

**TERMS AND CONDITIONS OF EARLY PLAT APPROVAL
(Sterling Lakes North Section 1 – Early Plat Application)**

1. Terms and Special Provisions
 - a. “Developer” herein shall mean: LGI-HOMES – TEXAS LLC.
 - b. “City” herein shall mean: the CITY OF IOWA COLONY, TEXAS.
 - c. “District” herein shall mean: BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 31.
 - d. “Section” herein shall mean all of the following, whether one or more: Sterling Lakes North Section 1 – Early Plat Application.
 - e. “Plat” herein shall mean the plat of the Section.
 - f. “Facilities” herein shall mean the following infrastructure for the Section, as more fully described or shown on the plat, drawings, specifications, bid proposals, pay estimates, change orders, affidavits of bills paid, waivers and lien releases upon partial payment, and the letter of recommendation from the City Engineer, **a copy of which letter is attached hereto as Exhibit “A”**: water, sanitary sewer, drainage, and paving.
 - g. “Deposit Required” herein shall mean: **Four Million, Four Hundred Five Thousand, One Hundred Eighty-Nine and 32/100 Dollars (\$4,405,189.32).**
 - h. “City’s Administrative Fee” herein shall mean: **One Hundred Twenty Thousand, Five Hundred Sixteen and 78/100 Dollars (\$120,516.78), which has been received by the City.**
 - i. “Remaining Construction Cost” herein shall mean: **Four Million, Four Thousand, Seven Hundred Seventeen and 56/100 Dollars (\$4,004,717.56).**

2. The Developer is developing the Section, in the city limits or extraterritorial jurisdiction of the City. The Facilities are included in the Section. The Facilities are under construction, pursuant to contract(s) entered into by the District and/or the Developer but have not been completed.

3. The Developer has applied for early approval and recording of the Plat of the Section pursuant to the procedures, terms, and conditions set forth in Ordinance No. 2018-30 (the “Early Platting Ordinance”) of the City, which was passed on December 17, 2018, and which amended the Subdivision Ordinance.

4. This document is not a contract; rather, it states the terms and conditions upon which the City hereby approves the Plat of the Section and authorizes early recordation of that Plat with the Brazoria County Clerk, pursuant to all terms and conditions of this document and the Early Platting Ordinance.

5. The Plat of the Section may be recorded with the Brazoria County Clerk upon payment to the City of the amounts required by this document and upon inclusion on that Plat of the notations required by Section Three of the Early Platting Ordinance.

6. After the Plat of the Section has been lawfully recorded pursuant to this document, then the fact that the Facilities in the Section have not been completed shall not be a cause to deny approval of the plat of the Section and shall not be a cause to deny early plat approval and building permits for the Section under the terms and conditions of the Early Platting Ordinance.

7. The Developer shall deposit with the City (1) the Deposited Funds for the purposes described herein and set forth on **Exhibit "A" attached hereto**, in lieu of the completion of the Facilities in the Section before recordation as would otherwise be required by City regulations; and (2) the City's Administrative Fee under the Early Platting Ordinance. The City's holding and use of the Deposited Funds and the Administrative Fee shall be governed by the Early Platting Ordinance and this document.

8. Regardless of any other provision, the funds paid hereunder shall not be an escrow, and the City shall not be an escrow agent, regardless whether any attachments to this document or any other sources refer to escrowed funds or similar phrases. Regardless of any provision, the City shall not under any circumstances owe any fiduciary duty to Developer or any other person in any way concerning this document, the subject matter hereof, or any funds paid hereunder.

9. The City Engineer has the right under the Early Platting Ordinance to require the deposit of additional funds at any time, if the City Engineer determines in his sole, good faith discretion, that the then remaining Deposited Funds are less than 110% of the then remaining construction cost of the Facilities.

10. The parties understand that the Deposited Funds represent the funds set aside for the Developer to make payments under construction contracts for the Facilities entered into by the District and/or Developer (the "Contract", whether one or more), under which Contract payments are guaranteed by the Developer. Therefore, the Developer may draw upon the Deposited Funds monthly to satisfy progress payments under the Contract for the Facilities; provided that (1) the amount of the Deposited Funds shall never be reduced to less than 110% of the then remaining cost to complete the construction of the Facilities, as determined by the City Engineer in his sole, good faith discretion; and further provided that (2) the Developer is not in default under this document or the Early Platting Ordinance. The time of remittance of any required, qualifying progress payments from the City to the Developer shall be within 7 days after a regular City Council meeting, if the City receives a written request therefor no later than 5 days before that City Council meeting, and such request shows, to the reasonable satisfaction of the City, that the progress payment is valid and required.

11. The return of any unused portion of the Deposited Funds to the Developer upon completion of the Facilities shall be as provided in the Early Platting Ordinance. However, the Administrative Fee shall be nonrefundable and may be used for any purpose.

12. The City has an interlocal agreement with Brazoria County, providing that the City, not Brazoria County, shall regulate subdivision plats in the City's extraterritorial jurisdiction.

13. This document implements the Early Platting Ordinance, which provides exceptions to certain requirements of the Subdivision Ordinance, but this document does not otherwise waive any requirements of the Subdivision Ordinance.

14. The Developer certifies that it does not boycott the State of Israel and will not boycott the State of Israel during the term of this document.

EFFECTIVE DATE: SEPTEMBER 18, 2023

CITY OF IOWA COLONY, TEXAS

By: _____
Wil Kennedy, Mayor

ATTEST:

Kayleen Rosser, City Secretary

ACCEPTED:

LGI-HOMES – TEXAS LLC

By: LGI-HOMES – TEXAS LLC

By: _____
Shannon Birt, Officer

**EXHIBIT "A" to
Terms and Conditions of Early Plat Approval
Letter of Recommendation
With Its Attachment(s)**