

PID Reimbursement Agreement

Kiber Reserve Public Improvement District

This PID Reimbursement Agreement - Kiber Reserve Public Improvement District (this "Agreement") is entered into by Waterstone Development Group, LLC, a Texas limited liability company (the "Developer") and the City of Angleton, Texas (the "City"), to be effective September 14, 2021 (the "Effective Date"). The Developer and the City are individually referred to as a "Party" and collectively as the "Parties."

SECTION 1. RECITALS

1.1 WHEREAS, capitalized terms used in this Agreement shall have the meanings given to them in Section 2, unless otherwise defined herein;

1.2 WHEREAS, unless otherwise defined: (1) all references to "sections" shall mean sections of this Agreement; (2) all references to "exhibits" shall mean exhibits to this Agreement which are incorporated as part of this Agreement for all purposes; and (3) all references to "ordinances" or "resolutions" shall mean ordinances or resolutions adopted by the City Council;

1.3 WHEREAS, the Developer is a Texas limited liability company;

1.4 WHEREAS, the City is a home rule municipality;

1.5 WHEREAS, on November 10, 2020, the City Council passed and approved Resolution No. 20201110-007 (the "PID Creation Resolution") authorizing the creation of the PID pursuant to the authority of Chapter 372, Texas Local Government Code, as amended (the "Act"), covering approximately 19.84 contiguous acres within the City's corporate limits and which land is described in the PID Creation Resolution, and as described in the attached Exhibit "A";

1.6 WHEREAS, the City intends to adopt a service and assessment plan (collectively "SAP") in accordance with the Act, to specify the assessments on the land located within the PID (collectively the "Assessment Ordinance");

1.7 WHEREAS, the SAP will specify Authorized Improvements heretofore or hereafter designed, constructed, and installed by or at the direction of the Parties that confer a special benefit on the Assessed Property;

1.8 WHEREAS, the Assessment Ordinance will levy assessments against the Assessed Property in the amounts set forth on the Assessment Roll(s) contained therein;

1.9 WHEREAS, Assessments, including the Annual Installments thereof, for the Authorized Improvements will be due and payable as described in the SAP;

1.10 WHEREAS, Annual Installments shall be billed and collected by the City or it's designee;

1.11 WHEREAS, Assessment Revenue from the collection of Assessments, including the Annual Installments thereof, levied against the Assessed Property shall be deposited as provided in this Agreement;

1.12 WHEREAS, this Agreement is a “reimbursement agreement” authorized by Section 372.023(d)(1) of the Act and the City is authorized to enter this agreement providing for the reimbursement of the costs of the authorized improvements constructed or funded by Developer;

NOW THEREFORE, for and in consideration of the mutual obligations of the Parties set forth in this Agreement, the Parties agree as follows:

SECTION 2. DEFINITIONS

2.1 “Act” is defined as Chapter 372, Texas Local Government Code, as amended.

2.2 “Actual Costs” are those as defined in the SAP.

2.3 “Annual Collection Costs” are those as defined in the SAP.

2.4 “Annual Installment” is as defined in the SAP.

2.5 “Annual SAP” is the updated SAP adopted annually in accordance with the Applicable Laws.

2.6 “Applicable Laws” means the Act and all other laws or statutes, rules, or regulations of the State of Texas or the United States, as the same may be amended, by which the City and its powers, securities, operations, and procedures are, or may be, governed or from which its powers may be derived.

2.7 “Assessed Property” is as defined in the SAP.

2.8 “Assessment” is as defined in the SAP.

2.9 “Assessment Ordinance” is as defined in the SAP.

2.10 “Assessment Revenue” means the revenues actually received by or on behalf of the City from the collection of Assessments, including Prepayments, Annual Installments, Delinquent Collection Costs and foreclosure proceeds.

2.11 “Assessment Roll” is as defined in the SAP.

2.12 “Authorized Improvements” are those defined in the SAP.

2.13 “Certificate for Payment” means a certificate (substantially in the form of Exhibit A or as otherwise approved by the Developer and the City Representative) executed by a representative of the Developer and approved by the City Representative, delivered to the City Representative

specifying the work performed and the amount charged (including materials and labor costs) for Actual Costs, and requesting payment of such amount from the Kiber Reserve PID Reimbursement Fund. Each certificate shall include supporting documentation in the standard form for City construction projects and evidence that each Authorized Improvement (or completed segment) covered by the certificate has been inspected and accepted by the City pursuant to Section 3.9.

2.14 “City Council” means the governing body of the City.

2.15 “City Representative” means the person authorized by the City Council to undertake the actions referenced herein.

2.16 “Delinquent Collection Costs” are those costs defined in the SAP.

2.17 “Developer Advances” mean advances made by the Developer to pay Actual Costs.

2.18 “Kiber Reserve PID Reimbursement Agreement Balance” are amounts equal to then-current expended amounts related to the Actual Costs of Authorized Improvements shown on each Certificate for Payment (which amounts include only Actual Costs for Authorized Improvements paid by or at the direction of the Developer) plus interest on the unpaid principal balance

2.19 “Kiber Reserve PID Reimbursement Fund” means the fund established by the City under this Agreement (and segregated from all other funds of the City) into which the City deposits Assessment Revenue.

2.20 “Maturity Date” is the earlier date of (1) thirty-five (35) years from the Effective Date of this Agreement, or (2) to the extent allowed by law, the date that the Kiber Reserve PID Reimbursement Agreement Balance is paid in full in accordance with the terms of this Agreement.

2.21 “Parcel” is as defined in the SAP.

2.22 “PID” is defined as the Kiber Reserve Public Improvement District created by the PID Creation Resolution.

2.23 “PID Administrator” is as defined in Section 4.6.

2.24 “Prepayment” is as defined in the SAP.

2.25 “SAP” is defined as *Kiber Reserve Public Improvement District Service and Assessment Plan* to be approved by the City Council as part of the Assessment Ordinance, as the same may be updated or amended from time to time by City Council action in accordance with the Act. The SAP, including a draft of the defined terms, is attached hereto as Exhibit “B.”

2.26 “Transfer” and “Transferee” are defined in Section 4.12.

SECTION 3. FUNDING AUTHORIZED IMPROVEMENTS

3.1 Fund Deposits. The City shall bill, collect, and deposit into the Kiber Reserve PID Reimbursement Fund all Assessment Revenues consisting of: (1) revenue collected from the payment of Assessments (including pre-payments and amounts received from the foreclosure of liens but excluding costs and expenses related to collection) levied against Assessed Property; and (2) revenue collected from the payment of Annual Installments (excluding Annual Collection Costs and Delinquent Collection Costs) of Assessments levied against Assessed Property. Annual Installments of the Assessments shall be billed and collected by the City (or by any person, entity, or governmental agency permitted by law) in the same manner and at the same time as City ad valorem taxes are billed and collected. Funds in the Kiber Reserve PID Reimbursement Fund shall be used only to pay the Kiber Reserve PID Reimbursement Agreement Balance in accordance with this Agreement. The City will take and pursue all actions permissible under Applicable Laws to cause the Assessments to be collected and the liens related to such Assessments to be enforced continuously, in the manner and to the maximum extent permitted by the Applicable Laws, and, to the extent permitted by Applicable Laws, to cause no reduction, abatement or exemption in the Assessments for so long as a Kiber Reserve PID Reimbursement Agreement Balance remains outstanding. The City shall determine or cause to be determined, no later than February 15 of each year whether any Annual Installment is delinquent and if such delinquencies exist, the City will order and cause to be commenced as soon as practicable (i.e. at the time the City generally begins delinquent ad valorem tax collection efforts) any and all appropriate and legally permissible actions to collect such Annual Installment, and any delinquent charges and interest thereon, including diligently prosecuting an action to foreclose the currently delinquent Annual Installment; provided, however, the City shall not be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding Assessed Property.

3.2 Payment of Actual Costs. The Developer has heretofore and may hereafter elect to make Developer Advances to pay Actual Costs of such Authorized Improvements. The Developer shall also make Developer Advances to pay for cost overruns of such Authorized Improvements (after applying cost savings).

3.3 Payment of Kiber Reserve PID Reimbursement Agreement Balance. The City agrees to pay to the Developer, and the Developer shall be entitled to receive payments from the City for the Kiber Reserve PID Reimbursement Agreement Balance in accordance with the terms of this Reimbursement Agreement until the Maturity Date; provided, however, the Actual Costs shall not exceed \$1,780,000.00 (excluding interest paid on such amount). Any unpaid balance of a Certificate for Payment for Actual Costs that has been approved by the City in accordance with this Agreement shall bear simple interest at the rate of: four and four hundredths percent (4.04%) per annum from the Effective Date through the Maturity Date. Such interest shall begin to accrue on the unpaid Kiber Reserve PID Reimbursement Agreement Balance at the same time that interest on the unpaid Assessments levied against the Assessed Property benefitting from the Authorized Improvements contained in the Certificate for Payment begins to accrue as provided in the SAP. The interest rate has been approved by the City Council and complies with Section 372.023(e) of the Act and was determined based upon the index rate of two- and one-half percent (2.5%) reported on the fourth week of August 2021 before the effective date of this agreement in the “Bond Buyer's

Index of 25 Revenue Bonds,” a weekly bond index for tax-exempt bonds published in *The Bond Buyer*.

The obligation of the City to pay the Kiber Reserve PID Reimbursement Agreement Balance is payable solely from the Assessment Revenue deposited in the Kiber Reserve PID Reimbursement Fund. No other City funds, revenue, taxes, income, or property shall be used even if the Kiber Reserve PID Reimbursement Agreement Balance is not paid in full by the Maturity Date.

Assessment Revenue generated from the levy of an Assessment, including the collection of Annual Installment, from one Parcel of Assessed Property may not be applied against the obligation of an Assessment, levied against another Parcel of Assessed Property, including an Annual Installment.

The Developer may request payment from the Kiber Reserve PID Reimbursement Fund for the Kiber Reserve PID Reimbursement Agreement Balance annually, (i) the first no earlier than 60 days after the date payment of the Annual Installments are due and payable to the City, or April 1st of each year, whichever is later, and (ii) the second no earlier than August 1 of each calendar year. The City shall make payment to the Developer from the Kiber Reserve PID Fund of the Assessment Revenue actually received by the City. In the event that a Prepayment of an Assessment is made by a property owner for the entire principal amount and interest due up to the date of the Prepayment, then the City shall notify the PID Administrator, who will prepare a lien release to be filed in the Real Property Records, and as soon as practical after the lien release is filed, remit payment to the Developer of the Assessment Revenue deposited into the Kiber Reserve PID Reimbursement Fund. If the Prepayment is made after the Annual SAP has been approved by the City Council in a given year, then the lien release will be held until the tax bills are collected and accounted for to ensure complete payment of the lien. Each payment from the Kiber Reserve PID Reimbursement Fund shall be accompanied by an accounting that certifies the Kiber Reserve PID Reimbursement Agreement Balance as of the date of the payment and that itemizes all deposits to and disbursements from the Kiber Reserve PID Reimbursement Fund since the last payment. If there is a dispute over the amount of any payment, the City shall nevertheless pay the undisputed amount, and the Parties shall use all reasonable efforts to resolve the disputed amount before the next payment is made.

3.4 Disbursements from the Kiber Reserve PID Reimbursement Fund. In order to receive disbursements from the Kiber Reserve PID Reimbursement Fund for payment of the Kiber Reserve PID Reimbursement Agreement Balance, the Developer shall execute a Certificate for Payment, no more frequently than four (4) times per calendar year, to be delivered to the City for payment in accordance with the provisions of this Agreement. Only Actual Costs for Authorized Improvements for which the City has accepted title pursuant to Section 3.9 shall be included in the Certificate for Payment. Upon receipt of a Certificate for Payment (along with all accompanying documentation required by the City) from the Developer, the City shall conduct a review in order to confirm that such request is complete, to confirm that the work for which payment is requested was performed in accordance with all Applicable Laws and applicable plans therefore and with the terms of this Agreement and any other agreement between the parties related to property in the PID, and to verify and approve the Actual Costs of such work specified in such Certificate for Payment. The City shall also conduct such review as is required in its discretion to confirm the

matters certified in the Certificate for Payment. The Developer agrees to cooperate with the City in conducting each such review and to provide the City with such additional information and documentation as is reasonably necessary for the City to conclude each such review. Within fifteen (30) business days following receipt of any Certificate for Payment, the City shall either: (1) approve the Certificate for Payment and arrange for payment, or (2) provide the Developer with written notification of disapproval of all or part of a Certificate for Payment, specifying the basis for any such disapproval. Any disputes shall be resolved as required by Section 3.3 herein. Upon approval or partial approval of the Certificate for Payment, the City shall arrange for payment to the Developer from the Kiber Reserve PID Reimbursement Fund as quickly as practicable thereafter; provided, however, except for the final payment to the Developer, the City shall not be required to make payments to the Developer in increments of less than \$5,000.

3.5 Obligations Limited. The obligations of the City under this Agreement shall not, under any circumstances, give rise to or create a charge against the general credit or taxing power of the City or a debt or other obligation of the City payable from any source other than the Kiber Reserve PID Reimbursement Fund. No other City funds, revenues, taxes, or income of any kind shall be used to pay: (1) the Actual Costs of the Authorized Improvements, or (2) the Kiber Reserve PID Reimbursement Agreement Balance even if the Kiber Reserve PID Reimbursement Agreement Balance is not paid in full on or before the Maturity Date. None of the City or any of its elected or appointed officials or any of its officers, employees, consultants or representatives shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

3.6 Obligation to Pay from Kiber Reserve PID Reimbursement Fund. Subject to the provisions of Section 3.3 and 3.5, if the Developer is in substantial compliance with its obligations under this Agreement, then following the inspection and approval of any portion of an Authorized Improvement for which Developer seeks reimbursement of the Actual Costs by submission of a Certificate for Payment, the obligations of the City under this Agreement to pay disbursements (whether to the Developer or to any person designated by the Developer) identified in any Certificate for Payment are unconditional AND NOT subject to any defenses or rights of offset.

3.7 City Delegation of Authority. All Authorized Improvements shall be constructed by or at the direction of the Developer in accordance with the plans and in accordance with this Agreement the Development Agreement, and any other agreement between the Parties related to property in the PID. The Developer shall perform, or cause to be performed, all of its obligations and shall conduct, or cause to be conducted, all operations with respect to the construction of Authorized Improvements in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work in accordance with City ordinances and regulations and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer has sole responsibility of ensuring that all Authorized Improvements are constructed in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing their commercially reasonable efforts in the performance of comparable work in accordance with City ordinances and regulations and in accordance with generally accepted practices appropriate to the activities undertaken. The Developer shall employ at all times adequate staff or consultants with the requisite

experience necessary to administer and coordinate all work related to the design, engineering, acquisition, construction and installation of all Authorized Improvements to be acquired and accepted by the City from the Developer. If any Authorized Improvements are or will be on land owned by the City, the City hereby grants to the Developer a license to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Authorized Improvements. Inspection and acceptance of Authorized Improvements will be in accordance with applicable City ordinances and regulations.

3.8 Security for Authorized Improvements. Prior to completion and conveyance to the City of any Authorized Improvements, the Developer shall cause to be provided to the City a maintenance bond in the amount required by the City's regulations for applicable Authorized Improvements, which maintenance bond shall be for a term of one year from the date of final acceptance of the applicable Authorized Improvements. Any surety company through which a bond is written shall be a surety company duly authorized to do business in the State of Texas, provided that legal counsel for the City has the right to reject any surety company regardless of such company's authorization to do business in Texas. Nothing in this Agreement shall be deemed to prohibit the Developer or the City from contesting in good faith the validity or amount of any mechanics or materialman's lien or judgment nor limit the remedies available to the Developer or the City with respect thereto so long as such delay in performance shall not subject the Authorized Improvements to foreclosure, forfeiture, or sale. In the event that any such lien or judgment with respect to the Authorized Improvements is contested, the Developer shall be required to post or cause the delivery of a surety bond or letter of credit, whichever is preferred by the City, in an amount reasonably determined by the City, not to exceed one hundred twenty percent (120%) of the disputed amount.

3.9 Ownership and Transfer of Authorized Improvements. The Developer shall furnish to the City a preliminary title report for land related to the Authorized Improvements to be acquired and accepted by the City from the Developer and not previously dedicated or otherwise conveyed to the City. The report shall be made available for City review and approval at least fifteen (15) business days prior to the scheduled transfer of title. The City shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, would materially affect the City's use and enjoyment of the Authorized Improvements. If the City objects to any preliminary title report, the City shall not be obligated to accept title to the applicable Authorized Improvements until the Developer has cured the objections to the reasonable satisfaction of the City.

SECTION 4. ADDITIONAL PROVISIONS

4.1 Term. The term of this Agreement shall begin on the Effective Date and shall continue until the Maturity Date.

4.2 No Competitive Bidding. Construction of the Authorized Improvements shall not require competitive bidding pursuant to Section 252.022(a) (9) of the Texas Local Government Code, as amended. All plans and specifications, but not construction contracts, shall be reviewed and approved, in writing, by the City prior to Developer selecting the contractor.

4.3 Independent Contractor. In performing this Agreement, the Developer is an independent contractor and not the agent or employee of the City.

4.4 Audit Related to Authorized Improvements. The City Representative shall have the right, during normal business hours and upon five (5) business days' prior written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Authorized Improvements. For a period of two (2) years after completion of the Authorized Improvements, the Developer shall maintain proper books of record and account for the construction of the Authorized Improvements and all costs related thereto. Such accounting books shall be maintained in accordance with customary real estate accounting principles. The Developer shall have the right, during normal business hours, to review all records and accounts pertaining to the Assessments upon written request to the City. The City shall provide the Developer an opportunity to inspect such books and records relating to the Assessments during the City's regular business hours and on a mutually agreeable date no later than ten (10) business days after the City receives such written request. The City shall keep and maintain a proper and complete system of records and accounts pertaining to the Assessments for so long as the Kiber Reserve PID Reimbursement Agreement Balance remains unpaid.

4.5 Developer's Right to Protest Ad Valorem Taxes. Nothing in this Agreement shall be construed to limit or restrict Developer's right to protest ad valorem taxes. The Developer's decision to protest ad valorem taxes on Assessed Property does not constitute a Default under this Agreement.

4.6 PID Administration and Collection of Assessments. If the City designates an administrator who shall have the responsibilities provided in the SAP related to the duties and responsibilities of the administration of the PID (the "PID Administrator"), the City shall provide the Developer with a copy of the agreement between the City and the PID Administrator upon written request by the Developer. If the City contracts with a third-party for the collection of Annual Installments of the Assessments, the City shall provide the Developer with a copy of such agreement upon written request from the Developer.

4.7 Representations and Warranties.

4.7.1 The Developer represents and warrants to the City that: (1) the Developer has the authority to enter into and perform its obligations under this Agreement; (2) the Developer has the financial resources, or the ability to obtain sufficient financial resources, to meet its obligations under this Agreement; (3) the person executing this Agreement on behalf of the Developer has been duly authorized to do so; (4) this Agreement is binding upon the Developer in accordance with its terms; and (5) the execution of this Agreement and the performance by the Developer of its obligations under this Agreement do not constitute a breach or event of default by the Developer under any other agreement, instrument, or order to which the Developer is a party or by which the Developer is bound.

4.7.2 The City represents to the Developer that:(1) the City has the authority to enter into and perform its obligations under this Agreement; (2) the person executing this Agreement on behalf of the City has been duly authorized to do so; (3) this Agreement is binding upon

the City in accordance with its terms; and (4) the execution of this Agreement and the performance by the City of its obligations under this Agreement do not constitute a breach or event of default by the City under any other agreement, instrument, or order to which the City is a party or by which the City is bound.

4.8 Default/Remedies.

4.8.1 If either Party fails to perform an obligation imposed on such Party by this Agreement (a "Failure") and such Failure is not cured after notice and the expiration of the cure periods provided in this section, then such Failure shall constitute a "Default." If a Failure is monetary, the non-performing Party shall have ten (10) business days within which to cure. If the Failure is non-monetary, the non-performing Party shall have thirty (30) days within which to cure.

4.8.2 If the Developer is in Default, the City shall have available all remedies at law or in equity; provided, no Default by the Developer shall entitle the City to terminate this Agreement or to withhold payments to the Developer from the Kiber Reserve PID Reimbursement Fund in accordance with this Agreement.

4.8.3 If the City is in Default, the Developer shall have available all remedies at law or in equity; provided, however, no Default by the City shall entitle the Developer to terminate this Agreement.

4.8.4 The City shall give notice of any alleged Failure by the Developer to each Transferee identified in any notice from the Developer, and such Transferees shall have the right, but not the obligation, to cure the alleged Failure within the same cure periods that are provided to the Developer. The election by a Transferee to cure a Failure by the Developer shall constitute a cure by the Developer but shall not obligate the Transferee to be bound by this Agreement unless the Transferee agrees in writing to be bound.

4.9 Remedies Outside the Agreement. Nothing in this Agreement constitutes a waiver by the City of any remedy the City may have outside this Agreement against the Developer, any Transferee, or any other person or entity involved in the design, construction, or installation of the Authorized Improvements. The obligations of the Developer hereunder shall be those of a party hereto and not as an owner of property in the PID. Nothing herein shall be construed as affecting the City's or the Developer's rights or duties to perform their respective obligations under other agreements, use regulations, or subdivision requirements relating to the development property in the PID.

4.10 Personal liability of public officials, legal relations. To the extent permitted by State law no director, officer, representative, employee or agent of the City shall be personally responsible for any liability arising under or growing out of the Agreement. The developer SHALL INDEMNIFY AND SAVE HARMLESS THE CITY AND ITS RESPECTIVE OFFICERS. DIRECTORS. EMPLOYEES. REPRESENTATIVES. AND AGENTS FROM ALL SUITS. ACTIONS. OR CLAIMS OF ANY CHARACTER BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED BY ANY PERSON. PERSONS. OR PROPERTY

RESULTING FROM THE NEGLIGENT ACTS OF THE DEVELOPER. OR ANY OF ITS AGENTS. OFFICERS. OR REPRESENTATIVES IN PERFORMING ANY OF THE SERVICES AND ACTIVITIES UNDER THIS AGREEMENT.

4.11 Estoppel Certificate. From time to time upon written request of the Developer, the City Administrator will execute a written estoppel certificate (1) identifying any obligations of the Developer under this Agreement that are in default or, with the giving of notice or passage of time, would be in default; or (2) stating, to the extent true, that to the best knowledge and belief of the City, the Developer is in compliance with its duties and obligations under this Agreement.

4.12 Transfers. The Developer has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part without the consent of (but with notice to) the City, the Developer's right, title, or interest to payments under this Agreement (but not performance obligations) including, but not limited to, any right, title, or interest of the Developer in and to payments of the Kiber Reserve PID Reimbursement Agreement Balance (any of the foregoing, a "Transfer," and the person or entity to whom the transfer is made, a "Transferee"). Notwithstanding the foregoing, no Transfer shall be effective until notice of the Transfer is given to the City. The City may rely on notice of a Transfer received from the Developer without obligation to investigate or confirm the validity of the Transfer. The Developer waives all rights or claims against the City for any funds paid to a third party as a result of a Transfer for which the City received notice.

4.13 Applicable Law; Venue. This Agreement is being executed and delivered and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply, the substantive laws of the State of Texas shall govern the interpretation and enforcement of this Agreement. In the event of a dispute involving this Agreement, venue shall lie in any court of competent jurisdiction in Brazoria County, Texas.

4.14 Notice. Any notice referenced in this Agreement must be in writing and shall be deemed given at the addresses shown below: (1) when delivered by a nationally recognized delivery service such as FedEx or UPS with evidence of delivery signed by any person at the delivery address regardless of whether such person is the named addressee; or (2) 72 hours after deposited with the United States Postal Service, Certified Mail, Return Receipt Requested.

To the City: Attn: Chris Whittaker
 City Manager City of Angleton
 121 S. Velasco
 Angleton, Texas 77515

With a copy to: City Attorney, Randle Law Office LTD. LLC
 J. Grady Randle
 820 Gessner, Ste. 1570
 Houston, Texas 77024

To the Developer: Waterstone Development Group, LLC
 185 Cedar Point Drive
 Livingston, Texas 77351

With a copy to: Timothy G. Green
Coats Rose, P.C.
9 Greenway Plaza, Suite 1000
Houston, Texas 77046

Any Party may change its address by delivering notice of the change in accordance with this section.

4.15 Conflicts; Amendment. In the event of any conflict between this Agreement and any other instrument, document, or agreement by which either Party is bound, the provisions and intent of this Agreement controls. This Agreement may only be amended by written agreement of the Parties.

4.16 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties. Additionally, if any provision of this Agreement requires revision based on the controlling definitions in the SAP (a) such conflicting provision shall be deleted from this Agreement; (b) the conflicting provision shall, to the extent possible, be rewritten to be conforming and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

4.17 Non-Waiver. The failure by a Party to insist upon the strict performance of any provision of this Agreement by the other Party, or the failure by a Party to exercise its rights upon a Default by the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by such other Party with the provisions of this Agreement.

4.18 Third Party Beneficiaries. Nothing in this Agreement is intended to or shall be construed to confer upon any person or entity other than the City, the Developer, and Transferees any rights under or by reason of this Agreement. All provisions of this Agreement shall be for the sole and exclusive benefit of the City, the Developer, and Transferees.

4.19 Counterparts. This Agreement may be executed in multiple counterparts, which, when taken together, shall be deemed one original.

4.20 Legal costs. If any Party hereto is the prevailing party in any legal proceedings against another Party brought under or with relation to this Agreement, such prevailing Party shall additionally be entitled to recover court costs and reasonable attorneys' fees from the non-prevailing Party to such proceedings.

4.21 No Waiver of Powers or Immunity. City does not waive or surrender any of its governmental powers, immunities or rights except as necessary to allow Owner to enforce its remedies under this Agreement.

4.22 Further assurances. Each Party hereby agrees that it will take all actions and execute all documents necessary to fully carry out the purposes and intent of this Agreement.

4.23 Iran, Sudan, and Foreign Terrorist Organizations. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2271.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Developer understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

4.24 No Boycott of Israel. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing 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. The Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit.

4.25 Employment of Undocumented Workers. During the term of this Agreement, and to the extent required under State law, the Developer agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a (f), the Developer shall repay the amount of the public subsidy herein within 120 days after the date the Developer is notified by the City of such violation, plus interest at the rate of six percent (6%) compounded annually from the date of violation until paid. Pursuant to Section 2264.101 (c), Texas Government Code, a business is not liable for a violation of Chapter 2264 by a subsidiary, affiliate, or franchisee of the business, or by a person with whom the business contracts.

[Execution pages follow.]

CITY OF ANGLETON, TEXAS

By: _____
_____, Mayor

ATTEST:

By: _____

City Secretary

WATERSTONE DEVELOPMENT GROUP, LLC
A Texas limited liability company

By: _____

Name: _____

Title: _____

Exhibit A

CERTIFICATE FOR PAYMENT FORM

The undersigned is an agent for Waterstone Development Group, LLC, a Texas limited liability company (the “Developer”) and requests from the City of Angleton, Texas (the “City”) payment from the Kiber Reserve PID Reimbursement Fund in the amount of _____ for labor, materials, fees, and/or other general costs related to the creation of the PID, acquisition, or construction of certain Authorized Improvements providing a special benefit to property within the Kiber Reserve Public Improvement District. Unless otherwise defined, any capitalized terms used herein shall have the meanings ascribed to them in the PID Reimbursement Agreement- Kiber Reserve Public Improvement District between the Developer and the City (the “Reimbursement Agreement”).

In connection with the above referenced payment, the Developer represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Developer, is qualified to execute this Certificate for Payment Form on behalf of the Developer and is knowledgeable as to the matters set forth herein.
2. The payment requested for the below referenced Authorized Improvements has not been the subject of any prior payment request submitted for the same work to the City or, if previously requested, no disbursement was made with respect thereto.
3. The amount listed for the Authorized Improvements below is a true and accurate representation of the Actual Costs associated with the creation of the PID, acquisition, or construction of said Authorized Improvements, and such costs (i) are in compliance with the Reimbursement Agreement, and (ii) are consistent with the SAP.
4. The Developer is in compliance with the terms and provisions of the Reimbursement Agreement, and all other agreements with the City.
5. The Developer has timely paid all ad valorem taxes and annual installments of special assessments it owes or an entity the Developer controls owes, located in the PID and has no outstanding delinquencies for such assessments.
6. All conditions set forth in the Reimbursement Agreement for the payment hereby requested have been satisfied.
7. The work with respect to the Authorized Improvements referenced below (or its completed segment) has been completed, and the City has inspected such Authorized Improvements (or its completed segment).

8. The Developer agrees to cooperate with the City in conducting its review of the requested payment and agrees to provide additional information and documentation as is reasonably necessary for the City to complete said review.

I hereby declare that the above representations and warranties are true and correct.

WATERSTONE DEVELOPMENT GROUP, LLC
A Texas limited liability company

By: _____

Name: _____

Title: _____

Date: _____

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Certificate for Payment, acknowledges the Certificate for Payment, acknowledges that the Authorized Improvements (or completed segment thereof) covered by the certificate have been inspected by the City, and otherwise finds the Certificate for Payment to be in order. After reviewing the Certificate for Payment, the City approves the Certificate for Payment and the payments to be made from the Kiber Reserve PID Reimbursement Fund to the Developer or to any person designated by the Developer.

CITY OF ANGLETON, TEXAS

By: _____

Name: _____

Title: _____

Date: _____

Exhibit B

SERVICE AND ASSESSMENT PLAN