety of the Property currently qualifies for and is being used for agricultural use under subchapter C of Chapter 23 of the Texas Tax Code; and

**WHEREAS**, the Owner has further represented to the City the Owner’s desire to maintain the agricultural use of the Property during the term of this Agreement; and

**WHEREAS**, the Property is eligible to be the subject of a development agreement under Section 212.171 of Code; and

**WHEREAS**, the City desires to provide for the orderly, safe and healthful development of land within the City’s extraterritorial jurisdiction as provided in Chapters 42 and 212 of the Code; and

**WHEREAS**, the City desires to protect development along the its roadways, thoroughfares and transportation corridors; and

**WHEREAS**, this Agreement is entered into in compliance with Section 43.035 of the Code, in order to address the desires of the Owner and the procedures of the City; and

**WHEREAS**, the Owner and the City acknowledge that this Agreement is binding upon the City and the Owner and their respective successors and assigns for the term (defined below) of this Agreement; and

**WHEREAS**, this Agreement is to be recorded in the Real Property Records of Hood County.

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein and other good and valuable consideration, the parties hereto agree as follows:

**SECTION 1.  
CONDITIONAL IMMUNITY FROM ANNEXATION**

A. The City guarantees the continuation of the extraterritorial status of the Property, its immunity from involuntary annexation by the City, and its immunity from City property taxes, for the term of this Agreement, subject to the provisions of this Agreement. Except as provided in this Agreement, the City agrees not to annex the Property, and agrees not to involuntarily institute proceedings to annex the Property. However, if the Property is annexed pursuant to the terms of this Agreement, then the City will provide services to the Property in accordance with a service plan in compliance with Chapter 43 of the Texas Local Government Code.

B. The guarantee not to annex the Property will end upon the occurrence of any of the events listed in Section 3, or if any of the Owners submit a petition requesting annexation.

C. In the event the Property is annexed as authorized by this Agreement, the City shall allow the Owner to continue the use of the Property as agricultural as set forth in Exhibit “B” for the term of this Agreement.

**SECTION 2.  
REGULATION OF PROPERTY**

A. Prior to annexation, pursuant to Sections 43.035(b)(1)(B) of the Texas Local Government Code, the City shall enforce all of the City’s regulations and planning authority that do not materially interfere with the use of the Property for agriculture, in the same manner the regulations are enforced within the City’s boundaries.

B. Prior to annexation, the agricultural land use requirements attached hereto as Exhibit “B” apply to the Property and the Property shall be used only in strict accordance with those requirements. No other use shall be permitted during the term of this Agreement without prior written permission from the City.

C. The City specifically reserves its authority pursuant to Chapter 251 of the Code to exercise eminent domain over the Property.

D. The Owner covenants and agrees not to construct, or allow to be constructed, any buildings on the Property that would require a building permit if the Property were in the city limits, until the Property has been annexed into, and zoned by, the City. However, the Owner may construct an accessory structure to the existing single-family dwelling in compliance with all applicable City ordinances and codes.

E. The Owner covenants and agrees that prior to and after annexation no portion of the Property will be used as a sexually oriented business and no billboards will be erected along the frontage or any future dedicated right-of-way on the Property.

F. After annexation, the Property will be zoned according to procedures in the City's Zoning Ordinance and regulated in the same manner as other areas within the corporate limits of the City.

### **SECTION 3. EVENTS THAT TERMINATE IMMUNITY FROM ANNEXATION**

A. The occurrence of any of the following events shall constitute a petition for voluntary annexation by the Owner and shall terminate the guarantee of immunity from annexation:

(1) If the Owner files (with the City or any other governmental unit) any type of subdivision plat, development plat, or related development documents for the Property;

(2) If the Owner commences development of the Property in violation of this Agreement;

(3) If the Property fails to qualify as land used for agriculture under Subchapter C, Chapter 23 of the Texas Tax Code for ad valorem tax purposes; or

(4) If any portion of the Property is conveyed to a person or entity other than the Owner; provided, however, that the Owner may convey the Property to a Permitted Transferee as defined herein and provided that the Permitted Transferee does not cause an event that would terminate immunity from annexation as referenced in Section 3(A)1 through 3 contained herein. For the purpose of this Development Agreement, the term "Permitted Transferee" shall mean: (1) a spouse or descendant of the Owner; (2) a trust created for the benefit of the Owner, spouse or descendant of the Owner; (3) a limited liability company, limited partnership, or corporation exclusively controlled by anyone in (1) or (2) above (i.e., Permitted Transferees are the sole members, partners and/or shareholders); (4) any charitable organization described in each of the following sections of the Internal Revenue Code: Section 170 (b)(1)(A), Section 170(c), Section 2055(a), and Section 2522(a); a charitable remainder trust created under Section 664 of the Internal Revenue Code; and, (6) a qualifying conservation easement.

(5) It is the responsibility of the Property Owner to ensure that the City of Granbury has the necessary information that the Property qualifies and maintains its qualification of its Agricultural Exempt status during the term of this Agreement, including but not limited to a

Certified Tax Statement from the Hood County Appraisal District [HCAD] which is required to be filed by the property owner as Exhibit 'B' attached hereto. If requested at any time by the City during the term of this Agreement, the Property Owner shall be required to provide evidence of such information within thirty (30) days of written notice.

#### **SECTION 4. TERM**

Subject to Section 3 of this Agreement, the term of this Agreement (the "Term") is ten (10) years from the date that the City Manager's signature to this Agreement is acknowledged by a public notary. Unless the Property is annexed pursuant to Section 3, the Owner and all of the Owner's heirs, successors and assigns shall be deemed to have filed a petition for voluntary annexation before the end of the Term, for annexation of the Property to be completed on or after the end of the Term. The annexation of the Property at the end of the term shall be deemed a voluntary annexation under any applicable law now or then existing. Prior to the end of the Term, the City may commence procedures to annex the Property.

#### **SECTION 5. GENERAL PROVISIONS**

A. **Signature of Owners.** The Owner acknowledges that each and every owner of the Property must sign this Agreement in order for the agreement to take full effect, and the Owner who signs this Agreement covenants and agrees, jointly and severally, to indemnify, hold harmless, and defend the City against any and all legal claims, by any person claiming an ownership interest in the Property who has not signed the Agreement, arising in any way from the City's reliance on this Agreement.

B. **Notice.** Prior to the sale or conveyance of any portion of the Property, the Owner shall give written notice of this Agreement to the prospective purchaser or grantee, and shall give written notice of the sale or conveyance to the City. Furthermore, the Owner and the Owner's heirs, successors, and assigns shall give the City written notice within 14 days of any change in the agricultural exemption status of the Property. A copy of either notice required by this section shall be forwarded to the City at the following address:

City of Granbury  
Attn: City Manager  
P.O. Box 969  
116 West Bridge Street  
Granbury, Texas 76048

C. **Runs with Property.** This Agreement shall run with the Property, shall be recorded in the real property records of Hood County, Texas, and shall be binding on the Owner and the Owner's successors and assigns in title.

D. **Severability.** If a court of competent jurisdiction determines that any covenant or requirement of this Agreement is void or unenforceable, including the covenants regarding

involuntary annexation, then the remainder of this Agreement shall remain in full force and effect.

E. **Enforcement; No Waiver.** This Agreement may be enforced by the Owner or the City by any proceeding at law or in equity. Failure to do so shall not be deemed a waiver to enforce the provisions of this Agreement thereafter.

F. **Applicable Law.** No subsequent change in the law regarding annexation shall affect the enforceability of this Agreement or the City's ability to annex the properties covered herein pursuant to the terms of this Agreement.

G. **Venue.** Venue for this Agreement shall be in Hood County, Texas.

H. **No Vested Rights.** This Agreement shall not be construed as a permit for purposes of Chapter 245, Texas Local Government Code.

I. **Execution.** This Agreement may be separately executed in individual counterparts and, upon execution, shall constitute one and the same instrument.

J. This Agreement shall survive its termination to the extent necessary for the implementation of the provisions of Sections 2 and 3 herein.

Entered into this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Owner

Printed Name: \_\_\_\_\_

\_\_\_\_\_  
Owner (Spouse)

Printed Name: \_\_\_\_\_

\_\_\_\_\_  
Chris Coffman  
City Manager, City of Granbury, Texas

**STATE OF TEXAS**           §  
  §  
**COUNTY OF HOOD**       §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2019, by \_\_\_\_\_, Owner.

\_\_\_\_\_  
Notary Public, State of Texas

**STATE OF TEXAS**           §  
  §  
**COUNTY OF HOOD**       §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2019, by \_\_\_\_\_, Owner (Spouse).

\_\_\_\_\_  
Notary Public, State of Texas

**STATE OF TEXAS**           §  
  §  
**COUNTY OF HOOD**       §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2019, by Chris Coffman, City Manager, City of Granbury.

\_\_\_\_\_  
Notary Public, State of Texas

**Exhibit “A” – Boundary Map of ‘The Property’  
HCAD Tax Roll R#\_\_\_\_\_ [show graphically on map]**

**(Insert Boundary Map delineating subject property here)**

**Exhibit “B” – Stated Agricultural Use on the Property by the Property Owner and Certified Tax Statement from Hood County Appraisal District [HCAD] validating Agricultural Tax Exempt Status**

**List Agricultural Uses to substantiate Agricultural Tax Exempt status: [coastal hayfield, livestock grazing, commercial grass farm, etc.]**

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- Attach Copy of Certified Tax Statement from the Hood County Appraisal District (HCAD) validating your AG Exempt status