DEVELOPMENT AGREEMENT

BETWEEN

THE CITY OF ANGLETON, TEXAS,

AND

CONCOURSE DEVELOPMENT, LLC

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AND CONCOURSE DEVELOPMENT, LLC

This Development Agreement (the *"Agreement")* is made and entered into effective as of MARCH 10, 2020, (the *"Effective Date"),* by THE CITY OF ANGLETON, TEXAS, a home rule municipality in Brazoria County, Texas, acting by and through its governing body (the *"City"),* and CONCOURSE DEVELOPMENT, LLC, a Texas limited liability company (the *"Developer").* The City and the Developer are each referred to herein individually as a *"Party"* and collectively as the *"Parties".*

RECITALS

WHEREAS:

A. Developer owns or is under contract to purchase approximately 154.582 acres of land described in Exhibit "A" (the "*Property*"), which land is located within the boundaries of Rancho Isabella Municipal Utility District (the *"District"*). The Developer desires to develop a high-quality master-planned community within the Property. The Developer asserts that the development of the Property requires an agreement providing for long-term foreseeability in regulatory requirements and development standards by the City regarding the Property.

B. The City and Developer agree that the development of the Property can best proceed pursuant to a single development agreement.

C. It is the intent of this Agreement to establish certain restrictions and commitments imposed and made in connection with the development of the Property.

D. The Developer intends to develop the Property in accordance with the General Plan, as may be amended from time to time as provided herein, as defined herein and attached to this Agreement as Exhibit "C".

E. Developer and City agree that, in addition to this Agreement, a utility services contract by and between the City and the District, and a strategic partnership agreement between the City and the District are needed and effective at the same time as this Agreement.

F. The City is authorized to enter into this Agreement pursuant to Section 212.172 of the Texas Local Government Code. The City and Developer are proceeding in reliance on the enforceability of this Agreement.

NOW, THEREFORE:

AGREEMENT

For and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration, the City and the Developer agree as follows:

ARTICLE I.
PRELIMINARY MATTERS

Section 1.1: Recitals. The recitals contained above are true and correct and are hereby incorporated fully herein for all purposes. To the extent the matters contained therein are within the Developer's control, the Developer further acknowledges and agrees that the recitals in the Strategic Partnership Agreement and the Utility Contract are true and correct and are hereby incorporated fully herein for all purposes.

Section 1.2: Terms. Unless the context requires otherwise, and in addition to the terms defined above, the following terms and phrases used in this Agreement shall have the meanings set out below:

ADD means the Angleton Drainage District, or its successor agencies.

City means the City of Angleton, Texas.

City Building Code means the current International Building Code approved by the City and promulgated by the International Code Council, including any amendments, deletions, or additions thereto, whether now or in the future, and as may be updated from time to time.

City Code means the Code of Ordinances of the City of Angleton.

City Council means the governing body of the City or any successor governing body.

Comprehensive Plan means the current Comprehensive Master Plan adopted by the City dated September 25, 2005, which is attached hereto as Exhibit "B".

County means Brazoria County, Texas.

Designated Mortgagee means, whether one or more, any mortgagee or security interest holder that has been designated to have certain rights pursuant to Article V hereof.

Developer means Concourse Development, LLC or a subsidiary or related entity thereof, as well as any successor or assign to the extent such successor or assign engages in Substantial Development Activities within the Property, except as limited by Section 9.04 herein.

Development Ordinance means the City Ordinance No. 12-11-2018, Chapter 23, of the Angleton Code of Ordinances (which is the City Land Development Code and Angleton Construction Manual), Chapter 28 of the Angleton Code of Ordinances (to the extent, if at all,

applicable to the Property), and Section 21.5 of the City Code (which regulates signs), copies of which have been made available to the Developer and is incorporated by reference into this Agreement for all intents and purposes as if attached hereto as an exhibit, but not including (i) any future amendments or changes thereto, except future amendments or changes exempted from Chapter 245, Local Government Code by Section 245.004, Local Government Code, or (ii) the City's ordinances relating to the development of property, as hereinafter defined, unless otherwise approved by the Developer in writing.

District means Rancho Isabella Municipal Utility District, a conservation and reclamation district created pursuant to Article XVI, Section 59, Texas Constitution and operating pursuant to Chapters 49 and 54, Texas Water Code and any successor.

District Facilities or *Facilities* means those water, sanitary sewer and storm drainage facilities described in Section 3.4 of this Agreement, as well as road and recreational facilities, that are necessary or desirable to serve the Property, but shall not include any facility extensions, modifications or oversizing necessary to provide service to land outside of the Property, including oversized facilities funded in whole or in part by the City or other persons.

End-Buyer means any owner, tenant, user or occupant of any lot or tract, regardless of proposed use, for which a final plat has been approved by the City and recorded in the deed records.

Equivalent Single-Family Connection or *ESFC* means that daily measure of Water and Wastewater that is attributed to one Single-Family Residential Unit served by a 5/8-inch or ¾ inch water meter or 4-inch sewer service lateral, which is deemed to be 300 gpd of Water capacity and 255 gpd of wastewater treatment capacity.

General Plan means the plan for development of the Property, a copy of which is attached to this Agreement as Exhibit "C", as it may be revised from time to time in accordance with this Agreement.

Home Owners Association (HOA) means an association created by the Developer and responsible for land within the Property.

Limited Purpose Annexation means an annexation for limited purposes as defined in the Texas Local Government Code.

Major Thoroughfare Plan means that certain Major Thoroughfare Plan adopted by the City on July 21, 2014, a copy of which is attached to this Agreement as Exhibit "D", but **not** including any future amendments or changes.

Operative Agreements means this Agreement, the Strategic Partnership Agreement, and the Utility Agreement.

Party means either the City or the Developer, as the context dictates; *Parties* means both the City and the Developer, collectively.

Person means any individual, partnership, association, firm, trust, estate, public or private corporation, or any other legal entity whatsoever.

Planning Commission means the Planning Commission of the City.

Property means the real property described in Exhibit A.

Road Facilities means those roads and facilities and improvements in aid thereof and roads described by Article III, Section 52 of the Texas Constitution and/or Water Code §54.234(b), including land, street lighting, signalization, directional and traffic signs, and landscaping located within the road rights-of-way.

Road Powers means the ability to finance Road Facilities, whether granted through the TCEQ or through special act of the Texas Legislature.

Strategic Partnership Agreement means that certain strategic partnership agreement between the City and the District dated as of the Effective Date.

Substantial Development Activities means the subdivision of the Property or any portion thereof with the intent to sell to an End-Buyer, and includes, but is not limited to any platting or construction of water, sewer, drainage. recreational facilities, or roads.

TCEQ means the Texas Commission on Environmental Quality and its successors.

TCEQ Rules means Title 30, Chapter 293 of the Texas Administrative Code, and any related regulations and regulatory guidance documents, all as may be amended from time to time.

Utility Agreement means that certain Water Supply and Wastewater Services Contract adopted and approved contemporaneously with this Agreement.

Section 1.3: Exhibits. The Exhibits attached to this Agreement, or ordinances and other publicly available documents incorporated by reference into this Agreement, are a part of this Agreement as though fully incorporated herein.

Section 1.4: Conditions Precedent to City's Obligations. The City's obligations under this Agreement are subject to the following condition precedents:

(a) A preliminary plat for the initial section of development within the Service Area has been submitted within thirty months (30) months of the Effective Date;
(b) Trenching for underground wet utilities in the initial phase of development within the Service Area begins within forty-eight (48) months of the Effective Date;
(c) The Developer is not in default of this Agreement;
(d) The Developer fully cooperates with the City and the District to exclude land located within the District and the City and encourages the District to exclude the land;

(e) The City receives written documentation from the Developer that the following conditions have been satisfied: (i) the Developer has closed the purchase of all of the Property and holds fee simple title to all of the Property; and (ii) the Developer has submitted a petition requesting the de-annexation by the City of the portion of the Property located within the City's corporate limits no later than ninety (90) days after closing on the property and such other additional or alternative documentation required by the City's City Attorney to de-annex the land in accordance with this Utility Contract.

Section 1.5: Strategic Partnership Agreement. Developer, although not a party to the Strategic Partnership Agreement, agrees and accepts the terms and provisions of same. This approval shall be irrevocable and coupled with an interest and binding upon successors to the Developer, including the contemplated end users.

Section 1.6: Professional Fees. As a condition to presentation of the Operative Agreements to the City's city council, Developer shall reimburse City for expenses incurred by City relating to the Property since August 1, 2019, and has paid to the City the sum of Ten Thousand Dollars ($10,000.00) in accordance with City Code, Chapter 30. If either the city council fails to approve the Operative Agreements, or the Operative Agreements are cancelled in accordance with their respective terms and conditions, the City shall refund to Developer the balance of the payment, less professional fees incurred by the City relating to the Operative Agreements as of the date of such action. As set out in City Code, Chapter 30, the City reserves the right to require, from time to time, the Developer to deposit additional funds, as deemed necessary by the City Manager, for the continued expenses incurred by the City in relation to the Operative Agreements. As demands for additional deposit may be made by the City acting by and through its manager, Developer shall pay the additional sum requested within thirty days of the date that the demand is mailed to the Developer at the address for notices stated in this Agreement, as that address may be changed from time to time. The City shall provide the Developer with invoices and other appropriate documentation to support the City's professional fee expenses that are charged against the funds provided by the Developer pursuant to this Section 1.5; provided, however, the City may redact information in bills for legal services that reveal any confidences or secrets of the City.

Section 1.7: Traffic. As soon as practical after the Effective Date, but prior to final plat approval by the City, the Developer shall submit, for review and approval, a Traffic Impact Analysis ("TIA"):

(a) To TXDOT for FM 523, with a copy to the City; and

(b) To the City for Henderson Road.

Subject to the City's adoption of an Ordinance consenting to the District's acquisition of Road Powers, Developer agrees to install all roughly proportional improvements warranted by the TIA, including, but not limited to traffic signals, traffic signs, and turn lanes. Notwithstanding any other

City codes, ordinances or other regulations, the TIA's required by this Section 1.6 are the only TIA required by the City.

ARTICLE II
GENERAL PLAN AND PLATTING

Section 2.1: Introduction. The Property is to be developed, in phases, as a master planned community consisting primarily of residential development. The land uses within the Property shall be typical of a residential development with one or more of the following: attached and detached single-family and multi-family residential, commercial, and designated open space. Developer represents and warrants and covenants to the City that the Property will be developed with the following features and provisions:

- Entry features with community signage and landscaping off of FM 523;

- Landscaping in medians, which shall be owned and maintained by the District or a HOA; provided, however, if owned by the District, the District shall enter into a binding written contract with the HOA obligating the HOA to maintain, at its cost, such facilities, providing the District the right to cure any failure to maintain by the HOA and charge the cost of same back to the HOA, and providing that the obligations of said agreement shall survive the annexation and dissolution of the District by the City, in which event the City shall succeed to the District's rights thereunder.

- Community park, playground, and usable open spaces, which shall be owned and maintained by the District or a HOA; provided, however, if owned by the District, the District shall enter into a binding written contract with the HOA obligating the HOA to maintain, at its cost, such facilities, providing the District the right to cure any failure to maintain by the HOA and charge the cost of same back to the HOA, and providing that the obligations of said agreement shall survive the annexation and dissolution of the District by the City, in which event the City shall succeed to the District's rights thereunder.

- Sidewalks and/or walking trails shall be adjacent to certain streets, detention ponds, and other common usable common open spaces as per the Developer's sidewalk plan, which plan will be submitted to the City for review, and the City or Angleton Independent School District, at their respective cost and expense, may connect to trails/pedestrian walkways within the development to create a regional trail/pedestrian system.

- An HOA will be responsible for the utility bill related to street lighting within the subdivision.

- Interior utilities, including electric, phone, and cable, will be underground; provided, however, certain major transmission and perimeter electric, perimeter phone, and perimeter cable utilities may be overhead. The Developer shall submit to the City for

review and comment an electrical distribution facilities plan, which shall indicate all overhead and underground electrical distribution facilities.

- A HOA or developer that will publish and enforce deed restrictions and architectural guidelines for home construction and manage all common spaces, streetscape, screening walls, aesthetic elements of detention ponds, and, if and to the extent not maintained by the District, community trails and recreation/park areas, subject to City Attorney review for form. Such deed restrictions shall include a requirement that at least one tree, expected to have a canopy of greater of fifteen feet at maturity, will be planted in the front yard of each residential lot concurrent with construction of the initial home on the lot. At the time of planting, the tree shall be of a minimum of two inches caliper measured twelve inches above soil level and seven feet in height, and shall be placed at least 4 feet from utility lines, screening walls, or other structures. The Developer shall cause the HOA deed restrictions to contain a provision that, if the District does not operate and maintain any of the common-area spaces/open areas, such as detention ponds, the HOA shall maintain such areas, and, if the HOA fails to operate and maintain such areas, the City has the option, but not the obligation, to assume the maintenance, and, should the City assume the maintenance, the City will have the right to impose and collect a fee on the HOA, or upon each lot, to recover the City's costs.

- A screening wall of at least six feet in height will be erected along FM 523 and along both sides of the main entry feature off FM 523 comprised of one or more of the following: decorative masonry materials that shall include traditional or faux brick, brick columns with an enhanced wood fence in between the columns, Fencecrete (or comparable precast concrete product), decorative stone (real or faux), decorative metals, trees and irrigated landscaping. High visibility open areas along collector streets and other open space shall also include landscaping, trees, and other streetscape elements.

- The Developer and development shall reserve unto itself the ability to develop multiple single-family residential products, provided all lots shall have a minimum width of 40-feet at the building line, a minimum length of 115 feet, and a minimum area of 4,600 square feet;

Section 2.2: General Plan and Amendments. The City and the Developer acknowledge that the attached General Plan is the preliminary plan for the development of the Property. The Parties acknowledge and agree that the General Plan will be revised and refined by the Developer as the Developer continues its investigation and planning for the Property and prepares a feasible and detailed plan for development of the Property. In no case shall the General Plan be revised or refined, without the written approval of the City, to contradict any of the requirements of this Agreement or subsequently approved variances. No revision or refinement to the General Plan shall limit or otherwise affect any right or obligation of either the Developer or the City pursuant to this Agreement until such revision or refinement is approved by the City and Developer. The City approves the General Plan in the form attached hereto, and finds it generally consistent with the Development Ordinance as well as the City's Comprehensive Plan. The City reserves the right to notify Developer of inconsistencies with the Development Ordinance as well as the City's Comprehensive Plan, upon Developer's finalizing its detailed plan,

and the Parties endeavor to resolve such inconsistencies in a mutually agreeable manner. If the City acquires the ability to zone the Property, it will zone the Property in a manner that permits development consistent with the General Plan and any revision or refinement thereto approved by the City and Developer.

Except as may be otherwise provided pursuant to Section 2.3 hereof and the variances granted therein, a landscaping plan, and revisions resulting in material deviations thereto, shall be submitted to and approved by City for the entrances, parkland, and detention area.

Section 2.3: Platting.

(a) A Preliminary Plat for the first phase of development of the Property may not be filed until all agreements between the City and Developer have been executed. Thereafter, the Preliminary Plat, and all subsequent plats, are subject only to the Development Ordinance in effect as of the date hereof, provided, however, any plats filed after ten (10) years from the Effective Date shall be governed by the Development Ordinance in effect at the time the plats are filed

(b) The Developer shall be required to plat any subdivision of the Property in accordance with this section. The subdivision plat shall be subject to review and approval by the Planning Commission in accordance with those requirements and procedures and planning standards of the Development Ordinance and any applicable variances thereto set forth herein or otherwise. A tract designated as an "unrestricted reserve" shall require re-platting at the time of the future development of such tract if subdivided into residential lots or multi-family uses in accordance with the Development Ordinance. So long as the plat meets the requirements of (1) the Development Ordinance; (2) the variances set forth in Section 3.08 or other variances that the City may approve from time to time; and (3) this Agreement (including any amendments or updated provisions of the Development Ordinance specifically allowed herein), the City shall approve the plat.

The following variances are approved by the City:

(i) Angleton Code of Ordinances, Section 21.5-6(a)(4) Subdivision Signage – Entrance Signs a.1.

Notwithstanding the number of developers or homebuilders active within the Property, a temporary sign not to exceed 96 square feet in size may be placed at each entrance to the subdivision.

(ii) Angleton Code of Ordinances, Section 21.5-6(a)(4) Subdivision Signage – Entrance Signs a.2.

Temporary signage at subdivision entrances may remain in place until initial home sales are complete.

(iii) Angleton Code of Ordinances, Section 21.5-6(a)(4) Subdivision Signage – Permanent Identification Signs c.1.

The permanent identification sign located along FM 523 shall not exceed 96 square feet on each side, and the permanent identification sign located along Henderson Road shall not exceed 48 square feet on each side.

(iv) Angleton Code of Ordinances, Section 23-11 Lots and Blocks (I) (labeled 24-11(I)):

The second point of access for the Property may be a temporary entrance until a permanent second point of access is established. The second point of access must be operational before sixty (60% of the houses are permitted.

(v) Angleton Code of Ordinances, Section 23-12 Streets and Driveways (B):

Except for the boulevard entry street, which shall be classified as a minor collector (70 right-of-way) from FM 523 to the recreational center as shown on the General Plan, all internal streets within the Property will be classified by the City as local streets.

(vi) Angleton Code of Ordinances, Section 23-12 Streets and Driveways (G)(1)(e):

All cul-de-sac streets shall have a turnaround, with a surface diameter of no less than 85 feet and a right-of-way diameter of no less than 100 feet.

(vii) Angleton Code of Ordinances, Section 23-12 Streets and Driveways (G)(2)(b):

Turnarounds are required for partial streets or half streets only if they exceed 150 feet in length.

(viii) Angleton Code of Ordinances, Section 23-12 Streets and Driveways (K)(3):

Laydown curbs shall be permitted at the front of lots. All other curbs shall be 6 inches.

(ix) Angleton Code of Ordinances, Section 23-14 Sidewalks and Accessibility (A)(1)(a) and (b):

For non-fronted local streets, a sidewalk of 8 foot width may be constructed on one side of the street or sidewalks of 5 foot width (each) may be constructed on both sides of the street.

(x) Angleton Code of Ordinances, Section 23-14 Sidewalks and Accessibility (A)(2)(b) and (c):

Residential sidewalks shall have a minimum width of 4 feet adjacent to single family residences and 5 feet in common areas, and may be located five feet (5') back of curb.

(xi) Angleton Code of Ordinances, Section 23-15 Drainage and Utilities (I)(3):

All residential section electric utility service shall be installed underground. Three phase or primary electrical service may be overhead.

(xii) Angleton Code of Ordinances, Section 23-15 Drainage and Utilities (I)(6):

The requirements of this subsection are subject to the requirements of Texas-New Mexico Power.

(xiii) Angleton Code of Ordinances, Section 23-25 Traffic Impact Analysis:

Any required TIA must be submitted prior to the City approving construction plans; provided, however, final TxDOT approval not required prior to issuance of notice to proceed on construction contracts once City has approved plans.

(xiv) Angleton Code of Ordinances, Section 23-20 Parkland and Dedication Requirements (D)(6):

The open space and recreational facilities to be provided as shown in the General Plan attached to the Development Agreement between the City and Developer satisfy the requirements for the dedication of a site, or sites, to the public for parkland.

(xv) Angleton Code of Ordinances, Section 23-95 Final Plats (G)(3):

Block and lot numbers within each section of development shall run consecutively throughout the entire section.

(xvi) Angleton Code of Ordinances, Section 23-98 Public Improvements Acceptance A.1.a:

The first phase final plat recordation can proceed notwithstanding deferral of park improvements in accordance with typical construction processes.

(xvii) Angleton Code of Ordinances, Section 28-47 Single Family Residential (d)(1):

Minimum lot area: 4,600 square feet.

Minimum lot width. 40 feet.

Minimum lot depth: 115 feet.

(xviii) Angleton Code of Ordinances, Section 28-47 Single Family Residential (d)(2):

Minimum side yard: 10 feet for a corner lot on a street; 10 feet for a key corner lot.

Minimum rear yard: 15 feet for the main building and any accessory building(s).

(xix) Angleton Code of Ordinances, Section 28-47 Single Family Residential District (d)(3):

Single-family dwelling unit: A minimum of two parking spaces on the same lot as the main structure and on a paved driveway having a minimum length of 25 feet as measured from the street right-of-way line; provided, however, that the minimum length for a lot on a cul de sac will be 20 feet as measured from the street right-of-way line.

Section 2.4: Amended Consent Ordinance. The City agrees that immediately upon the effective date of this Agreement, the City shall take the procedural steps required to amend Ordinance No. 832 (the "Consent Ordinance") to allow the District to provide recreational facilities and Road Facilities, such amended ordinance shall be in the form attached as Exhibit "B" to the Strategic Partnership Agreement. Upon passage of the amended Consent Ordinance in substantially the form attached as Exhibit "B" to the Strategic Partnership Agreement, the amended consent ordinance shall be incorporated by reference into this Agreement as if attached as an exhibit.

ARTICLE III
DESIGN AND CONSTRUCTION STANDARDS AND APPLICABLE ORDINANCES

Section 3.1: Regulatory Standards and Development Quality.

(a) One of the primary purposes of this Agreement is to provide for quality development of the Property and foreseeability as to the regulatory requirements applicable to the development of the Property throughout the development process. Feasibility of the development of the Property is dependent upon a predictable regulatory environment and stability in the projected land uses. In exchange for Developer's performance of the obligations under this Agreement to develop the Property in accordance with certain standards and to provide the overall quality of development described in this Agreement, the City agrees to the extent allowed by law that it will not impose or attempt to impose any moratoriums on building or growth within the Property.

(b) By the terms of this Agreement, the City and the Developer hereby establish development and design rules and regulations which will ensure a quality, unified development, yet afford the Developer predictability of regulatory requirements and ability to respond to changing market conditions throughout the term of this Agreement. Accordingly, the General Plan and guidelines established by this Agreement include density and land use regulations, a general land use plan, circulation and traffic patterns, a parks and recreation plan, subdivision regulations, public improvement regulations, private improvement regulations, and annexation restrictions. The City and the Developer agree that (i) in the event of any City ordinance heretofore or hereafter effective or adopted, that is in conflict with this Agreement, then this Agreement prevails over such ordinance or regulation unless approved by the Developer in writing to waive this provision, except for the Development Ordinance to the extent expressed in this Agreement, the Sign Ordinance (defined below), and that the provisions of this Agreement otherwise govern development of the Property, and (ii) the General Plan shall control in the case of any conflict between it and any Development Ordinance.

Section 3.2: Density. The parties agree that development of the Property shall be in accordance with the General Plan and the requirements of this Agreement. The number of single-family residential housing units within the Property shall not exceed 660 units, provided, however, no lot shall be less than the minimum lot dimensions or areas specified in section 2,1, above, and the number of multi-family structures shall be negotiated with the city at a later date; provided, however, to allow the Developer a certain amount of flexibility to respond to market conditions, any quantity of this Section 3.2 may be increased to a different quantity than specified, subject to prior written notice by the Developer to the City, so long as such variance does not exceed the quantity set forth herein by more than 10%. Under no conditions shall the water and wastewater demand within the Property exceed a total of 660 Equivalent Single Family Connection or ESFC, as those terms are defined in the Utility Agreement. The Developer agrees to restrict the residential portion of the Property to site-built homes as opposed to importation of completed manufactured housing. Pre-fabricated (panelized) type housing that is constructed on site on conventional slabs will be allowed. The Developer may develop commercial property without any limitation on the maximum amount of commercial acreage, subject to the right of the City to annex for limited purposes such commercial property in accordance with the Strategic Partnership Agreement.

Section 3.3: Lot Size. The Parties agree that single family residential lots will be at least 4,600 square feet with a minimum forty foot (40') width requirement and the other dimensions and area stated in section 2.1, above.

Section 3.4: Water/Wastewater/Drainage Services to the Property. The plan for water supply, storage, and distribution system and wastewater collection and treatment system and stormwater control and drainage system to serve the Property shall be developed in accordance with the Utility Agreement, General Plan and the master drainage requirements of ADD. The Developer will make provisions for public water supply and distribution, wastewater collection and treatment, and drainage services for the Property through public utility facilities to be provided by the City, ADD and the District. The City will provide public water supply and wastewater treatment capacity to serve the Property in accordance with the Utility Agreement. The Developer will cause the construction of the District Facilities to serve the Property in accordance with the

Strategic Partnership Agreement and the Utility Agreement. The Developer may enter into one or more reimbursement agreements with the District and/or ADD to seek reimbursement for the costs of the water, wastewater, and stormwater facilities referenced in this Section 3.4, as well as, to the extent allowed by law, Road Facilities and recreational facilities.

Section 3.5: Construction Standards for the District Facilities.

(a) The Developer shall provide the District Facilities according to the General Plan, and, as applicable, Brazoria County's major thoroughfare plan and the Major Thoroughfare Plan for the Property at Developer's sole cost; provided, however, the Developer (i) may receive reimbursement of all eligible costs of the District Facilities from the District or ADD, as applicable, and (ii) subject to the terms and conditions of this Agreement and except for those that are the responsibility of ADD. The Developer shall require all contractors to provide payment and/or performance bonds in favor of or assignable to the District, ADD, or the City, as applicable, based upon the party that will ultimately accept and maintain such public improvements. The City shall have the right to review and approve the plans and specifications for the Facilities, subject to the following terms. The Developer must comply with state procurement laws for all such public improvements. The Developer shall design and prepare plans and specifications for the District Facilities, as needed. Upon completion of such plans and specifications, the Developer will make available the plans and specifications to the City for review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. The City shall have thirty (30) days to review the plans and specifications and submit written comments to the Developer. If the City does not submit written comments within this thirty (30) day period, the plans and specifications shall be deemed approved. If the Developer receives written comments from the City within this thirty (30) day period, the plans and specifications shall be deemed approved as long as the Developer complies with such written comments. The Developer shall furnish proof of compliance with such comments to the City and final approved plans. The City shall have the right to inspect (and shall attempt to coordinate with any inspections performed by Brazoria County or the TCEQ) and approve the construction of the Facilities, which approval will not be unreasonably withheld, conditioned or delayed. The Developer shall require the applicable engineer to provide notice to City prior to any Brazoria County or TCEQ inspections.

(b) During the term of this Agreement and subject to Section 2.3 hereof, the City may modify, supplement or amend the standards contained in the Development Ordinance for the design and construction of public improvements to make them consistent with generally accepted standards of other local governmental entities; provided, however, such modifications, supplements or amendments shall not apply to plans that have previously been submitted to the City.

Section 3.6: Private Improvements/Inspections.

(a) All houses and buildings and other private improvements within the Property shall be constructed in accordance with the City Building Code. Houses and buildings and other single-family private improvements within the Property will be inspected by the City or a third party inspector engaged by City, who will perform all inspections on such houses and buildings. When such inspections are complete, the third party inspector shall file inspection reports with the City.

The City acknowledges that placements of initial housing within the boundaries of the District will be necessary for the purposes of holding an election, and agrees this subsection shall not be construed to apply to the placement of such initial housing within the District for such purposes nor shall any other regulation of the City apply to prevent the placement thereof.

(b) The Developer and its respective grantees shall be obligated to apply for and obtain customer service inspections of all private plumbing improvements in the Property, and shall be obligated to pay any and all applicable City fees and charges for such inspection at the City's then-current rate.

(c) With respect to commercial private improvements within the Property, the Developer and its respective grantees shall be obligated to apply for and obtain construction permits and inspections from the City to the extent same would be required of other commercial private improvements in the City, and the Developer and its respective grantees shall be required to pay any and all applicable City fees and charges for such applications, permits and inspections at the City's then-current rate.

Section 3.7: Liability of End Buyer. End Buyers shall have no liability for the failure of the Developer to comply with the terms of this Agreement and shall only be liable for their own failure to comply with the recorded declaration of restrictive covenants (if applicable) and land use restrictions applicable to the use of their tract or lot.

Section 3.8: Signs. Except as may be otherwise agreed through the granting of a variance pursuant to Section 2.3 hereof, all signs within the Property shall be designed and constructed in accordance with the City's Code of Ordinances, Chapter 21.5, as amended (the *"Sign Ordinance"*), a copy of which has been made available to the Developer and incorporated into this Agreement as if attached to this Agreement. Notwithstanding the foregoing, the Developer shall be permitted to install signs on the Property in the sizes specified in Section 2.3 hereof to advertise for the development contemplated herein. The City shall have the right to approve the location of the signs within the Property; provided, the City acknowledges that it is the Developer's intention that the signs be visible from FM 523 and/or Henderson Road. Developer shall keep the signs in good repair and, if Developer fails to do so, City may remove the signs. Developer shall remove the signs after 95% of the structures have been constructed, and, should the Developer fail to do so, City may remove the signs.

ARTICLE IV
PROVISIONS FOR THE PROPERTY

Section 4.1: Utility Agreement. The Developer acknowledges that the City and the District have entered into Utility Agreement setting forth certain general terms relating to the development of the water and wastewater facilities to serve the Property.

ARTICLE V
PROVISIONS FOR DESIGNATED MORTGAGEE

Section 5.1: Notice to Designated Mortgagee. Pursuant to Section 5.3, any Designated Mortgagee shall be entitled to simultaneous notice any time that a provision of this Agreement requires notice to Developer.

Section 5.2: Right of Designated Mortgagee to Cure Default. Any Designated Mortgagee shall have the right, but not the obligation, to cure any default in accordance with the provisions of Section 5.3 and Article VII.

Section 5.3: Designated Mortgagee.

(a) At any time after execution and recordation in the Real Property Records of Brazoria County, Texas, of any mortgage, deed of trust, or security agreement given and executed by the Developer encumbering the Property or any portion thereof, the Developer (i) shall notify the City in writing that such mortgage, deed of trust, or security agreement has been given and executed by the Developer, and (ii) may change the Developer's address for notice pursuant to Section 9.5 to include the address of the Designated Mortgagee to which it desires copies of notice to be mailed.

(b) At such time as a release of any such lien is filed in the Real Property Records of Brazoria County, Texas, and the Developer gives notice of the release to the City as provided herein, all rights and obligations of the City with respect to the Designated Mortgagee under this Agreement shall terminate.

(c) The City agrees that it may not exercise any remedies of default hereunder unless and until the Designated Mortgagee has been given thirty (30) days written notice and opportunity to cure (or commences to cure and thereafter continues in good faith and with due diligence to complete the cure) the default complained of. Whenever consent is required to amend a particular material provision of this Agreement or to terminate this Agreement, the City and the Developer agree that this Agreement may not be so amended or terminated without the consent of such Designated Mortgagee; provided, however, consent of a Designated Mortgagee shall only be required to the extent the lands mortgaged to such Designated Mortgagee would be materially affected by such amendment or termination.

(d) Upon foreclosure (or deed in lieu of foreclosure) by a Designated Mortgagee of its security instrument encumbering the Property, such Designated Mortgagee (and its affiliates) and their successors and assigns shall not be liable under this Agreement for any defaults that are in existence at the time of such foreclosure (or deed in lieu of foreclosure). Furthermore, so long as such Designated Mortgagee (or its affiliates) is only maintaining the Property and marketing it for sale, and is not actively involved in the development of the Property, such Designated Mortgagee (and its affiliates) shall not be liable under this Agreement. Upon foreclosure (or deed in lieu of foreclosure) by a Designated Mortgagee, any development of the Property shall be in accordance with this Agreement.

(e) If the Designated Mortgagee or any of its affiliates and their respective successors and assigns, undertakes development activity, the Designated Mortgagee shall be bound by the

terms of this Agreement. However, under no circumstances shall such Designated Mortgagee ever have liability for matters arising either prior to, or subsequent to, its actual period of ownership of the Property, or a portion thereof, acquired through foreclosure (or deed in lieu of foreclosure).

ARTICLE VI
PROVISIONS FOR DEVELOPER

Section 6.1: Vested Rights. Upon the mutual execution of this Agreement, the City and Developer agree that the rights of all parties as set forth in this Agreement shall be deemed to have vested, as provided by Texas Local Government Code, Chapters 43 and 245 and Section 212.172(g), as amended or under any other existing or future common or statutory rights as of the Effective Date.

Section 6.2: Waiver of Actions Under Private Real Property Rights Preservation Act. The Developer hereby waives its right, if any, to assert any causes of action against the City accruing under the Private Real Property Rights Preservation Act, Chapter 2007, Texas Government Code (the *"Act")* or other state law, that the City's execution or performance of this Agreement or any authorized amendment or supplements thereto may constitute, either now or in the future, a "Taking" of Developer's, or their respective grantee's, or a grantee's Successor's "Private Real Property," as such terms are defined in the Act. Provided, however, that this waiver does not apply to, and the Developer and its grantees and successors do not waive their rights to assert a claim under the Act for any action taken by the City beyond the scope of this Agreement which otherwise may give rise to a cause of action under the Act.

Section 6.3: Developer's Right to Continue Development. The City and the Developer hereby acknowledge and agree that, subject to Section 9.6 of this Agreement, the Developer may sell all or a portion of the Property to one or more Persons who shall be bound by this Agreement and perform the obligations of the Developer hereunder. In the event that there is more than one Person acting as a Developer hereunder, the acts or omissions of one Developer which result in that Developer's default shall not be deemed the acts or omissions of any other Developer, and a performing Developer shall not be held liable for the nonperformance of another Developer. In the case of nonperformance by one or more Developers, the City may pursue all remedies against such nonperforming Developer as set forth in Section 7.4 hereof, but shall not impede the planned or ongoing development activities nor pursue remedies against any other Developer.

ARTICLE VII
MATERIAL BREACH, NOTICE AND REMEDIES

Section 7.1: Material Breach of Agreement.

(a) It is the intention of the parties to this Agreement that the Property be developed in accordance with the terms of this Agreement and that Developer follow the development plans as set out in the General Plan. The parties acknowledge and agree that any substantial deviation from the General Plan in the form attached hereto and the concepts of development contained therein and any substantial deviation by Developer from the material terms of this Agreement would

frustrate the intent of this Agreement, and therefore, would be a material breach of this Agreement. By way of example, but not limited to the following, a major deviation from the material terms of this Agreement and General Plan would be:

1. An increase in the density beyond that which is allowed by this Agreement or a fundamental change in the roadway configurations;

2. Developer's failure to develop the Property in compliance with the approved General Plan, as from time to time amended; or Developer's failure to secure the City's approval of any material or significant modification or amendment to the General Plan;

3. Failure of either Party to substantially comply with a provision of this Agreement.

4. An attempt by the Developer to add additional property to the District without the City's consent or to incorporate any portion of the Property;

5. An attempt by the Developer to modify or amend the General Plan except as permitted by this Agreement or otherwise agreed by the City; or

6. Any warranty, representation or statement made or furnished to City by or on behalf of Developer under this Agreement which was false or misleading in any material respect, either now or at the time made or furnished, and Developer fails to cure same within thirty (30) days after written notice from City describing the violation, or if such violation cannot be cured within such 30-day period in the exercise of all due diligence, then if Developer fails to commence such cure within such 30-day period or fails to continuously thereafter diligently prosecute the cure of such violation; or if Developer learns that any such warranty, representation or statement has become false or misleading at the time that it was made, and the Developer fails to provide written notice to City of the false and misleading nature of such warranty, representation or statement within ten (10) days after the Developer learns of its false or misleading nature.

(b) The parties acknowledge and agree that any substantial deviation by the City from the material terms of this Agreement would frustrate the intent of this Agreement and, therefore, would be a material breach of this Agreement. By way of example, a substantial deviation from the material terms of this Agreement would be:

1. The imposition or attempted imposition of any moratorium on building or growth on the Property, except as allowed by this Agreement;

2. Imposition by the City of a requirement that the Developer, the Developer's grantee, or a grantee's successor apply for or obtain from the City any permit or construction of private or public improvements, obtain any inspection related thereto, or pay any fee for any application, permit, inspection for which a variance is granted by this Agreement, other than the variances as set forth herein;

3. Any warranty, representation or statement made or furnished to Developer by or on behalf of City under this Agreement which was false or misleading in any material respect, either now or at the time made or furnished, and City fails to cure same within thirty (30) days after written notice from Developer describing the violation, or if such violation cannot be cured within such 30-day period in the exercise of all due diligence, then if City fails to commence such cure within such 30-day period or fails to continuously thereafter diligently prosecute the cure of such violation; or if City learns that any such warranty, representation or statement has become false or misleading at the time that it was made, and the City fails to provide written notice to Developer of the false and misleading nature of such warranty, representation or statement within ten (10) days after the City learns of its false or misleading nature;

4. An attempt by the City to annex and dissolve, in whole or in part, the District without complying with the conditions set forth in the Strategic Partnership Agreement;

5. An attempt by the City to enforce any City ordinance or City code within the Property that is inconsistent with the terms and conditions of this Agreement;

6. An attempt by the City to modify or amend the General Plan except as permitted by this Agreement;

7. An attempt by the City to unreasonably withhold approval of a plat of land within the Property that complies with the Development Ordinance and requirements of this Agreement; or

8. An attempt by the City to zone the Property in a manner that does not permit development consistent with the General Plan.

(c) In the event that a party to this Agreement believes that another party has, by act or omission, committed a material breach of this Agreement, the provisions of this Article VII shall provide the sole remedies for such default, unless otherwise specifically provided herein.

Section 7.2: Notice of Developer's Default.

(a) The City shall notify the Developer and each Designated Mortgagee in writing of an alleged failure by the Developer to comply with a provision of this Agreement, which notice shall specify the alleged failure with reasonable particularity. The alleged defaulting Developer shall, within thirty (30) days after receipt of such notice or such longer period of time as the City may specify in such notice, either cure such alleged failure or, in a written response to the City, either present facts and arguments in refutation or excuse of such alleged failure or state that such alleged failure will be cured and set forth the method and time schedule for accomplishing such cure.

(b) The City shall determine (i) whether a failure to comply with a provision has occurred; (ii) whether such failure is excusable; and (iii) whether such failure has been cured or

will be cured by the alleged defaulting Developer or a Designated Mortgagee. The alleged defaulting Developer shall make available and deliver to the City, if requested within a reasonable time period, any records, documents or other information necessary to make the determination without charge.

(c) In the event that the City determines that such failure has not occurred, or that such failure either has been or will be cured in a manner and in accordance with a schedule reasonably satisfactory to the City, or that such failure is excusable, such determination shall conclude the investigation.

(d) If the City determines that a failure to comply with a provision has occurred and that such failure is not excusable and has not been or will not be cured by the alleged defaulting Developer or a Designated Mortgagee in a manner and in accordance with a schedule reasonably satisfactory to the City, then, after providing notice and an opportunity to cure as provided herein, the City Council may take any appropriate action to enforce this agreement at law or in equity.

Section 7.3: Notice of City's Default.

(a) Any Developer shall notify the City in writing of an alleged failure by the City to comply with a provision of this Agreement, which notice shall specify the alleged failure with reasonable particularity. The City shall, within 30 days after receipt of such notice or such longer period of time as that Developer may specify in such notice, either cure such alleged failure or, in a written response to each Developer, either present facts and arguments in refutation or excuse of such alleged failure or state that such alleged failure will be cured and set forth the method and time schedule for accomplishing such cure.

(b) The Developer shall determine (i) whether a failure to comply with a provision has occurred; (ii) whether such failure is excusable; and (iii) whether such failure has been cured or will be cured by the City. The City shall make available and deliver to the Developer, if requested within a reasonable time period, any records, documents or other information necessary to make the determination without charge.

(c) In the event that the Developer determines that such failure has not occurred, or that such failure either has been or will be cured in a manner and in accordance with a schedule reasonably satisfactory to the Developer, or that such failure is excusable, such determination shall conclude the investigation.

(d) If the Developer determines that a failure to comply with a provision has occurred and that such failure is not excusable and has not been or will not be cured by the City in a manner and in accordance with a schedule reasonably satisfactory to the Developer, then the Developer, after providing notice and an opportunity to cure as provided herein, may take any appropriate action to enforce this agreement at law or in equity.

Section 7.4: Remedies.

(a) In the event of a determination by the City that a Developer has committed a material breach of this Agreement, the City may, subject to the provisions of Section 7.2, file suit in a competent jurisdiction in Brazoria County, Texas, and seek either (i) specific performance, (ii) injunctive relief, (iii) an action under the Uniform Declaratory Judgment Act, or (iv) termination of this Agreement as to the breaching Developer (but not as to any other non-breaching Developer).

(b) In the event of a determination by a Developer that the City has committed a material breach of this Agreement, the Developer may, subject to the provisions of Section 7.3, file suit in a court of competent jurisdiction in Brazoria County, Texas, and seek (i) specific performance, (ii) injunctive relief, (iii) an action under the Uniform Declaratory Judgment Act, or (iv) termination of this Agreement as to such Developer.

(c) Neither party shall be liable for any monetary damages of the other party for any reason whatsoever.

ARTICLE VIII
BINDING AGREEMENT, TERM, AMENDMENT, AND ASSIGNMENT

Section 8.1: Beneficiaries. This Agreement shall bind and inure to the benefit of the City and the Developer, their successors and assigns. In addition to the City and the Developer, Designated Mortgagees, and their respective successors or assigns, shall also be deemed beneficiaries to this Agreement. The terms of this Agreement shall constitute covenants running with the portion of the land comprising the Property now owned or acquired in the future by the Developer and shall be binding on all future Developers and other landowners, other than End-Buyers. In accordance with Section 9.13 hereof, the City may record a Memorandum of this Agreement in the deed records of Brazoria County, Texas, whereupon this Agreement shall be binding upon the Parties hereto and their successors and assigns permitted by this Agreement and upon the portion of the Property now owned or in the future acquired by the Developer; however, this Agreement is not binding on, and does not create any encumbrance to title as to any End-Buyer, or mortgagee of an End-Buyer, of a fully developed and improved lot within the Property, except for land use and development regulations that may apply to a specific lot or tract.

Section 8.2: Term. This Agreement will not become effective and binding upon the City, even if signed by the City, unless and until the City receives written documentation from the Developer that both of the following conditions have been satisfied: (i) the Developer has closed the purchase of all of the Property and holds fee simple title to all of the Property; and (ii) the District has excluded the all property within its boundaries except for the Property. If both of these conditions are not satisfied, the City may cancel or terminate this Agreement without liability to the Developer or District. If the conditions required for this Agreement to become effective occur, this Agreement shall remain in effect until the earlier to occur of (i) the annexation and dissolution of the District by the City, or (ii) the expiration of thirty (30) years from the Effective Date; provided that: (i) the City shall continue to own the Water and Wastewater Facilities accepted by the City prior to the expiration of the term of this Agreement, and (ii) in the event this Agreement is terminated by virtue of the annexation and dissolution of the District by the City prior to the

expiration of thirty (30) years from the Effective Date, the provisions of Articles II, III and VI hereof shall survive until the expiration of thirty (30) years from the Effective Date and may be enforced in accordance with Article VII hereof. .

Section 8.3: Termination. In the event this Agreement is terminated as provided in this Agreement or is terminated pursuant to other provisions, or is terminated by mutual agreement of the parties, the parties shall promptly execute and file of record, in the real property records of each county in which any part of the Property is located, a document confirming the termination of this Agreement, and such other documents as may be appropriate to reflect the basis upon which such termination occurred. Notwithstanding anything above, if the Developer has not filed a preliminary plat within thirty (30) months and commenced trenching for underground wet utilities for the first section of the development of the Property within forty-eight (48) months from the Effective Date, then the City at its sole authority may declare this Agreement and the other Operative Agreements terminated and file the appropriate documents referencing such as shown above. Additionally, in the event the Developer has not notified the City of the actual number of equivalent single family connections of water and wastewater capacity it requires for full build out of the District Property within seven (7) years of the Effective Date of this Agreement, the City may reallocate capacity in accordance with Section 2.2(d) of the Utility Contract between the District and the City. Further, notwithstanding anything to the contrary contained in Section 2.2(c) of the Utility Contract, in the event or trenching for underground wet utilities has not started with the District Property within sixty (60) months of the Effective Date of this Agreement, the City may adjust the cost of the Capital Acquisition Fees for capacity provided thereunder.

Section 8.4: Assignment or Sale by Developer. Any person who acquires all or any portion of the Property now owned by the Developer or acquired by the Developer in the future, except for an End-Buyer whose liability is defined in Section 3.7 above, shall take said portion of the Property subject to the terms of this Agreement. The terms of this Agreement are binding upon Developer, its successors and assigns, as provided in Section 8.1 above; provided, however, notwithstanding anything to the contrary herein, the Developer's assignee shall not acquire the rights and obligations of Developer unless Developer expressly states in the deed of conveyance or by separate instrument placed of record that said assign is to become the Developer for purposes of this Agreement and notice is sent by the Developer to the City and any Designated Mortgagee within thirty (30) days. Any contract, agreement to sell land, or instrument of conveyance of land which is a part of the Property, other than to an End-Buyer, shall recite and incorporate this Agreement as binding on any purchaser or assignee. Further, the Developer may, without the necessity of any further approval from the City, assign this Agreement or the Developer's right, title, interest and obligations herein to a joint venture vehicle, joint venturer, or related entity, but the Developer shall notify the City in writing within thirty (30) days of any such assignment.

Section 8.5: Amendment. This Agreement may be amended only upon written amendment executed by the City and Developer. In the event Developer sells any portion of the Property, the Developer may assign to such purchaser the right to amend this Agreement as to such purchased property by written assignment and notice thereof to the City. Such assignment shall not grant such purchaser the authority to amend this Agreement as to any other portions of the Property.

ARTICLE IX
MISCELLANEOUS PROVISIONS

Section 9.1: Approvals and Consents. Approvals or consents required or permitted to be given under this Agreement shall be evidenced by an ordinance, resolution, or order adopted by the governing body of the appropriate Party or by a certificate executed by a person, firm, or entity previously authorized to give such approval or consent on behalf of such Party. Approvals and consents shall be effective without regard to whether given before or after the time required for giving such approvals or consents.

Section 9.2: Force Majeure. If any Party is rendered unable, wholly or in part, by force majeure to carry out any of its obligations under this Development Agreement, except the obligation to pay amounts owed or required to be paid pursuant to the terms of this Development Agreement, then the obligations of such Party, to the extent affected by such force majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. As soon as reasonably possible after the occurrence of the force majeure relied upon, the Party whose contractual obligations are affected thereby shall give notice and full particulars of such force majeure to the other Parties. Such cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure," as used herein, shall include without limitation of the generality thereof, acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy including acts of terrorism, orders of any kind of the government of the United States or the State of Texas or any civil or military authority other than a party to this Development Agreement, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, drought, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply resulting in an inability to provide water necessary for operation or the water and sewer system hereunder or in an inability of the City to provide Water or receive Wastewater, and any other inabilities of any Party, whether similar to those enumerated or otherwise, which are not within the control of the Party claiming such inability, which such Party could not have avoided by the exercise of due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the Party having the difficulty, and that the requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing Party when such settlement is unfavorable to it in the judgment of the Party experiencing the difficulty.

Section 9.3: Law Governing; Venue; Authority for Actions.

(a) This Agreement shall be governed by the laws of the State of Texas and no lawsuit shall be prosecuted on this Agreement except in a court of competent jurisdiction located in Brazoria County.

(b) The Parties hereto recognize and understand that disputes may occur or actions may be required under this Agreement and that this Agreement involves governmental entities and, with respect to the City, there can be no delegation to a third party individual or third party entity

of the duties and obligations of the Parties as herein provided. Thus, the Parties agree that actions of the City hereunder with respect to its duties and obligations may be submitted to the City Council for consideration and resolution, if and as required by the City's Code of Ordinances and City Charter. In such event, the City Council, after consideration and hearing, shall render a final decision thereunder, and the decision of the City Council shall be the final, binding, and conclusive action of the City with respect thereto.

Section 9.4: No Additional Waiver Implied. No waiver or waivers of any breach or default (or any breaches or defaults) by any Party hereto of any term, covenant, condition, or liability hereunder, or the performance by any Party of any duty or obligation hereunder, shall be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, under any circumstances.

Section 9.5: Addresses and Notice. Unless otherwise provided in this Agreement, any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made, or accepted by any Party to the other (except bills), must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the Party to be notified, with return receipt requested, or by delivering the same to such Party, addressed to the Party to be notified. Notice deposited in the mail in the manner herein above described shall be conclusively deemed to be effective, unless otherwise stated in this Agreement, from and after the expiration of three (3) days after it is so deposited. Notice given in any such other manner shall be effective when received by the Party to be notified. For the purpose of Notice, addresses of the Parties shall, until changed as hereinafter provided, be as follows.

If to the City, to:

City Manager
City of Angleton
121 Velasco Street
Angleton, Texas 77515

If to the Developer, to:

Mr. Jordan Mack
Concourse Companies, LLC
9950 Westpark Dr., Suite 285
Houston, Texas 77063

To the extent any notice effects or may affect the District, a copy shall be provided to the District, as follows.

If to the District, to:

Mr. Daniel Ringold
Schwartz, Page & Harding, LLP
1300 Post Oak Blvd., Suite 1400
Houston, Texas 77056

The Parties shall have the right from time-to-time and at any time to change their respective addresses and each shall have the right to specify any other address by at least fifteen (15) days written Notice to the others.

Section 9.6: Assignability. Except as provided in Section 8.4 hereof or this Section 9.6, this Agreement may not be assigned by any Party except upon written consent of the other Party hereto; provided, however, the Developer may assign its right, title and interest in and to this Agreement to a subsequent purchaser of the Property (or a portion thereof), a joint venture, or a related entity, and the City and the District hereby evidence their consent thereto, but only if such entity expressly assumes the obligations of Developer hereunder. Any permitted assignment must be in writing, and the assignee must expressly assume the Developer's obligations under this Agreement. Any such assignment will be effective upon delivery of a copy of such assignment and assumption to the City. In the event Developer's interest in the Property are extinguished by an act of foreclosure, and the foreclosing party has supplied sufficient evidence to City that they are the successor in interest to the Property as a result of such foreclosure, and that there are no lawsuits pending concerning the Property, City shall consider the foreclosing party a successor in interest if the foreclosing party expressly assume the Developer's obligations under this Agreement.

Section 9.7: Merger and Modifications. This Agreement, including the exhibits that are attached hereto and incorporated herein for all purposes, along with the other Operative Agreements embody the entire agreement between the Parties relative to the development of the Property. This Agreement shall be subject to change or modification only with the written mutual consent of the Parties.

Section 9.8: Reservation of Rights. All rights, powers, privileges, and authority of the Parties are not restricted or affected by the express terms and provisions hereof are reserved by the Parties and, from time to time, may be exercised and enforced by the Parties.

Section 9.9: Captions. The captions of each section of this Agreement are inserted solely for convenience and shall never be given effect in construing the duties, obligations or liabilities of the Parties or any provisions hereof, or in ascertaining the intent of any Party, with respect to the provisions hereof.

Section 9.10: Severability. The provisions of this Agreement are severable, and if any part of this Development Agreement or the application thereof to any person or circumstances 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 part of this Agreement to other persons or circumstances shall not be affected thereby.

Section 9.11: Anti-Boycott Verification. As required by Chapter 2270, Texas Government Code, the Developer hereby verifies that the Developer does not boycott Israel and will not boycott Israel through the term of this Agreement. For purposes of this verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

Section 9.12: Foreign Terrorist Organizations. Pursuant to Chapter 2252, Texas Government Code, the Developer represents and certifies that, at the time of execution of this Agreement neither the Developer, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201 or 2252.153 of the Texas Government Code.

Section 9.13: Memorandum of Agreement. Contemporaneously with the signing of this Agreement, the Parties agree to both sign a memorandum of agreement in the form attached as Exhibit "E" and that the City may file the memorandum of agreement in the real property records of Brazoria County. If Developer fails to sign a memorandum of agreement at the same time the Developer signs this Agreement, the Developer authorizes the City to file this Agreement in the public records of Brazoria County. Should the City cancel this Agreement as the result of the Developer's failure to timely pay the amounts due, the Developer authorizes City to file a memorandum of cancellation in the public records of Brazoria County.

Section 9.14: Binding upon successors and assigns. All the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, heirs, executors, and administrators. The terms of this Agreement are contractual and not mere recitals. The parties hereby affirmatively find, agree and determine that all of the recitations, matters, and facts set out in the recitals of this Agreement are true and correct and are incorporated in and are part of the entire Agreement between the parties.

Section 9.15: Multiple Counterparts. This Agreement may be executed in multiple original counterparts, and such counterparts, when taken together, shall have the full force and effect of an original, fully executed instrument.

Section 9.16: Time is of the Essence. Time is of the essence for purposes of this Agreement.

Section 9.17: Construction. If one or more of the provisions hereof shall for any reason be held to be invalid, illegal, or unenforceable in any respect under applicable law, such invalidity, illegality, or unenforceability shall not affect any other provisions hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Development Agreement in multiple copies, each of equal dignity, to be effective as of the Effective Date.

CITY OF ANGLETON, TEXAS

By: _____
Jason Perez, Mayor

[SEAL]

ATTEST:

_____
Frances Aguilar, TRMC, CMC
City Secretary

APPROVED AS TO FORM:

_____
J. Grady Randle,
Randle Law Office Ltd., L.L.P
City Attorney

CONCOURSE DEVELOPMENT, LLC, a Texas limited liability company

By: _____
Name: Jordan Mack
Title: Manager

Exhibit "A"
[Legal Description of the Property]

County: Brazoria
Project: Angleton - Concourse
C.I. No.: 1368-19 (Boundary Map Prepared)
Job Number: 2019-229-020

METES AND BOUNDS DESCRIPTION
154.6 ACRES

Being a 154.6 acre tract of land located in the T.S. Lee Survey, Abstract No. 318 in Brazoria County, Texas; said 154.6 acre tract being a part of a called 271.431 acre tract of land (Tract III) recorded in the name of Paul O'Farrell, Trustee in File No. 921057 919 of the Deed Records of Brazoria County (D.R.B.C.), and being all of five 0.1653-acre tracts recorded in File No.s 02-008364, 02-008365, 02-008366, 02-008367, and 02-088368, all of the Official Public Records of Brazoria County (O.P.R.B.C.), same being all of Tracts 26, 31, 32, and 33, and part of Tracts 23-28, 30, and 37-39 of Oliver and Barrows Subdivision recorded in Volume 2, Page 97 of the D.R.B.C.; said 154.6 acre tract being more particularly described by metes and bounds as follows (all bearings are referenced to the Texas Coordinate System, North American Datum 1983 (NAD 83), South Central Zone):

Beginning at a 5/8-inch iron rod with cap stamped "Baker – Lawson" found at the northwest corner of a called 6.396 acre tract of land recorded in the name of Friends Community Church in File No. 2017042094 of the O.P.R.B.C., and being on the northerly line of said 217.431 acre tract and the southerly right-of-way line of FM 523 (Highway 35 Bypass, 200-feet wide);

1. Thence, with the westerly line of said 6.396 acre tract, South 02 degrees 47 minutes 06 seconds East, a distance of 601.49 feet to a 5/8-inch iron rod with cap stamped "Baker – Lawson" found at the southwest corner of said 6.396 acre tract;

2. Thence, with the southerly line of said 6.396 acre tract, North 87 degrees 08 minutes 01 seconds East, a distance of 514.45 feet to a 5/8-inch iron rod with cap stamped "Baker – Lawson" found at the southeast corner of said 6.396 acre tract;

3. Thence, across said 271.431 acre tract, South 02 degrees 50 minutes 18 seconds East, a distance of 967.92 feet to a 5/8-inch iron rod with cap stamped "COSTELLO INC" set on the southerly line of said 271.431 acre tract and the northerly line of a called 45.83 acre tract of land recorded in the name of Robert L. Jez, et al, in Document No. 2005010393 of the Official Records of Brazoria County (O.R.B.C.);

4. Thence, with said southerly line of the 271.431 acre tract and said northerly line of the 45.83 acre tract, South 87 degrees 10 minutes 48 seconds West, a distance of 1,320.20 feet to a 3/4-inch iron pipe found at an interior corner of said 271.431 acre tract and the northwest corner of said 45.83 acre tract;

5. Thence, with an easterly line of said 271.431 acre tract and the westerly line of said 45.83 acre tract, South 02 degrees 51 minutes 47 seconds East, a distance of 968.60 feet to a 5/8-inch iron rod with cap stamped "Pinpoint RPLS 6068" found at an exterior corner of said 271.431 acre tract and the northeast corner of a called 7.56 acre tract of land recorded in the name of Titan Trails, LLC. in File No. 2013008639 of the O.P.R.B.C.;

6. Thence, with the southerly line of said 271.431 acre tract, the northerly line of said 7.46 acre tract, and the northerly line of a called 3.09 acre tract of land and a called 12.40 acre tract of land recorded in the name of Wesley Johnson in File No. 02 052985 of the O.P.R.B.C., South 87 degrees 12 minutes 46 seconds West, a distance of 1,350.00 feet to a 3/4-inch iron pipe found at an interior corner of said 271.431 acre tract, the northwest corner of said 12.40 acre tract, and the northeast corner of a called 14.571 acre tract of land recorded in the name of E. J. King, Sr. and Jackie M. King in File No. 2014054480 of the O.P.R.B.C. ;

7. Thence, with the northerly line of said 14.571 acre tract, South 87 degrees 15 minutes 57 seconds West, a distance of 499.89 feet to a 5/8-inch iron rod found at the northwest corner of said 14.571 acre tract;

8. Thence, with the westerly line of said 14.571 acre tract, South 02 degrees 45 minutes 27 seconds East, a distance of 1,271.10 feet to a 5/8-inch iron rod found on the northerly right-of-way line of Henderson Road (80-feet wide);

9. Thence, with said northerly right-of-way line of Henderson Road, South 87 degrees 06 minutes 09 seconds West, a distance of 198.28 feet to a 1/2-inch iron rod found at the southeast corner of a called 4.0174 acre tract of land recorded in the name of Good Shepherd Lutheran Church in Volume 288, Page 254 of the D.R.B.C. and being on a westerly line of aforesaid 271.431 acre tract;

10. Thence, with said westerly line of the 271.431 acre tract and the easterly line of said 4.0174 acre tract, North 02 degrees 46 minutes 29 seconds West, a distance of 500.35 feet to a 1/2-inch iron rod inside a 4-inch iron pipe found at an interior corner of said 271.431 acre tract and the northeast corner of said 4.0174 acre tract;

11. Thence, with a southerly line of said 271.431 acre tract and the northerly line of said 4.0174 acre tract, South 87 degrees 07 minutes 32 seconds West, a distance of 350.09 feet to a 1/2-inch iron rod found at an interior corner of said 271.413 acre tract and the northwest corner of said 4.0174 acre tract, being on the easterly line of a called 9.032 acre tract recorded in the name of Angleton Drainage District in Volume 329, Page 340 of the D.R.B.C.;

12. Thence, with said easterly line of the 9.032 acre tract, North 02 degrees 53 minutes 17 seconds West, a distance of 1,308.06 feet to a 5/8-inch iron rod found on the southerly line of a called 100.000 acre tract of land recorded in the name of Angleton Independent School District in File No. 2008002676 of the O.P.R.B.C.;

13. Thence, with the southerly line of said 100.000 acre tract, North 87 degrees 08 minutes 55 seconds East, a distance of 835.05 feet to a 5/8-inch iron rod with cap stamped "Baker – Lawson" found at the southeast corner of said 100.000 acre tract;

14. Thence, with the easterly line of said 100.000 acre tract, North 02 degrees 51 minutes 48 seconds West, a distance of 1,913.08 feet to a 5/8-inch iron rod with cap stamped "Baker – Lawson" found at the northeast corner of said 100.00 acre tract, being on the northerly line of aforesaid 271.431 acre tract and the aforesaid southerly right-of-way line of FM 523;

Thence, with said northerly line of the 271.431 acre tract and said southerly right-of-way line of FM 523, the following three (3) courses:

15. 692.12 feet along the arc of a curve to the right, said curve having a central angle of 14 degrees 20 minutes 32 seconds, a radius of 2,764.93 feet and a chord that bears North 78 degrees 52 minutes 06 seconds East, a distance of 690.31 feet to a found TxDOT concrete monument;

16. North 86 degrees 02 minutes 22 seconds East, a distance of 1,177.92 feet, from which a found TxDOT concrete monument bears North 66 degrees 28 minutes 19 seconds East, a distance of 0.77 feet;

17. 513.63 feet along the arc of a curve to the right, said curve having a central angle of 10 degrees 38 minutes 37 seconds, a radius of 2,764.93 feet and a chord that bears South 88 degrees 38 minutes 20 seconds East, a distance of 512.89 feet to the **Point of Beginning** and containing 154.6 acres of land.

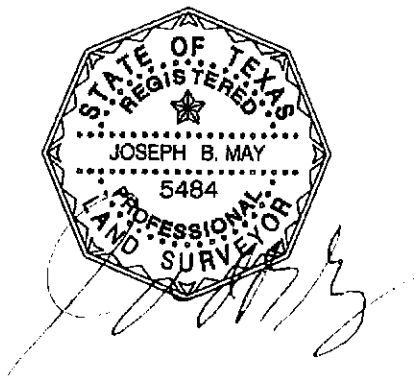

Exhibit "B"
[Comprehensive Plan]

Exhibit "E"
[Form of Memorandum of Agreement]

Exhibit "E"

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is executed this 10TH day of MARCH , 2020, by CITY OF ANGLETON (the "City") and CONCOURSE DEVELOPMENT, LLC ("Concourse" or "Developer").

WITNESSETH:

1. The City and Concourse have, effective as of March 10, 2020, entered into a Development Agreement (the "Agreement") for the development of the 154.582 acre, more or less, tract of land described on **Exhibit "A"** attached hereto (the "Tract"), which Agreement sets out certain rights and obligations of the City and the Developer, Concourse, including the following but not limited to:

   a. Development requirements for the Tract;
   b. Platting requirements and approved variances to the City's Development Ordinance applicable to the Tract;
   c. Construction standards and plan approval processes applicable to construction of certain public and private facilities to serve the Tract;
   d. Declarations of vested rights pursuant to applicable provisions of the Texas Local Government Code; and
   e. Waiver of rights under the Private real Property Rights Preservation Act (Texas Government Code, Chapter 2007).

2. This Memorandum of Agreement is intended to act only as notice of the existence of the Agreement and its general terms.

[Signature Page(s) Follow]

IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement in multiple copies, each of equal dignity, to be effective as of the date stated above.

[SEAL]

CITY OF ANGLETON, TEXAS

By: Jason Perez, Mayor

ATTEST:

Frances Aguilar, TRMC, CMC
City Secretary

APPROVED AS TO FORM:

J. Grady Randle
Randle Law Office, Ltd., L.L.P.
City Attorney

CONCOURSE DEVELOPMENT, LLC,
a Texas limited liability company

By: _____

Name: JORDAN MACK

Title: MANAGER