IOWA COLONY ENTERTAINMENT DISTRICT DEVELOPMENT AGREEMENT

This Iowa Colony Entertainment District Development Agreement (this "Agreement") is entered into by and between **Land Tejas Sterling Lakes South, L.L.C., Iowa Colony Sterling Lakes, Ltd., Sterling Lakes Meridiana, LLC, Dickson Lewis and Diane Cay** (collectively the "Developer") and the **City of Iowa Colony, Texas** (the "City"), to effective as of _____, 2024 ("Effective Date").

ARTICLE I
RECITALS

WHEREAS, certain terms used herein are defined in Article II; and

WHEREAS, the City is a home-rule municipality of the State of Texas located within Brazoria County (the "County"); and

WHEREAS, the Developer and the City (which are sometimes individually referred to as a "Party" and collectively as the "Parties") desire to enter into this Agreement; and

WHEREAS, the Developer is the current owner of approximately 116 acres of real property, which property is described by metes and bounds on **Exhibit A** (the "Property"); and

WHEREAS, the Property is located partially within the city limits of the City and partially within the extraterritorial jurisdiction of the City; and

WHEREAS, the Property is located wholly within the County; and

WHEREAS, the Developer intends to develop the Property as a mixed-use development, consisting of commercial areas, an approximately 4-acre Crystal Lagoon with beach area and surrounding entertainment district consisting of mixed-use development, and a town center with mixed commercial and residential uses upon the execution of this Agreement and subsequent issuance of Bonds for the payment of certain costs for the construction and acquisition of certain public improvements and certain other associated costs to benefit the Property, and for the repayment to Developer for any costs advanced for the construction and acquisition of certain public improvements to benefit the Property as set forth in this Agreement; and

WHEREAS, the Parties are authorized to alter existing requirements of the City Regulations (as defined below) for property located within the corporate limits of the City pursuant to state law and the City Charter; and

WHEREAS, the Developer intends to construct and/or make financial contributions to certain on-site and off-site public improvements to serve the development of the Property ("Authorized Improvements"), which Authorized Improvements are generally identified in **Exhibit B** and further described in the Service and Assessment Plan; and

WHEREAS, in consideration of the Developer's agreements contained herein to accomplish the high-quality development of the Property envisioned by the Parties and to provide financing for the Authorized Improvements, the City intends to exercise its powers to create a public improvement district ("PID") in accordance with Chapter 372 of the Texas Local Government Code, as amended (the "PID Act") for the Property and further described in the SAP; and

WHEREAS, this Agreement is intended to establish certain restrictions and expectations regarding the development of the Property, and to provide for the construction and funding of the Authorized Improvements, which provide a special benefit to the Property; and

WHEREAS, the Developer intends to acquire, design, construct and install the Authorized Improvements and to dedicate such Authorized Improvements to the City for use and maintenance, subject to approval of the plans and inspection of the Authorized Improvements in accordance with this Agreement and the City Regulations, and contingent upon the issuance of Bonds for partial or total financing such Authorized Improvements; and

WHEREAS, the estimated costs of the Authorized Improvements and the maximum amount that will be financed and reimbursed to the Developer will be set forth in the SAP (defined below); and

WHEREAS, in consideration of the Developer's agreements contained herein, the City intends to provide or approve alternative financing arrangements that will enable the Developer, in accordance with the PID Act, to: (i) fund a specified portion of the costs of the Authorized Improvements using the proceeds of Bonds issued by the City; or (ii) obtain reimbursement for the specified portion of the costs of the Authorized Improvements, the source of which reimbursement will be installment payments from Assessments within the Property, provided that such reimbursements shall be subordinate to the payment of Bonds and Administrative Expenses; and

WHEREAS, the City, subject to the consent and approval of the City Council, and in accordance with the terms of this Agreement and all requirements of applicable laws, intends, to the extent it has not prior to the Effective Date, to: (i) consider and act upon the creation of a PID encompassing the Property, in accordance with the PID Act; (ii) adopt a SAP; and (iii) adopt an Assessment Ordinance to pay for the estimated cost of the Authorized Improvements shown on **Exhibit B** and the costs associated with the administration of the PID; and

WHEREAS, prior to or concurrent with the closing of the first Bond issue: (i) the City Council shall have approved and adopted the PID Resolution, the SAP, and an Assessment Ordinance (collectively, the "PID Documents"); (ii) the Developer will create the Home Buyer Disclosure Program in the form as attached in **Exhibit D,** and provide a copy of the program to the City Manager; (iii) all owners of the Property shall have executed a Landowner Agreement; and (iv) the Developer shall have delivered a fully executed copy of Landowner Agreement(s) to the City Manager; and

WHEREAS, all of the City's Administrative Expenses associated with the PID will be funded by the annual levy of Assessments on the Property, and the City will not be responsible for payment of such costs; and

WHEREAS, to the extent funds must be advanced to pay for any costs associated with the creation of the PID Documents, the Developer shall be responsible for advancing such funds, and the City will not be responsible for the payment of such costs; and

WHEREAS, the Parties intend for this Agreement to establish certain restrictions and impose certain commitments in connection with the development of the Property; and

WHEREAS, the Parties intend that the Property will be developed in substantial compliance with an agreed concept plan ("Concept Plan"), as shown on **Exhibit C**; and

WHEREAS, the City Council approved the Iowa Colony Entertainment District Plan of Development ("PD") covering the Property, and the City intends the proposed developed to be consistent with the PD, Concept Plan and other applicable provisions of this Agreement; and

WHEREAS, the managed growth described in this Agreement will drive infrastructure investment and job creation, both of which will, in turn, have a multiplier effect that increases both the City's tax base and utility revenues; and

NOW, THEREFORE, for and in consideration of the mutual covenants of the Parties set forth in this Agreement, and the City's intent to create and utilize the PID to reimburse the Developer for the costs of Authorized Improvements, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Parties agree as follows:

ARTICLE II
DEFINITIONS

Unless the context requires otherwise, the following terms shall have the meanings hereinafter set forth:

Administrative Expenses shall include, without limitation, expenses incurred in the establishment, administration, and operation of the PID including, but not limited to, the costs of (i) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) creating and organizing the PID and preparing the Assessment Roll, (iii) computing, levying, collecting and transmitting the Assessments or the installments thereof, (iv) maintaining the record of installments, payments and reallocations and/or cancellations of the Assessments, (v) investing or depositing the Assessments or other monies, (vi) complying with the PID Act, and (vii) administering the construction of the Public Improvements; and as further described in the SAP.

Administrator means an employee or designee of the City who shall have the responsibilities provided in the SAP or any other agreement or document approved by the City related to the duties and responsibilities for the administration of the PID.

Assessments means a special assessment levied by the City within the PID pursuant to Chapter 372, Texas Local Government Code, pursuant to an Assessment Ordinance, to pay for a specific portion of the Budgeted Cost, which shall be Authorized Improvement Costs; and as further described in the SAP.

Assessment Ordinance means the ordinance approved by the City Council that levies Assessments on the Property in accordance with the PID Act to pay for the costs of the Authorized Improvements set forth in the SAP as well as the costs associated with the issuance of the Bonds, which provide a special benefit to the Property; and as further described in the SAP.

Assessed Property means the Property that will be assessed, upon approval of the City Council, in an amount not to exceed the benefit it receives from the construction of the Authorized Improvements; and as further described in the SAP.

Assessment Revenues means the monies collected from the Assessments which are payable in periodic installments as provided in the Assessment Ordinance, including interest, expenses or penalties on Assessments, prepayments, foreclosure proceeds, and proceeds from a guarantor, if any, of Assessments; and as further described in the SAP.

Assessment Roll(s) means the assessment roll(s) attached to the SAP or any other assessment roll in an amendment or supplement to the SAP or in an annual update to the SAP, showing the total amount of the Assessment against each parcel assessed under the SAP.

Authorized Improvements means drainage and roadway infrastructure and facilities needed to serve and fully develop the Property and to be constructed by the Developer or by or on behalf of the City, including but not limited to the improvements listed in **Exhibit B;** and as further described in the SAP.

Authorized Improvement Costs means the design, engineering, construction, and inspection costs of the Authorized Improvements.

Bond(s) means the assessment revenue bonds issued by the City through the PID to finance the Authorized Improvements that are constructed for the benefit of the PID; and as further described in the SAP.

Bond Indenture means a trust indenture by and between the issuer of Bonds and a trustee bank under which Bonds are issued and funds disbursed.

Bond Ordinance means an ordinance adopted by the City Council that authorizes and approves the issuance and sale of Bonds.

Budgeted Cost means with respect to any given Authorized Improvement, the estimated cost of such improvement as set forth in **Exhibit B;** and as further described in the SAP.

City Council means the city council of the City.

City Regulation(s) means any ordinance, rule, regulation, standard, policy, order, guideline or other City-adopted or City-enforced requirement as they presently exist and without regard to future revisions or amendments thereto, and as modified by the terms of this Agreement.

Concept Plan means the concept plan as set forth in **Exhibit C**.

Construction, Funding, and Acquisition Agreement or CFA means the Iowa Colony Entertainment Construction, Funding, and Acquisition Agreement.

Developer means those parties identified in the beginning paragraph of this Agreement and their respective executors, administrators, successors and assigns, responsible for developing the Property in accordance with this Agreement.

Drainage Improvements mean drainage facilities needed to serve the Property and not related or connected to a roadway and to be constructed by the City or on behalf on the City and PID by the Developer.

Effective Date means the date upon which the last of all of the Parties has approved and duly executed this Agreement.

End Buyer means any developer, homebuilder, builder, tenant, user, or occupant/owner of a Fully Developed and Improved Lot, including without limitation a builder who acquires a lot with the intent to construct a single-family residence on the lot.

Fully Developed and Improved Lot means any lot, regardless of proposed use, which is served by the Authorized Improvements and for which a final plat has been approved by the City and recorded in the real property records of Brazoria County.

Home Buyer Disclosure Program means the disclosure program, administered by the Administrator, as set forth in a document in the form of **Exhibit D**, that establishes a mechanism to disclose to each End Buyer the terms and conditions under which their lot is burdened by the PID; and as further described in the SAP.

Landowner(s) means the Developer and additional owners of the Property.

Landowner Agreement means an agreement of all of the owners and the Developer of the Property consenting to the form and terms of the PID Documents in a form substantially similar to **Exhibit E**, as approved by the City.

Notice means any notice required or contemplated by this Agreement (or otherwise given in connection with this Agreement).

PID means a public improvement district created by the City for the benefit of the Property in accordance with Chapter 372 of the Texas Local Government Code, to be known as the Crystal Center Entertainment District at Iowa Colony; and as further described in the SAP.

PID Resolution means the resolution and improvement order adopted by the Council creating the PID pursuant to Section 372.010 of the PID Act and approving the advisability of the Authorized Improvements.

POA means the property owner's association to be created by the Developer.

Property means the real property described by metes and bounds in **Exhibit A**.

Public Infrastructure means water, sewer, drainage, roadway, and other public infrastructure necessary to serve the full development of the Property more particularly described in **Exhibit B.**

Service and Assessment Plan or SAP means the PID service and assessment plan adopted by City Council, as may be amended or updated annually, to assess allocated costs of improvements against Property located within the boundaries of the PID, and which has terms, provisions and findings approved and agreed to by the Developer and the City in accordance with the PID Act.

Road Improvements means roadway and related drainage facilities needed to serve the Property and to be constructed by the City or on behalf of the City and PID by the Developer.

ARTICLE III
PUBLIC IMPROVEMENT DISTRICT

3.1 Creation. A petition to create a PID encompassing the Property has been or will be submitted to the City. The City shall schedule a public hearing to consider the creation of a public improvement district in accordance with the PID Act. The PID will be created, at the City's discretion, after the public hearing.

3.2 Levy of Assessments. Subsequent to the approval of the creation of the proposed PID, the Developer, the City and the Administrator shall prepare a SAP providing for the levy of the Assessments on the Property. Promptly following preparation and approval of a SAP acceptable to the Developer and the City and subject to the City Council making findings that the Authorized Improvements confer a special benefit on the Property, the City Council shall consider an Assessment Ordinance. Concurrently with the Assessment Ordinance, the City shall consider the approval and execution of a CFA and a reimbursement agreement. The City shall use its best efforts to initiate and approve all necessary documents and ordinances required to effectuate this Agreement, to create the PID, and to levy the Assessments. The Developer shall develop the Property consistent with the terms of this Agreement. Nothing contained in this Agreement, however, shall be construed as creating a contractual obligation that controls, waives, or supplants the City Council's legislative discretion.

3.3 Acceptance of Assessments and Recordation of Covenants Running with the Land. Concurrently with the levy of the Assessment, the Developer, and any other landowner(s) within the PID, shall: (i) approve and accept in writing the levy of the Assessment(s) on all land owned or controlled by the Developer and other landowner(s); (ii) approve and accept in writing the Home

Buyer Disclosure Program; and (iii) cause to be recorded against the Property covenants running with the land that will bind any and all current and successor Developer or developers and owners of any of the Property to pay the Assessment and any subsequent Assessments, with applicable interest and penalties thereon, as and when due and payable hereunder and to take their title to their property in the Property subject to and expressly accepting and assuming the terms and provisions of such Assessments and the liens created thereby.

3.4 Sale of Property to Residential End Buyer. The SAP shall provide that the PID Assessment on any tract within the Property that is sold to an End Buyer for any residential occupancy shall be paid in full prior to closing.

ARTICLE IV
AUTHORIZED IMPROVEMENTS

4.1 Authorized Improvements. The Budgeted Costs of Authorized Improvements listed on **Exhibit B** are estimates that are subject to change, shall be updated by the Developer and City consistent with the SAP and the PID Act. Final plat(s) for the Property, each required to be approved by the City, shall reflect the locations, rights-of-way and easements for the Authorized Improvements to be located on the platted Property. The Developer may include an updated **Exhibit B** with each final plat submitted for the Property, which shall be submitted to the City Council for consideration and approval concurrently with the submission of each such final plat. Upon approval by City Council of an updated **Exhibit B**, this Agreement shall be deemed amended to include such approved updated **Exhibit B**. The Authorized Improvement Costs and the timetable for installation of the Authorized Improvements will be reviewed annually by the Parties in an annual update of the SAP adopted and approved by the City.

4.2 Construction, Ownership, and Transfer of Authorized Improvements.

(a) Construction Plans. The Developer shall prepare, or cause to be prepared, plans and specifications for each of the Authorized Improvements and have them submitted to the City for City approval in accordance with City Regulations.

(b) Contract Award. The contracts for construction of Authorized Improvements shall be let in the name of the Developer. The Developer's engineers shall prepare, or cause the preparation of, and provide all contract specifications and necessary related documents for such improvements. The Developer shall administer the contracts. The Budgeted Costs of construction of Authorized Improvements, which are estimated on **Exhibit B**, shall be paid by the Developer, or caused to be paid by the Developer or the Developer's assignee, and reimbursed, in whole or in part, from the proceeds of Bonds in accordance with the Bond Indenture, or reimbursed, in whole or in part, by the collected Assessments levied pursuant to the terms of a reimbursement agreement. Until such Budgeted Costs are paid in full by the City pursuant to the terms of the Construction, Funding, and Acquisition Agreement, any reimbursement agreement, or the Indenture, unpaid monies owed by the City under the Construction, Funding, and Acquisition Agreement, any reimbursement agreement, or the Indenture shall bear interest as described therein.

(c) Construction Standards and Inspection. The Authorized Improvements will be installed within the public right-of-way or in easements granted to the City. Such improvements shall be constructed and inspected in accordance with applicable state law, City Regulations, the Bond Ordinance (if applicable), the Bond Indenture (if applicable) and all other applicable development requirements, including those imposed by any other governing body or entity with jurisdiction over the Authorized Improvements.

(d) Competitive Bidding. This Agreement and construction of the Authorized Improvements are anticipated to be exempt from competitive bidding pursuant to Section 252.022(a)(9) and 252.022(a)(11) of the Texas Local Government Code based upon current cost estimates. However, in the event that the actual costs for such improvements do not meet the parameters for exemption from the competitive bid requirement, then either competitive bid or alternative delivery methods may be used by the City as allowed by law.

(e) Ownership. All of the Authorized Improvements shall be owned by the City upon acceptance of them by the City using procedures established by City Regulations, provided, however, that the City shall not own any detention or retention ponds, which shall be conveyed to a municipal utility district for ownership and operation. The Developer agrees to take any action reasonably required by the City where applicable to transfer or otherwise dedicate easements for such improvements to the City and the public.

4.3 Operation and Maintenance.

(a) Upon inspection, approval, and acceptance of part or all of the Authorized Improvements, the City shall maintain and operate the accepted roadways and storm water infrastructure. The City intends to pay for the maintenance and operation of the storm water infrastructure facilities that are Authorized Improvements through the operations and maintenance component of its Assessments.

(c) The Developer will construct and the POA shall maintain and operate the open spaces, common areas, right-of-way irrigation systems, right-of-way landscaping, screening walls, drainage areas, detention areas and any other common improvements or appurtenances not maintained and operated by the City.

ARTICLE V
ADDITIONAL DEVELOPER OBLIGATIONS

5.1 Mandatory Property Owner's Association. The Developer will create a mandatory property owner's association ("POA"), which POA shall be required to levy and collect from property owners annual fees in an amount calculated to maintain the amenity features, open spaces, common areas, right-of-way irrigation systems, raised medians and other right-of-way landscaping, detention areas, drainage areas and screening walls within the PID. Common areas, including but not limited to all landscaped entrances to the PID and right-of-way landscaping, shall be maintained solely by the POA. Maintenance of public rights-of-way by the POA shall comply with City Regulations and shall be subject to oversight by the City. The Parties shall cooperate

with each other to execute documents necessary to give the POA permission to maintain and operate facilities on City-owned property.

5.2 No Occupancy Restricting Alcohol Sales. Given the plan of development for the Property is as an entertainment district, the Developer shall not permit the sale of property within the Property to any End-Buyer whose use of such property would restrict the sale of alcohol anywhere within the Property. To the extent permitted by law, the Developer shall include this restriction in the deed restrictions encumbering the Property.

5.3 Annexation of the Property into the City. The Developer shall petition the City for and/or otherwise cause the annexation of the Property into the City's municipal boundaries. The successful annexation of the Property into the City is a condition precedent to the City's obligation to create the PID or reimburse the Developer for the costs of Authorized Improvements.

5.4 City Permitted to Host Events. The Developer agrees to permit, and/or cause the POA to permit, the City to host events at any venues developed within the Property that are owned or managed by the Developer or POA suitable for hosting the events, as reasonably agreed upon between the City and Developer, consent not to be unreasonably withheld by Developer or the POA. The City and its attendees shall not be required to pay a rental fee, access fee, or usage fee for the venue, but will be required to pay catering and similar fees, if applicable.

ARTICLE VI
PID BONDS

6.1 City Bond Issuance. The City intends to issue Bonds, in one or more series, solely for the purposes of financing the costs of the Authorized Improvements and related costs (including Administrative Expenses) and paying issuance costs and the cost of funding all reserves, accounts, and funds required by the applicable Bond Ordinance (including a capitalized interest account, a debt service reserve fund, and the project fund). The estimated maximum aggregate principal amount of Bonds will be set forth in the SAP. The City staff will, from time to time, submit to the City Council agenda items to approve the issuance of Bonds by the City (in one issue or in a series of issues over the years) in an amount up to, but not to exceed, the estimated maximum aggregate principal Bond amount as set forth in the SAP. Notwithstanding the foregoing, the City's obligation to approve the issuance of Bonds is subject to the City's review and confirmation that the Assessments are reasonable relative to the market as determined by the City Council.

6.2 Timing of Bonds Issued by City.

The City shall consider issuing Bonds from time to time for the development for the Property as set forth in the SAP, provided that the City shall consider issuing the Bonds no later than when the appraised value of land and improvements within the Property, as determined by an independent 3rd party appraiser, is at least 2 times the total projected indebtedness of the PID as described in the SAP, provided that the City, in its sole discretion, may require the appraised value of land and improvements within the Property to be up to at least 3.25 times the total projected indebtedness of the PID prior to issuing the Bonds.

ARTICLE VII
INSPECTION AND PERMITTING

7.1 The City shall inspect or cause to be inspected, as required by City Regulations, the construction of all structures, Authorized Improvements, including water, sanitary sewer, drainage, streets, park facilities, electrical, and streetlights and signs. The City's inspections shall not release the Developer from its responsibility to construct, or ensure the construction of, adequate Authorized Improvements and infrastructure in accordance with approved engineering plans, construction plans, and other approved plans related to development of the Property. The City shall be the beneficiary of the required two-year maintenance bond the Developer shall provide for all Authorized Improvements.

If the City finds that such improvements have been completed in accordance with the final plats and specifications approved by the City (or any modifications thereof approved by the City), and in accordance with all other applicable laws and City Regulations, the City shall accept the same whereupon ownership of such improvements shall be transferred to the City and be operated and maintained by the City at its sole expense. The City intends to pay for the maintenance and operation of the storm water infrastructure facilities that are Authorized Improvements, and may provide for maintenance of all Authorized Improvements, through the operations and maintenance component of its Assessments.

ARTICLE VIII
PAYMENT OF AUTHORIZED IMPROVEMENTS

8.1 Improvement Account of the Project Fund. On the date of issuance of any Bonds, the City shall establish the Improvement Account of the Project Fund in accordance with the applicable Bond Indenture, as such terms are defined in the Bond Indenture. Any Improvement Account of the Project Fund shall be maintained as provided in the Bond Indenture and shall not be commingled with any other funds of the City. Any Improvement Account of the Project Fund shall be administered and controlled (including signatory authority) by the City and funds in the Improvement Account of the Project Fund shall be deposited and disbursed in accordance with the terms of the Bond Indenture. In the event of any conflict between the terms of this Agreement and the terms of the Bond Indenture relative to deposit and/or disbursement, the terms of the Bond Indenture shall control.

8.2 Cost Overrun. In advance of letting a contract for the Authorized Improvements, the City may confirm that the cost for construction of such Authorized Improvements is generally consistent with the estimated cost provided on **Exhibit B,** as amended from time to time in accordance with Section 4.1. If the total cost of an Authorized Improvement exceeds the budgeted amount for such line item (a "Cost Overrun"), the Developer shall be solely responsible for the excess amount of the Authorized Improvement, except as provided for in Section 8.3 below. If the costs of the Authorized Improvements in the aggregate exceed to total amount budgeted for the Authorized Improvements, the Developer shall be solely responsible for such cost overruns.

8.3 Cost Underrun. Upon the final acceptance by the City of an Authorized Improvement (or each segment or a portion thereof) and payment of all outstanding invoices by the Developer for such Authorized Improvement (or each segment or a portion thereof), if the Actual Cost of such Authorized Improvement is less than the Budgeted Cost (a "Cost Underrun"), any remaining Budgeted Cost will be available to pay Cost Overruns on any other Authorized Improvement, all as further described in the SAP.

8.4 Remainder of Funds in the Improvement Account of the Project Fund. If funds remain in the Improvement Account of the Project Fund created under the Bond Indenture after the completion of all Authorized Improvements and the payment of all Authorized Improvement Costs as provided for in a reimbursement agreement or the Bond Indenture, then such funds shall be used to redeem the Bonds as provided for in the Bond Indenture.

ARTICLE IX
DEVELOPMENT

9.1 Full Compliance with City Standards.

(a) Development of the Property shall be subject to the City's Regulations, except to the extent that the PUD, attached as **Exhibit F**, or Concept Plan, attached as **Exhibit C**, may vary from those terms, in which case the PUD or Concept Plan shall control.

(b) Any revision to the Concept Plan, if approved by the City, shall be considered an amendment to **Exhibit C** to this Agreement, and shall replace the attached Concept Plan and become a part of this Agreement.

9.2 Replat. The Parties acknowledge that the Property may be developed in phases. The Developer may submit a replat for all or any portion of the Property. Any replat shall be in general conformance with the Concept Plan. Approval of the replat shall be governed by the City Regulations and state law.

9.3 Conflicts. In the event of any conflict between this Agreement and any City Regulation, this Agreement, including any exhibit or attachment, shall control.

ARTICLE X
DEVELOPMENT PROCESS AND CHARGES

10.1 Development, Review and Inspection Fees. Development of any portion of the Property shall be subject to payment to the City of the applicable fees according to the City's Regulations, including without limitation fees relating to platting, zoning requests, and any other charges and fees not expressly exempted or altered by the terms of this Agreement.

10.2 Infrastructure. All Public Infrastructure shall be designed, constructed and installed in compliance with the City Regulation's in effect on the Effective Date. Construction and/or installation of Public Infrastructure shall not begin until complete and accurate plans and

specifications have been approved by the City. Each of such contracts shall require a two-year maintenance bond following completion, which bond shall run in favor of the Party responsible for maintenance of the completed Public Infrastructure. The Public Infrastructure will be installed within the public right-of-way or in easements granted to the City.

10.3 No Impact Fees. The City will not charge any capital recovery fees or impact fees for water or wastewater in connection with the development of the Property.

10.5 INDEMNIFICATION AND HOLD HARMLESS.

THE DEVELOPER AND ITS SUCCESSORS AND ASSIGNS SHALL INDEMNIFY AND HOLD HARMLESS THE CITY, ITS OFFICIALS, EMPLOYEES, OFFICERS, REPRESENTATIVES AND AGENTS (EACH AN "INDEMNIFIED PARTY"), FROM AND AGAINST ALL ACTIONS, DAMAGES, CLAIMS, LOSSES OR EXPENSE OF EVERY TYPE AND DESCRIPTION TO WHICH THEY MAY BE SUBJECTED OR PUT: (I) BY REASON OF, OR RESULTING FROM THE BREACH OF ANY PROVISION OF THIS AGREEMENT BY THE DEVELOPER; (II) THE NEGLIGENT DESIGN, ENGINEERING AND/OR CONSTRUCTION BY THE DEVELOPER OR ANY ARCHITECT, ENGINEER OR CONTRACTOR HIRED BY THE DEVELOPER OF ANY OF THE PUBLIC IMPROVEMENTS ACQUIRED FROM THE DEVELOPER HEREUNDER; (III) THE DEVELOPER'S NONPAYMENT UNDER CONTRACTS BETWEEN THE DEVELOPER AND ITS CONSULTANTS, ENGINEERS, ADVISORS, CONTRACTORS, SUBCONTRACTORS AND SUPPLIERS IN THE PROVISION OF THE PUBLIC IMPROVEMENTS; (IV) ANY CLAIMS OF PERSONS EMPLOYED BY THE DEVELOPER OR ITS AGENTS TO CONSTRUCT THE PUBLIC IMPROVEMENTS; OR (V) ANY CLAIMS AND SUITS OF THIRD PARTIES, INCLUDING BUT NOT LIMITED TO DEVELOPER'S RESPECTIVE PARTNERS, OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS, ASSIGNEES, VENDORS, GRANTEES, AND/OR TRUSTEES, REGARDING OR RELATED TO THE PUBLIC IMPROVEMENTS OR ANY AGREEMENT OR RESPONSIBILITY REGARDING THE PUBLIC IMPROVEMENTS, INCLUDING CLAIMS AND CAUSES OF ACTION WHICH MAY ARISE OUT OF THE PARTIAL NEGLIGENCE OF AN INDEMNIFIED PARTY (THE "CLAIMS"). NOTWITHSTANDING THE FOREGOING, NO INDEMNIFICATION IS GIVEN HEREUNDER FOR ANY ACTION, DAMAGE, CLAIM, LOSS OR EXPENSE DETERMINED BY A COURT OF COMPETENT JURISDICTION TO BE DIRECTLY ATTRIBUTABLE TO THE WILLFUL MISCONDUCT OR SOLE NEGLIGENCE OF ANY INDEMNIFIED PARTY. DEVELOPER IS EXPRESSLY REQUIRED TO DEFEND CITY AGAINST ALL SUCH CLAIMS, AND CITY IS REQUIRED TO REASONABLY COOPERATE AND ASSIST DEVELOPER IN PROVIDING SUCH DEFENSE.

IN ITS REASONABLE DISCRETION, CITY SHALL HAVE THE RIGHT TO APPROVE OR SELECT DEFENSE COUNSEL TO BE RETAINED BY DEVELOPER IN FULFILLING ITS OBLIGATIONS HEREUNDER TO DEFEND AND INDEMNIFY THE INDEMNIFIED PARTIES, UNLESS SUCH RIGHT IS EXPRESSLY WAIVED BY CITY IN WRITING. THE INDEMNIFIED PARTIES RESERVE THE RIGHT TO PROVIDE A

PORTION OR ALL OF THEIR/ITS OWN DEFENSE, AT THEIR/ITS SOLE COST; HOWEVER, INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF DEVELOPER'S OBLIGATION TO DEFEND INDEMNIFIED PARTIES OR AS A WAIVER OF DEVELOPER'S OBLIGATION TO INDEMNIFY INDEMNIFIED PARTIES PURSUANT TO THIS AGREEMENT. DEVELOPER SHALL RETAIN CITY-APPROVED DEFENSE COUNSEL WITHIN SEVEN BUSINESS DAYS OF WRITTEN NOTICE FROM AN INDEMNIFIED PARTY THAT IT IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF DEVELOPER FAILS TO RETAIN COUNSEL WITHIN SUCH TIME PERIOD, INDEMNIFIED PARTIES SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON THEIR OWN BEHALF, AND DEVELOPER SHALL BE JOINTLY AND SEVERALLY LIABLE FOR ALL REASONABLE COSTS INCURRED BY INDEMNIFIED PARTIES.

THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

THE PARTIES AGREE AND STIPULATE THAT THIS INDEMNIFICATION COMPLIES WITH THE CONSPICUOUSNESS REQUIREMENT AND THE EXPRESS NEGLIGENCE TEST, AND IS VALID AND ENFORCEABLE AGAINST THE DEVELOPER.

ARTICLE XI
AUTHORIZED IMPROVEMENTS AND PUBLIC INFRASTRUCTURE

11.1 The Water and Sewer Facilities. The Developer shall have full responsibility for designing and constructing the on-site and off-site water and sewer facilities (together with and including the cost of obtaining any and all easements in or fee simple title to land to provide for and to accommodate such water and sewer facilities) that will serve the Property ("Water and Sewer Facilities") and the cost thereof. The Developer shall be responsible for the construction, including the acquisition of any necessary easements (the size and extent of each such easements to be approved by the City) for the Water and Sewer Facilities. The Developer must design and construct the Water and Sewer Facilities, including but not limited to the water transmission and distribution system(s) necessary to provide continuous and adequate service to customers in the Property in compliance with all statutory and regulatory requirements, including, without limitation, City Regulations.

11.2 Roadway Improvements and Related Drainage Facilities and Drainage Improvements not Related to Roadways. The Developer shall have full responsibility for designing and constructing the on-site and off-site Roadway Improvements and related drainage facilities and Drainage Improvements (together with and including the cost of obtaining any and all easements in or fee simple title to land to provide for and to accommodate such Roadway Improvements and related drainage facilities and Drainage Improvements) that will serve the Property ("Roadway and Drainage Facilities") and the cost thereof. The Developer shall be responsible for the construction, including the acquisition of any necessary easements (the size

and extent of each such easements to be approved by the City) for the Roadway and Drainage Facilities. The Developer must design and construct the Roadway and Drainage Facilities, including but not limited to the water transmission and distribution system(s) necessary to provide continuous and adequate service to customers in the Property in compliance with all statutory and regulatory requirements, including design and construction criteria and specifications of the City, and in compliance with all applicable City Regulations.

11.3 Administration of Construction of Public Infrastructure. The Parties agree that the Developer will be responsible to construct the Public Infrastructure.

11.4 Operation of the Water and Sewer Facilities. After acceptance by the City, the City shall operate the Water and Sewer Facilities serving the Property and use the Water and Sewer Facilities to provide service to the Property and as otherwise required or allowed by state law.

11.5 Operation of the Roadway and Drainage Facilities. If the City accepts the Roadway and Drainage Facilities, the City shall operate the Roadway and Drainage Facilities serving the Property and use the Roadway and Drainage Facilities to provide service to the Property and as otherwise required or allowed by state law. If accepted by the City, the City shall at all times maintain the Roadway and Drainage Facilities or cause the Roadway and Drainage Facilities to be maintained, in good condition and working order in compliance with all applicable City Regulations and all applicable regulations, rules, policies, standards, and orders of any governmental entity with jurisdiction over same. Following acceptance of the Roadway and Drainage Facilities, nothing contained herein shall prevent the City from altering or changing the design and/or location of the Roadway and Drainage Facilities as necessary to meet future needs or updated standards, as solely determined by the City. The City intends to pay for the maintenance and operation of the storm water infrastructure facilities that are Authorized Improvements, and may provide for maintenance of all Authorized Improvements, through the operations and maintenance component of its Assessments.

ARTICLE XII
TERM

12.1 The term of this Agreement shall be for a period of forty (40) years after the Effective Date. If allowed by law, the Parties may extend the term of this Agreement beyond the term if they execute an agreement in writing.

ARTICLE XIII
EVENTS OF DEFAULT; REMEDIES

13.1 Events of Default. No Party shall be in default under this Agreement until Notice of the alleged failure of such Party to perform has been given in writing (which Notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given a reasonable time to cure the alleged failure (such reasonable time to be determined based on the nature of the alleged failure, but in no event more than 30 days (or any longer time period to the extent expressly stated in this Agreement as relates to a specific failure to perform) after written notice of the alleged failure has been given except as relates to a type of default for which a

different time period is expressly set forth in this Agreement). Notwithstanding the foregoing, no Party shall be in default under this Agreement if, within the applicable cure period, the Party to whom the Notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured. Notwithstanding the foregoing, however, a Party shall be in default of its obligation to make any payment required under this Agreement if such payment is not made within 30 days after it is due.

13.2 Remedies. If a Party is in default, the aggrieved Party may, at its option and without prejudice to any other right or remedy under this Agreement, seek any relief available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act, or actions for specific performance, mandamus, or injunctive relief. Notwithstanding any provision of this Agreement, the Parties agree that the City may withhold building permits within the Property in the event of default by the Developer.

13.3 Cessation of Compliance. As a matter of law, a city by contract cannot bind its current or future city councils in the exercise of the council's legislative discretion or the performance of its legislative functions, which include the zoning of property, the establishment of PIDs, and the levying of assessments. Nonetheless, the Developer has spent a substantial sum to negotiate, implement, and comply with this Agreement and Developer expects and relies on the City to take appropriate actions to zone the Property, create the PID, and levy the Assessments that are described in this Agreement. If the current or a future City Council of the City does not zone the Property as described in this Agreement, does not establish or operate the PID as described in this Agreement, or does not levy the Assessments described in this Agreement, then Developer shall have no further obligation to comply with any of the terms of this Agreement until such time as the City Council takes appropriate actions to have the City resume compliance with its obligations under this Agreement. If the City resumes its compliance with its obligations under this Agreement, the Developer shall have up to 90 days to resume its compliance with this Agreement.

ARTICLE XIV
ASSIGNMENT AND ENCUMBRANCE

14.1 Assignment. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties. The Developer and any Assignee have the right (from time to time) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of the Developer under this Agreement to any person or entity (an "Assignee") with the City Manager's prior written consent. Any receivables due under this Agreement, any construction funding agreement, or any reimbursement agreement (pursuant to Section 372.023(d-1) of the Texas Local Government Code) may be assigned by the Developer without the consent of, but upon written Notice to, the City in accordance with Section 14.4 of this Agreement. The Developer may also collaterally assign the PID as collateral for any development loan, and the Developer may execute such documents and contracts as necessary to effectuate such loans or financings, without the consent of, but with Notice to, the City. An Assignee shall be considered a "Party" for the purposes of this Agreement. From and after such assignment, the City agrees to look solely to the Assignee for the performance of all obligations assigned to the Assignee and agrees that the Developer shall be released from subsequently performing the assigned obligations and from any liability that results from the Assignee's failure to perform the assigned obligations. No assignment

by the Developer shall release the Developer from any liability that resulted from an act or omission by the Developer that occurred prior to the effective date of the assignment unless the City approves the release in writing. The Developer shall maintain written records of all assignments made by the Developer to Assignee, including a copy of each executed assignment and the Assignee's notice information as required by this Agreement, and, upon written request from the City, any Party or Assignee, shall provide a copy of such records to the requesting person or entity.

14.2 Assignees as Parties. An Assignee approved or authorized in accordance with this Agreement and for which Notice of assignment has been provided in accordance with Section 14.4 of this Agreement shall be considered a "Party" for the purposes of this Agreement. With the exception of an End Buyer of a lot within the Property, any person or entity upon becoming an owner of land within the District or upon obtaining an ownership interest in any part of the Property shall be deemed to be an owner and have all of the obligations of the Developer as set forth in this Agreement and all related documents to the extent of said ownership or ownership interest. This Agreement and the obligations and liabilities arising under this Agreement shall be released automatically as to each End Buyer of a lot; provided, however, that no such conveyance of a lot shall release Developer from its obligations hereunder. Any third party, including without limitation any title company, grantee or lienholder, shall be entitled to rely on the existence or nonexistence of a recorded affidavit to establish whether such termination has occurred as to a lot.

14.3 No Third-Party Beneficiaries. This Agreement only inures to the benefit of, and may only be enforced by, the Parties. No other person or entity shall have any right, title, or interest under this Agreement or otherwise be deemed to be a third-party beneficiary of this Agreement.

14.4 Notice of Assignment of this Agreement. Notwithstanding anything to the contrary in this Agreement, the following requirements shall apply in the event that the Developer sells, assigns, transfers, or otherwise conveys any of its rights or benefits under this Agreement, provided assignments are subject to Section 14.1:

(i) within 30 days after the effective date of any such sale, assignment, transfer, or other conveyance, the Developer must provide written Notice of same to the City;

(ii) the Notice must describe the extent to which any rights or benefits under this Agreement have been sold, assigned, transferred, or otherwise conveyed;

(iii) the Notice must state the name, mailing address, and telephone contact information of the person(s) acquiring any rights or benefits as a result of any such sale, assignment, transfer, or other conveyance;

(iv) the Notice must be signed by a duly authorized person representing the Developer.

ARTICLE XV
RECORDATION AND ESTOPPEL CERTIFICATES

15.1 Binding Obligations. This Agreement and all amendments hereto (including amendments to the Concept Plan as allowed in this Agreement) and assignments hereof shall be recorded in the deed records of Brazoria County. This Agreement binds and constitutes a covenant running with the Property. Upon the Effective Date, this Agreement shall be binding upon the Parties and their successors and assigns permitted by this Agreement and forms a part of any other requirements for development within the Property. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns as permitted by this Agreement and upon the Property; however, this Agreement shall not be binding upon, and shall not constitute any encumbrance to title as to, any End-Buyer of a Fully Developed and Improved Lot except for land use and development regulations that apply to such lots.

15.2 Estoppel Certificates. From time to time upon written request of the Developer or any future owner, and upon the payment of a $100.00 fee to the City, the City Manager, or his/her designee will, in his official capacity and to his reasonable knowledge and belief, execute a written estoppel certificate identifying any obligations of an owner under this Agreement that are in default.

ARTICLE XVI
ADDITIONAL PROVISIONS

16.1 Recitals. The recitals contained in this Agreement: (i) are true and correct as of the Effective Date; (ii) form the basis upon which the Parties negotiated and entered into this Agreement; (iii) are legislative findings of the City Council of the City; and (iv) reflect the final intent of the Parties with regard to the subject matter of this Agreement. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

16.2 Notices. Any Notice, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when personally delivered or transmitted by telecopy or facsimile transmission (which shall be immediately confirmed by telephone and shall be followed by mailing an original of the same within 24 hours after such transmission) or 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City:	Attn: Robert Hemminger City Manager 3144 Meridiana Pkwy Iowa Colony, TX 77583
To the Developer:	Land Tejas Sterling Lakes South, L.L.C. Iowa Colony Sterling Lakes, Ltd. Attn: Al P. Brende 2450 Fondren Rd; Suite 210 Houston, TX 77063

Sterling Lakes Meridiana, LLC
Attention: Jerry Turboff
5851 San Felipe, Suite 800
Houston, Texas 77057

With a copy to: John R. Krugh
1800 Bering Drive, Suite 350
Houston, Texas 7057

Any party may change its address or addresses for delivery of Notice by delivering written Notice of such change of address to the other party.

16.3 Interpretation. The Parties acknowledge that each has been actively involved in negotiating this Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting Party will not apply to interpreting this Agreement. In the event of any dispute over the meaning or application of any provision of this Agreement, the provision will be interpreted fairly and reasonably and neither more strongly for nor against any Party, regardless of which Party originally drafted the provision.

16.4 Time. In this Agreement, time is of the essence and compliance with the times for performance herein is required.

16.5 Authority and Enforceability. The City represents and warrants that this Agreement has been approved by official action by the City Council of the City in accordance with all applicable public notice requirements (including, but not limited to, Notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been duly authorized to do so. The Developer represents and warrants that this Agreement has been approved by appropriate action of the Developer, and that the individual executing this Agreement on behalf of the Developer has been duly authorized to do so. Each Party respectively acknowledges and agrees that this Agreement is binding upon such Party and is enforceable against such Party, in accordance with its terms and conditions and to the extent provided by law.

16.6 Entire Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by the Parties.

16.7 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (i) such unenforceable provision shall be deleted from this Agreement; (ii) the unenforceable provision shall, to the extent possible and upon mutual agreement of the parties, be rewritten to be enforceable and to give effect to the intent of the Parties; and (iii) 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.

16.8 Applicable Law; Venue. This Agreement is entered into pursuant to, and is to be construed and enforced in accordance with, the laws of the State of Texas. Exclusive venue for any action to enforce or construe this Agreement shall be in the Brazoria County.

16.9 Non-Waiver. Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

16.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

16.11 Further Documents. The Parties agree that at any time after execution of this Agreement, they will, upon request of another Party, execute and deliver such further documents and do such further acts and things as the other Party may reasonably request in order to effectuate the terms of this Agreement. This provision shall not be construed as limiting or otherwise hindering the legislative discretion of the City Council seated at the time that this Agreement is executed or any future City Council.

16.12 Exhibits. The following exhibits are attached to this Agreement and are incorporated herein for all purposes:

Exhibit A	Metes and Bounds of the Property
Exhibit B	Authorized Improvements with their Estimated Costs
Exhibit C	Concept Plan
Exhibit D	Home Buyer Disclosure Program
Exhibit E	Landowner Agreement
Exhibit F	Plan of Development

16.13 Landowner Disclosures. The Developer shall comply with the Landowner Disclosure Program and shall deed restrict the Property in a manner that notifies all owners of Property of the obligations set forth in the Landowner Disclosure Program. The Developer shall provide City evidence on a quarterly basis, or upon written request from the City, that the original purchaser of any finished lot within the PID has been provided the Landowner Disclosure Program.

The Developer shall provide the deed restrictions for the Property to the City for its review and approval and shall not amend said restrictions without the City's approval.

16.14 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure

shall be temporarily suspended. Within three business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give Notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term "force majeure" shall include events or circumstances that are not within the reasonable control of Party whose performance is suspended and that could not have been avoided by such Party with the good faith exercise of good faith, due diligence and reasonable care.

16.15 Amendments. This Agreement cannot be modified, amended, or otherwise varied, except in writing signed by the City and Developer expressly amending the terms of this Agreement.

16.16 Sales Tax Sourcing. Developer shall use commercially reasonable efforts to ensure that any and all contractors and subcontractors, under the Developer's supervision or control, working on the development within the PID shall utilize, or cause to be utilized, separated building materials and labor contracts for all taxable building materials contracts related to such development in the amount of $1,000.00 or more, for the purpose of siting payment of the sales tax on such building materials for the development to the land within the PID.

16.17 Legislative Contracting Requirement:

Chapter 2271 – Anti-Boycott of Israel Verification**.** Developer is not a Company that boycotts Israel and will not boycott Israel so long as the Agreement remains in effect. The terms "boycotts Israel" and "boycott Israel" have the meaning assigned to the term "boycott Israel" in Section 808.001, Texas Government Code. For purposes of this paragraph, "Company" means a for-profit organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit, but does not mean a sole proprietorship.

Chapter 2252 Verification – Anti-Terrorism Verification. At the time of this Agreement, neither Developer, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Developer: (i) engages in business with Iran, Sudan, or any foreign terrorist organization pursuant to Subchapter F of Chapter 2252 of the Texas Government Code; or (ii) is a company listed by the Texas Comptroller pursuant to Section 2252.153 or Section 2270.0201 of the Texas Government Code. The term "foreign terrorist organization" has the meaning assigned to such term pursuant to Section 2252.151 of the Texas Government Code. For purposes of this paragraph, "Company" means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or other entity or business association whose securities are publicly traded, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit.

Chapter 2276 – Anti - Boycott of Energy Companies Verification. Developer is not a Company that boycotts energy companies and will not boycott energy companies so long as the Agreement remains in effect. The terms "boycotts energy companies" and "boycott energy

companies" have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code. For purposes of this paragraph, "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit, but does not include a sole proprietorship.

Chapter 2274 – Anti - Discrimination of Firearm Entity or Firearm Trade Association Verification. Developer is not a Company that has a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association so long as the Agreement remains in effect. The terms "discriminates against a firearm entity or firearm trade association" and "discriminate against a firearm entity or firearm trade association" have the meaning assigned to the term "discriminate against a firearm entity or firearm trade association" in Section 2274.001(3), Texas Government Code. For purposes of this paragraph, "Company" means a for-profit organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit, but does not mean a sole proprietorship.

[signatures on following pages]

EXECUTED by the City and Developer on the respective dates stated below.

Date: _____ **CITY OF IOWA COLONY, TEXAS_____**

By: _____
_____

ATTEST:

_____

APPROVED AS TO FORM

_____

STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the __ day of _____, 2024, by _____ of the City of Iowa Colony, Texas on behalf of said City.

_____
Notary Public, State of Texas

(SEAL)

_____
Name printed or typed

Commission Expires:_____

DEVELOPER

LAND TEJAS STERLING LAKES SOUTH, L.L.C.

By:_____
Al P. Brende, Manager

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____, 2024, by Al P. Brende, Manager of Land Tejas Sterling Lakes South, L.L.C.

_____
Notary Public, State of Texas

IOWA COLONY STERLING LAKES, LTD.
A Texas limited partnership

By: L.T. MANAGEMENT, INC.
a Nevada corporation
its General Partner

By: _____
Al P. Brende, President

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____, 2024, by Al P. Brende, President of L.T. Management, Inc., a Nevada corporation, its general partner and on behalf of Iowa Colony Sterling Lakes, Ltd., a Texas limited partnership.

_____
Notary Public, State of Texas

STERLING MERIDIANA 35 GP, LLC,
a Texas limited liability company

By: Prime Capital Corporation,
a Texas corporation, its Manager

By: _____
Jerald A. Turboff, President

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____, 2024, by Jerlad A. Turboff, President of Prime Capital Corporation, a Texas corporation, its Manager, and on behalf of Sterling Meridiana 35 GP, LLC, a Texas limited liability company.

_____
Notary Public, State of Texas

_____
Dickson Lewis

_____
Diana Cay

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____, 2024, by Dickson Lewis.

_____
Notary Public, State of Texas

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____, 2024, by Diana Cay.

_____
Notary Public, State of Texas

EXHIBIT A
Property Metes and Bounds

EXHIBIT B
Authorized Improvements

Authorized Improvements

Schedule A
Quiddity
Sterling Lakes
Estimated PID Eligible Costs - ***(Cost Allocation on a Gross Acreage Basis)***

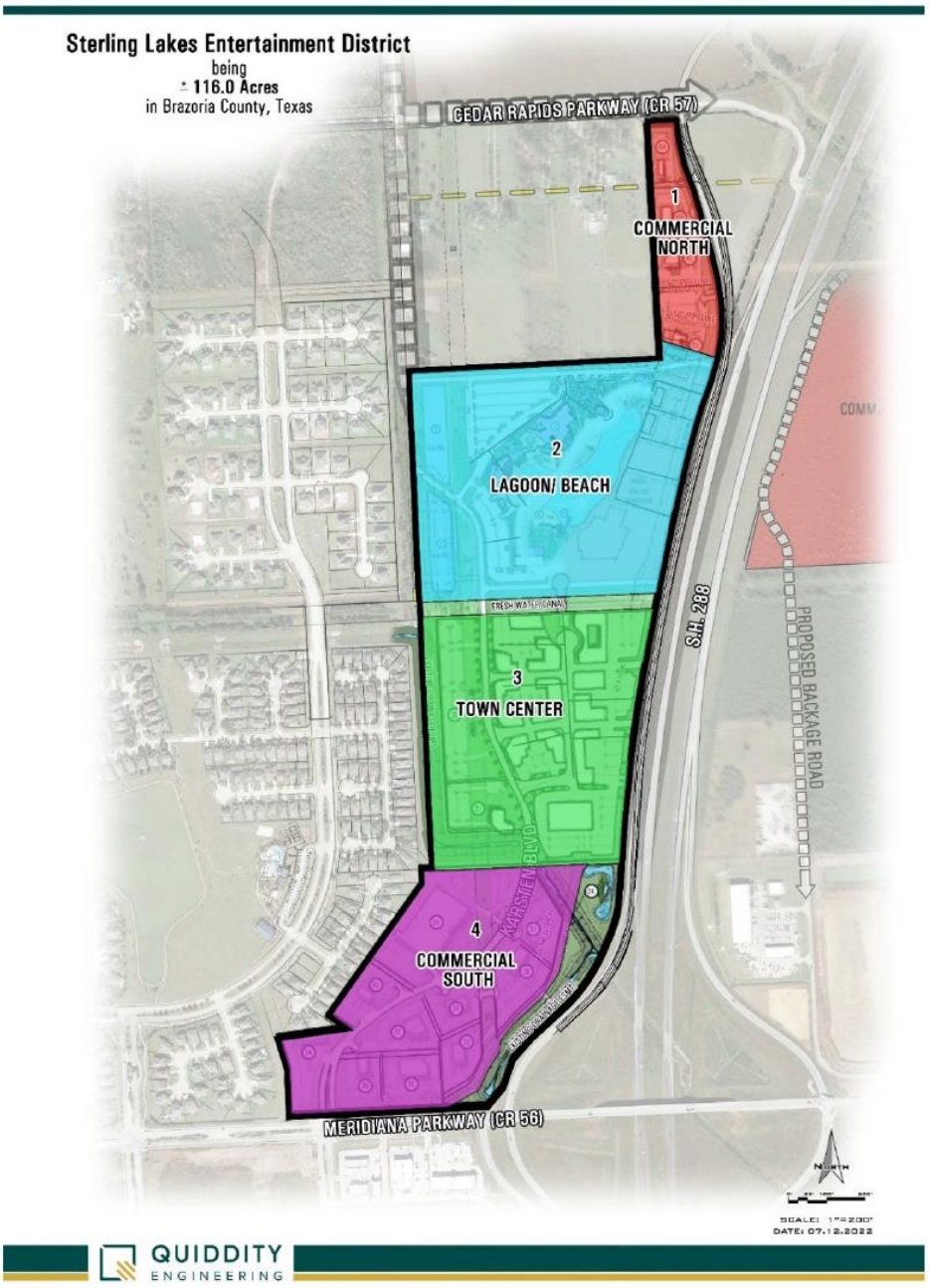
Description	Est. Total Cost [1]	Frontage Road Commercial Pad [2]	Lagoon Development [2]	Town Center [2]	Traditional Suburban Commercial Development [2]
Karsten Blvd	$ 6,000,000	$ 205,224	$ 1,230,657	$ 2,838,211	$ 1,725,908
Frontage Rd	$ 8,000,000	$ 273,633	$ 1,640,876	$ 3,784,281	$ 2,301,210
Storm Water Detention	$ 3,000,000	$ 102,612	$ 615,329	$ 1,419,105	$ 862,954
Total	**$ 17,000,000**	**$ 581,469**	**$ 3,486,862**	**$ 8,041,596**	**$ 4,890,072**

Footnotes:

(1) Per Developer estimates.

(2) Infrastructure costs are allocated to each respective planning area of the project based upon gross acreage. See **Schedule F** for additional detail.

EXHIBIT C
Concept Plan



gure 3: Sterling Lakes Entertainment Zones

EXHIBIT D
LANDOWNER DISCLOSURE PROGRAM

The Administrator (as defined in the Service and Assessment Plan) for the _____ (the "PID") shall facilitate Notice to prospective landowners in accordance with the following minimum requirements:

1. Record notice of the PID in the appropriate land records for the Property.

2. Require builders to attach the Recorded Notice of the Authorization and Establishment of the PID and the final Assessment Roll for such Assessed Parcel (or if the Assessment Roll is not available for such Assessed Parcel, then a schedule showing the maximum 40-year payment for such Assessed Parcel) in an addendum to each residential homebuyer's contract on brightly colored paper.

3. Collect a copy of the addendum signed by each buyer from builders and provide to the City.

4. Require signage indicating that the Property for sale is located in a special assessment district and require that such signage be located in conspicuous places _____?????_____.

5. Prepare and provide to builders an overview of the existence and effect of the PID for those builders to include in each sales packet of information that it provides to prospective landowners.

6. Notify builders who estimate monthly ownership costs of the requirement that they must include special assessments in estimated Property taxes.

7. Notify Settlement Companies through the builders that they are required to include special taxes on HUD 1 forms and include in total estimated taxes for the purpose of setting up tax escrows.

8. Include notice of the PID in the homeowner association documents in conspicuous bold font.

9. The City will include announcements of the PID on the City's web site.

The Developer and the Administrator shall regularly monitor the implementation of this disclosure program and shall take appropriate action to require these Notices to be provided when one of them discovers that any requirement is not being complied with.

EXHIBIT E
Landowner Agreement

LANDOWNER AGREEMENT

This **LANDOWNER AGREEMENT** (the "Agreement"), is entered into as of _____, among the City of _____, Texas (the "City"), a home-rule municipality of the State of Texas (the "State"), and _____, a Texas _____ (the "Landowner").

RECITALS:

WHEREAS, Landowner owns the Assessed Parcels described by a metes and bounds description attached as **Exhibit I** to this Agreement and which is incorporated herein for all purposes, comprising all of the non-exempt, privately-owned land described in **Exhibit I** (the "Landowner Parcel") which is coterminous with the _____ Public Improvement District (the "District") in the City; and

WHEREAS, the City Council has adopted an assessment ordinance for the Authorized Improvements (including all exhibits and attachments thereto, the "Assessment Ordinance") and the Service and Assessment Plan included as an **Exhibit B** to the Assessment Ordinance (the "Service and Assessment Plan") and which is incorporated herein for all purposes, and has levied an assessment on each Assessed Parcel in the District (as identified in the Service and Assessment Plan**)** that will be pledged for the payment of certain infrastructure improvements and to pay the costs of constructing the Authorized Improvements that will benefit the Assessed Property (as defined in the Service and Assessment Plan); and

WHEREAS, the Covenants, Conditions and Restrictions attached to this Agreement as **Exhibit II** and which are incorporated herein for all purposes**,** include the statutory notification required by Texas Property Code, Section 5.014, as amended, to be provided by the seller of residential property that is located in a public improvement district established under Chapter 372 of the Texas Local Government Code, as amended (the "PID Act"), to the purchaser.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, obligations and benefits hereinafter set forth, the City and the Landowner hereby contract, covenant and agree as follows:

DEFINITIONS; APPROVAL OF AGREEMENTS

Definitions. Capitalized terms used but not defined herein (including each exhibit hereto) shall have the meanings ascribed to them in the Service and Assessment Plan.

Affirmation of Recitals. The findings set forth in the Recitals of this Agreement are hereby incorporated as the official findings of the City Council.

I.
AGREEMENTS OF LANDOWNER

A. Affirmation and Acceptance of Agreements and Findings of Benefit. Landowner hereby ratifies, confirms, accepts, agrees to, and approves:

(i) the creation and boundaries of the District, and the boundaries of the Landowner's Parcel which are coterminous with the District, all as shown on **Exhibit I,** and the location and development of the Authorized Improvements on the Landowner Parcel and on the property within the District;

(ii) the determinations and findings as to the benefits by the City Council in the Service and Assessment Plan and the Assessment Ordinance; and

(iii) the Assessment Ordinance and the Service and Assessment Plan.

B. Acceptance and Approval of Assessments and Lien on Property. Landowner consents to, agrees to, acknowledges and accepts the following:

(i) each Assessment levied by the PID on the Landowner's Parcel within the District, as shown on the assessment roll attached as Appendix __ to the Service and Assessment Plan (the "Assessment Roll");

(ii) the Authorized Improvements specially benefit the District, and the Landowner's Parcel, in an amount in excess of the Assessment levied on the Landowner's Parcel within the District, as such Assessment is shown on the Assessment Roll;

(iii) each Assessment is final, conclusive and binding upon Landowner and any subsequent owner of the Landowner's Parcel, regardless of whether such landowner may be required to prepay a portion of, or the entirety of, such Assessment upon the occurrence of a mandatory prepayment event as provided in the Service and Assessment Plan;

(iv) the obligation to pay the Assessment levied on the Landowner's Parcel owned by it when due and in the amount required by and stated in the Service and Assessment Plan and the Assessment Ordinance;

(v) each Assessment or reassessment, with interest, the expense of collection, and reasonable attorney's fees, if incurred, is a first and prior lien against the Landowner's Parcel, superior to all other liens and monetary claims except liens or monetary claims for state, county,

school district, or municipal ad valorem taxes, and is a personal liability of and charge against the owner of the Landowner's Parcel regardless of whether such owner is named;

(vi) the Assessment lien on the Landowner's Parcel is a lien and covenant that runs with the land and is effective from the date of the Assessment Ordinance and continues until the Assessment is paid and may be enforced by the governing body of the City in the same manner that an ad valorem tax lien against real property may be enforced by the City;

(vii) delinquent installments of the Assessment shall incur and accrue interest, penalties, and attorney's fees as provided in the PID Act;

(viii) the owner of a Landowner's Parcel may pay at any time the entire Assessment, with interest that has accrued on the Assessment, on any parcel in the Landowner's Parcel;

(ix) the Annual Installments of the Assessments (as defined in the Service and Assessment Plan and Assessment Roll) may be adjusted, decreased and extended; and, the assessed parties shall be obligated to pay their respective revised amounts of the annual installments, when due, and without the necessity of further action, assessments or reassessments by the City, the same as though they were expressly set forth herein; and

(x) Landowner has received, or hereby waives, all notices required to be provided to it under Texas law, including the PID Act, prior to the Effective Date (defined herein).

C. Mandatory Prepayment of Assessments. Landowner agrees and acknowledges that Landowner or subsequent landowners may have an obligation to prepay an Assessment upon the occurrence of a mandatory prepayment event, at the sole discretion of the City and as provided in the Service and Assessment Plan, as amended or updated or upon sale of property in the PID to a party not subject to Assessments.

D. Notice of Assessments. Landowner further agrees as follows:

(i) the Covenants, Conditions and Restrictions attached hereto as **Exhibit II** shall be terms, conditions and provisions running with the Landowner's Parcel and shall be recorded (the contents of which shall be consistent with the Assessment Ordinance and the Service and Assessment Plan as reasonably determined by the City), in the records of the County Clerk of _____ County, as a lien and encumbrance against such Landowner's Parcel, and Landowner hereby authorizes the City to so record such documents against the Landowner's Parcel owned by Landowner;

(ii) reference to the Covenants, Conditions and Restrictions attached hereto as **Exhibit II** shall be included on all recordable subdivision plats and such plats shall be recorded in the real property records of _____ County, Texas;

(iii) in the event of any subdivision, sale, transfer or other conveyance by the Landowner of the right, title or interest of the Landowner in the Landowner's Parcel or any part thereof, the Landowner's Parcel, or any such part thereof, shall continue to be bound by all of the terms, conditions and provisions of such Covenants, Conditions and Restrictions and any purchaser, transferee or other subsequent owner shall take such Landowner's Parcel subject to all of the terms, conditions and provisions of such Covenants, Conditions and Restrictions; and

(iv) Landowner shall comply with, and shall contractually obligate (and promptly provide written evidence of such contractual provisions to the City) any party who purchases any Landowner's Parcel owned by Landowner, or any portion thereof, for the purpose of constructing residential properties that are eligible for "homestead" designations under State law, to comply with, the Homebuyer Education Program described on **Exhibit III** to this Agreement. Such compliance obligation shall terminate as to each Lot (as defined in the Service and Assessment Plan) if, and when, (i) a final certificate of occupancy for a residential unit on such Lot is issued by the City, and (ii) there is a sale of a Lot to an individual homebuyer, it being the intent of the undersigned that the Homebuyer Education Program shall apply only to a commercial builder who is in the business of constructing and/or selling residences to individual home buyers (a "Builder") but not to subsequent sales of such residence and Lot by an individual home buyer after the initial sale by a Builder.

Notwithstanding the provisions of this Section, upon the Landowner's request and the City's consent, in the City's sole and absolute discretion, the Covenants, Conditions and Restrictions may be included with other written restrictions running with the land on property within the District, provided they contain all the material provisions and provide the same material notice to prospective property owners as does the document attached as **Exhibit II**

II.
OWNERSHIP AND CONSTRUCTION OF AUTHORIZED IMPROVEMENTS

A. Ownership and Transfer of Authorized Improvements. Landowner acknowledges that all of the Authorized Improvements and the land (or easements, as applicable) needed therefor shall be owned by the City once accepted by and conveyed to the City following construction and Landowner will execute such conveyances and/or dedications of public rights of way and easements as may be reasonably required to evidence such ownership, as generally described on the current plats of the property within the District.

B. Grant of Easement and License, Construction of Authorized Improvements.

(i) Any subsequent owner of the Landowner's Parcel shall, upon the request of the City or Developer, grant and convey to the City or Developer and its contractors, materialmen and

workmen a temporary license and/or easement, as appropriate, to construct the Authorized Improvements on the property within the District, to stage on the property within the District construction trailers, building materials and equipment to be used in connection with such construction of the Authorized Improvements and for passage and use over and across parts of the property within the District as shall be reasonably necessary during the construction of the Authorized Improvements. Any subsequent owner of the Landowner's Parcel may require that each contractor constructing the Authorized Improvements cause such owner of the Landowner's Parcel to be indemnified and/or named as an additional insured under liability insurance reasonably acceptable to such owner of the Landowner's Parcel. The right to use and enjoy any easement and license provided above shall continue until the construction of the Authorized Improvements is complete; provided, however, any such license or easement shall automatically terminate upon the recording of the final plat for the Landowner's Parcel in the real property records of _____County, Texas.

(ii) Landowner hereby agrees that any right or condition imposed by the Development Agreement, or other agreement, with respect to the Assessment has been satisfied, and that Landowner shall not have any rights or remedies against the City under the Development Agreement, or under any law or principles of equity concerning the Assessments, with respect to the formation of the District, approval of the Service and Assessment Plan and the City's levy and collection of the Assessments.

III.
COVENANTS AND WARRANTIES; MISCELLANEOUS

A. Special Covenants and Warranties of Landowner. Landowner represents and warrants to the City as follows:

(i) Landowner is duly organized, validly existing and, as applicable, in good standing under the laws of the state of its organization and has the full right, power and authority to enter into this Agreement, and to perform all the obligations required to be performed by Landowner hereunder.

(ii) This Agreement has been duly and validly executed and delivered by, and on behalf of, Landowner and, assuming the due authorization, execution and delivery thereof by and on behalf of the City and the Landowner, constitutes a valid, binding and enforceable obligation of such party enforceable in accordance with its terms. This representation and warranty is qualified to the extent the enforceability of this Agreement may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting the rights of creditors in general.

(iii) Neither the execution and delivery hereof, nor the taking of any actions contemplated hereby, will conflict with or result in a breach of any of the provisions of, or

constitute a default, event of default or event creating a right of acceleration, termination or cancellation of any obligation under, any instrument, note, mortgage, contract, judgment, order, award, decree or other agreement or restriction to which Landowner is a party, or by which Landowner or Landowner's Parcel is otherwise bound.

(iv) Landowner is, subject to all matters of record in the _____ County, Texas Real Property Records, the sole owner of the Landowner's Parcel.

(v) The Landowner's Parcel owned by Landowner is not subject to, or encumbered by, any covenant, lien, encumbrance or agreement which would prohibit (i) the creation of the District, (ii) the levy of the Assessments, or (iii) the construction of the Authorized Improvements on those portions of the property within the District which are to be owned by the City, as generally described on the current plats of the property within the District (or, if subject to any such prohibition, the approval or consent of all necessary parties thereto has been obtained).

(vi) Landowner covenants and agrees to execute any and all documents necessary, appropriate or incidental to the purposes of this Agreement, as long as such documents are consistent with this Agreement and do not create additional liability of any type to, or reduce the rights of, such Landowner by virtue of execution thereof.

B. Waiver of Claims Concerning Authorized Improvements. The Landowner, with full knowledge of the provisions, and the rights thereof pursuant to such provisions, of applicable law, waives any claims against the City and its successors, assigns and agents, pertaining to the installation of the Authorized Improvements.

C. Notices. Any notice or other communication to be given to the City or Landowner under this Agreement shall be given by delivering the same in writing to:

To the City: Attn: _____
_____
_____

With a copy to: Attn: _____
_____
_____
_____

To the Developer: Attn: _____
_____
_____

With a copy to: Attn: _____
_____

_____
_____

Any notice sent under this Agreement (except as otherwise expressly required) shall be written and mailed, or sent by electronic or facsimile transmission confirmed by mailing written confirmation at substantially the same time as such electronic or facsimile transmission, or personally delivered to an officer of the recipient as the address set forth herein.

Each recipient may change its address by written notice in accordance with this Section. Any communication addressed and mailed in accordance with this provision shall be deemed to be given when so mailed, any notice so sent by electronic or facsimile transmission shall be deemed to be given when receipt of such transmission is acknowledged, and any communication so delivered in person shall be deemed to be given when receipted for, or actually received by, the addressee.

D. Parties in Interest. This Agreement is made solely for the benefit of the City and the Landowner and is not assignable, except, in the case of Landowner, in connection with the sale or disposition of all or substantially all of the parcels which constitute the Landowner's Parcel. However, the parties expressly agree and acknowledge that the City, the Landowner, each current owner of any parcel which constitutes the Landowner's Parcel are express beneficiaries of this Agreement and shall be entitled to pursue any and all remedies at law or in equity to enforce the obligations of the parties hereto. This Agreement shall be recorded in the real property records of _____ County, Texas.

E. Amendments. This Agreement may be amended only by written instrument executed by the City and the Landowner. No termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the then-current owners of the property within the District and recorded in the Real Property Records of _____ County, Texas.

F. Effective Date. This Agreement shall become and be effective (the "Effective Date") upon the date of final execution by the latter of the City and the Landowner and shall be valid and enforceable on said date and thereafter.

G. Estoppels. Within 10 business days after written request from a party hereto, the other party shall provide a written certification, indicating whether this Agreement remains in effect as to the Landowner's Parcel.

H. Termination. This Agreement shall terminate and be of no further force and effect as to the Landowner's Parcel upon payment in full of the Assessment(s) against such Landowner's Parcel.

[Signature pages to follow]

EXECUTED by the City and Landowner on the respective dates stated below.

CITY OF _____, TEXAS

By: _____
Mayor

[Signature Page Landowner Agreement]

LANDOWNER

_____
a _____ _____,

By: _____
_____,
its manager

STATE OF TEXAS)
)
COUNTY OF _____)

This instrument was acknowledged before me on the __ day of _____, 20___, by _____ in his capacity as Manager of _____, known to be the person whose name is subscribed to the foregoing instrument, and that he executed the same on behalf of and as the act of Manager of _____.

_____
Notary Public, State of Texas

My Commission Expires:
_____

LANDOWNER AGREEMENT - EXHIBIT I

METES AND BOUNDS DESCRIPTION OF LANDOWNER'S PARCEL

LANDOWNER AGREEMENT - EXHIBIT II

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This **DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS** (as it may be amended from time to time, this "Declaration") is made as of _____ by _____ a Texas _____ (the "Landowner").

RECITALS:

A. The Landowner holds record title to that portion of the real property located in _____ County, Texas, which is described in the attached **Exhibit I** (the "Landowner's Parcel").

B. The City Council of the City of _____ (the "City Council") upon a petition requesting the establishment of a public improvement district covering the property within the District to be known as the _____ Public Improvement District (the "District") by the then current owners of 100% of the appraised value of the taxable real property and 100% of the area of all taxable real property within the area requested to be included in the District created such District, in accordance with the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "PID Act").

C. The City Council has adopted an assessment ordinance to levy assessments for certain public improvements (including all exhibits and attachments thereto, the "Assessment Ordinance") and the Service and Assessment Plan included as an exhibit to the Assessment Ordinance (as amended from time to time, the "Service and Assessment Plan"), and has levied the assessments (as amended from time to time, the "Assessments") on property in the District.

D. The statutory notification required by Texas Property Code, Section 5.014, as amended, to be provided by the seller of residential property that is located in a public improvement district established under Chapter 372 of the Texas Local Government Code, as amended, to the purchaser, is incorporated into these Covenants, Conditions and Restrictions.

DECLARATIONS:

NOW, THEREFORE, the Landowner hereby declares that the Landowner's Parcel is and shall be subject to, and hereby imposes on the Landowner's Parcel, the following covenants, conditions and restrictions:

1. Acceptance and Approval of Assessments and Lien on Property:

(a) Landowner accepts each Assessment levied on the Landowner's Parcel owned by such Landowner.

(b) The Assessment (including any reassessment, the expense of collection, and reasonable attorney's fees, if incurred) is (a) a first and prior lien (the "Assessment Lien") against the property assessed, superior to all other liens or claims except for liens or claims for state, county, school district or municipality ad valorem property taxes whether now or hereafter payable, and (b) a personal liability of and charge against the owners of the property to the extent of their ownership regardless of whether the owners are named. The Assessment Lien is effective from the date of the Assessment Ordinance until the Assessments are paid and may be enforced by the City in the same manner as an ad valorem property tax levied against real property that may be enforced by the City. The owner of any assessed property may pay, at any time, the entire Assessment levied against any such property. Foreclosure of an ad valorem property tax lien on property within the District will not extinguish the Assessment or any unpaid but not yet due annual installments of the Assessment, and will not accelerate the due date for any unpaid and not yet due annual installments of the Assessment.

It is the clear intention of all parties to these Declarations of Covenants, Conditions and Restrictions, that the Assessments, including any annual installments of the Assessments (as such annual installments may be adjusted, decreased or extended), are covenants that run with the Landowner's Parcel and specifically binds the Landowner, its successors and assigns.

In the event of delinquency in the payment of any annual installment of the Assessment, the City is empowered to order institution of an action in district court to foreclose the related Assessment Lien, to enforce personal liability against the owner of the real property for the Assessment, or both. In such action the real property subject to the delinquent Assessment may be sold at judicial foreclosure sale for the amount of such delinquent property taxes and Assessment, plus penalties, interest and costs of collection.

2. Landowner or any subsequent owner of the Landowner's Parcel waives:

(a) any and all defects, irregularities, illegalities or deficiencies in the proceedings establishing the District and levying and collecting the Assessments or the annual installments of the Assessments;

(b) any and all notices and time periods provided by the PID Act including, but not limited to, notice of the establishment of the District and notice of public hearings regarding the levy of Assessments by the City Council concerning the Assessments;

(c) any and all defects, irregularities, illegalities or deficiencies in, or in the adoption of, the Assessment Ordinance by the City Council;

(d) any and all actions and defenses against the adoption or amendment of the Service and Assessment Plan, the City's finding of a 'special benefit' pursuant to the PID Act and the Service and Assessment Plan, and the levy of the Assessments; and

(e) any right to object to the legality of any of the Assessments or the Service and Assessment Plan or to any of the previous proceedings connected therewith which occurred prior to, or upon, the City Council's levy of the Assessments.

3. **Amendments:** This Declaration may be terminated or amended only by a document duly executed and acknowledged by the then-current owner(s) of the Landowner's Parcel and the City. No such termination or amendment shall be effective until a written instrument setting forth the terms thereof has been executed by the parties by whom approval is required as set forth above and recorded in the real Property Records of _____ County, Texas.

4. **Third Party Beneficiary:** The City is a third party beneficiary to this Declaration and may enforce the terms hereof.

5. **Notice to Subsequent Purchasers:** Upon the sale of a dwelling unit within the District, the purchaser of such property shall be provided a written notice that reads substantially similar to the following:

TEXAS PROPERTY CODE SECTION 5.014
NOTICE OF OBLIGATION TO PAY PUBLIC IMPROVEMENT DISTRICT ASSESSMENT TO THE CITY OF _____, _____COUNTY, TEXAS CONCERNING THE PROPERTY AT [Street Address]

As the purchaser of this parcel of real property, you are obligated to pay an assessment to the City of _____, Texas, for improvement projects undertaken by a public improvement district under Chapter 372 of the Texas Local Government Code, as amended. The assessment may be due in periodic installments.

The amount of the assessment against your property may be paid in full at any time together with interest to the date of payment. If you do not pay the assessment in full, it will be due and payable in annual installments (including interest and collection costs). More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the City of _____ , _____, TX _____.

Your failure to pay the assessment or the annual installments could result in a lien and in the foreclosure of your property.

Signature of Purchaser(s) _____ Date: _____

The seller shall deliver this notice to the purchaser before the effective date of an executory contract binding the purchaser to purchase the property. The notice may be given separately, as part of the contract during negotiations, or as part of any other notice the seller delivers to the purchaser. If the notice is included as part of the executory contract or another notice, the title of the notice prescribed by this section, the references to the street address and date in the notice, and the purchaser's signature on the notice may be omitted.

EXECUTED by the undersigned on the date set forth below to be effective as of the date first above written.

LANDOWNER

_____
a Texas _____,

By: _____
_____,
its manager

STATE OF TEXAS)
)
COUNTY OF _____)

This instrument was acknowledged before me on the __ day of _____, 20___, by _____ in his capacity as Manager of _____, known to be the person whose name is subscribed to the foregoing instrument, and that he executed the same on behalf of and as the act of Manager of _____.

_____
Notary Public, State of Texas

My Commission Expires:
_____

LANDOWNER AGREEMENT - EXHIBIT III

HOMEBUYER EDUCATION PROGRAM

As used in this **Exhibit III**, the recorded Notice of the Authorization and Establishment of the _____ Public Improvement District and the Covenants, Conditions and Restrictions in **Exhibit II** of this Agreement are referred to as the "Recorded Notices."

1. Any Landowner who is a Builder shall attach the Recorded Notices and the final Assessment Roll for such Assessed Parcel (or if the Assessment Roll is not available for such Assessed Parcel, then a schedule showing the maximum 30 year payment for such Assessed Parcel) as an addendum to any residential homebuyer's contract.

2. Any Landowner who is a Builder shall provide evidence of compliance with 1 above, signed by such residential homebuyer, to the City.

3. Any Landowner who is a Builder shall comply with the requirements of the Homebuyer Disclosure Program establish by the Development Agreement and shall cooperate with the Administrator in administration thereof.

4. Any Landowner who is a Builder shall prominently display signage in its model homes, if any, substantially in the form of the Recorded Notices.

5. If prepared and provided by the City, any Landowner who is a Builder shall distribute informational brochures about the existence and effect of the District in prospective homebuyer sales packets.

6. Any Landowner who is a Builder shall include Assessments in estimated property taxes, if such Builder estimates monthly ownership costs for prospective homebuyers.

EXHIBIT F
PLAN OF DEVELOPMENT