

DEVELOPMENT AGREEMENT (HOLLEY/SMITH – KB HOME)

THIS DEVELOPMENT AGREEMENT (the “Agreement”) is made and entered into as of the _____ day of _____, 2021 (the “Effective Date”) by and between the **CITY OF MANOR, TEXAS**, a home rule municipality located in Travis County, Texas (the “City”) and **KB HOME LONE STAR INC.**, a Texas corporation (the “Owner”). The City and Owner are hereinafter sometimes referred to as a “Party” and collectively as the “Parties.”

RECITALS

A. Owner intends to develop and improve, in one or more phases, all or a portion of that certain tract or parcel of land consisting of approximately 136.904 acres of land, more or less, all of which is located within the municipal boundaries of the City, in Travis County, Texas, as more particularly described in Exhibit “A-1” and “A-2” attached hereto (the “Property”) as a master-planned community, with up to 400 dwelling units, as provided in this Agreement and as generally shown on the Concept Plan attached hereto as Exhibit “B” (the “Project”).

B. The Owner intends to submit to the City its petition for the creation of a Public Improvement District (“PID”) on the Property (the “District”) in order to construct the Authorized Improvements (hereinafter defined) to support the Project in a financially feasible manner in accordance with Texas Local Government Code Chapter 372 and any applicable state law (the “PID Petition”).

C. The City intends to create the PID in order to plan, finance, construct, operate and maintain the Project without imposing an undue burden on the City and its residents and taxpayers.

D. It is intended that special assessments will be levied on the Property and PID Bonds (hereinafter defined) will be sold to finance the Authorized Improvements (hereinafter defined).

E. Owner will initially fund the costs to design and construct various Authorized Improvements within the Project (herein defined). Subject to the terms of this Agreement, the City will pay for and/or reimburse the Owner for the costs of the Authorized Improvements from proceeds of the PID Bonds.

F. The City, after due and careful consideration, has concluded that the development of the Property, as provided for herein, will further the growth of the City, provide public recreational spaces, increase the assessed valuation of the real estate situated within the City, foster increased economic activity within the City, upgrade public infrastructure within the City, and otherwise be in the best interests of the City by furthering the health, safety, morals and welfare of its residents and taxpayers.

G. This Agreement is entered pursuant to the laws of the State of Texas, the City Charter, and the City Code of Ordinances.

H. The Parties desire to establish certain restrictions and commitments to be imposed and made in connection with the development of the Property; to provide increased certainty to the City and Owner concerning development rights, entitlements, arrangements, and commitments, including the obligations and duties of the Owner and the City, for a period of years; and to identify planned land uses and permitted intensity of development of the Property as provided in this Agreement. The Parties acknowledge that they are proceeding in reliance upon the purposes, intent, effectiveness and enforceability of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS; INCORPORATION OF RECITALS; TERM

1.1 Incorporation of Recitals. The representations, covenants and recitations set forth in the above recitals (the “Recitals”) are material to this Agreement and are hereby found and agreed to be true and correct, and are incorporated into and made a part hereof as though they were fully set forth in this Article.

1.2 Definitions. Capitalized terms used in this Agreement shall have the meanings set forth in this section, unless otherwise defined, or unless the context clearly requires another definition.

“Act” means Chapter 372 of the Texas Local Government Code.

“Agreement” is defined in the preamble hereof and includes any subsequent written amendments or modifications made pursuant to Section 14.6 hereof.

“Applicable Rules” shall have the meaning set forth in Section 4.1 hereof.

“Appraisal” means the appraisal of the Property obtained in connection with issuance of the PID Bonds to determine whether there is sufficient value associated with the Property to meet the value to lien ratios set forth in the PID Finance Exhibits (hereinafter defined).

“Authorized Improvements” means the improvements expressly authorized by the Act and to be constructed and funded in connection with the PID Bonds that will be more particularly described in the PID creation resolution, the PFA (hereinafter defined) and the SAP (hereinafter defined). A list of public improvements for the Project and their estimated costs are attached hereto as Exhibit “C”. The PID will fund no more than \$11,800,000 in Authorized Improvements, including Bond issuance and financing costs.

“Bond Authorization Date” means the date that the City Council authorizes the issuance of the PID Bonds.

“City” means the City of Manor, Texas, a home rule municipality located in Travis County, Texas.

“City Regulations” means the City’s Charter, City’s Code of Ordinances and the other regulations, standards, codes and ordinances of the City governing the platting or re-platting of land into subdivisions and development of said land in effect as of the Effective Date.

“Code of Ordinances” means the applicable code or ordinances adopted by the City which regulate development or subdivision of real property within the City in effect as of the Effective Date.

“Concept Plan” shall mean the Concept Plan shown on Exhibit “B” attached hereto and made a part hereof.

“Effective Date” means the date on which this Agreement is entered into by both Parties, as provided above.

“Indenture of Trust” means an Indenture of Trust between the City and trustee acceptable to City and Owner covering the PID Bonds, as the same may be amended from time to time.

“Owner” means KB Home Lone Star Inc., a Texas corporation, and includes any subsequent Owner, whether one or more and whether or not related to the Owner or otherwise a related party of the Owner or a partnership or other entity in which the Owner is a partner or participant, of all or any portion of the Property that specifically acquires by whole or partial assignment, by operation of law or otherwise, the rights and obligations of the Owner under this Agreement.

“Party” or “Parties” means all or any of the City and the Owner, as applicable, and their respective successors and/or permitted assigns.

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

“PID” means the public improvement district for the Property created under authority of the Act pursuant to a resolution adopted by the City Council of the City.

“PID Bonds” means the bonds authorized by the City to be issued, in one or more series, in accordance with the PFA (hereinafter defined).

“PID Finance Exhibits” means the financial analysis and assumptions about the Project in accordance with the SAP (herein defined), the proposed special assessments, and the PID Bonds described in Section 11.1. The information set forth in Section 11.1 may be revised by agreement of the Parties based on updated information received during the due diligence review of the Project, the proposed special assessments, and the proposed PID Bonds.

“PID Financing Agreement” or “PFA” means a PID Financing Agreement to be entered into between City and Owner to provide for the assessment, levying and collection of special assessments on the Property, the construction and maintenance of the Authorized Improvements, the issuance of the PID Bonds and other matters related thereto.

“PID Financing Documents” means the PFA and SAP, collectively.

“Project” means the real estate development planned for the Property known as “KB Home.”

“Property” means the approximately 137-acre tract legally described on Exhibit “A-1” and “A-2” attached hereto and made a part hereof.

“SAP” means a Service and Assessment Plan to be entered into contemporaneously with the levy of all requisite special assessments on the Property in support of the PID Bonds in accordance with the PID Finance Exhibits and further subject to the PID Bond issuance requirements set forth under Section 11.1 attached hereto.

“Subdivision Ordinance” means Exhibit A, Chapter 10 of the City’s Code of Ordinances.

1.3 Term. The term of this agreement shall commence on the Effective Date and continue until ten (10) years from the Effective Date unless terminated by the Parties.

ARTICLE II

CONCEPT PLAN; BENEFITS; SEQUENCE OF EVENTS; COOPERATION

2.1 Concept Plan. The Property is proposed for development as a mixed-use master planned community with up to 400 dwelling units, including parkland, open space and other public and private amenities as shown in the Concept Plan. Owner will subdivide and develop the Property and construct the Authorized Improvements, at the Owner's initial expense in accordance with this Agreement (subject to PID funding and reimbursements as provided in this Agreement), the plans and specifications approved by the City, good engineering practices, and the Applicable Rules, as defined in Section 4.1 of this Agreement.

2.2 General Benefits. Owner will benefit from the certainty and assurance of the development regulations applicable to the development of the Property and by virtue of the services that will be made available to the Property pursuant to the terms of this Agreement. The City will provide water and wastewater service to the Property on the same terms and conditions as such services are provided to similarly situated properties within the City. Owner has voluntarily elected to enter into and accept the benefits of this Agreement and will benefit from: (a) the certainty and assurance of the development and use of the Property in accordance with this Agreement; (b) the establishment of regulations applicable to the development of the Property; (c) the water and wastewater services that will be made available to the Property; and (d) the reimbursements set forth herein. The City will benefit from this Agreement by virtue of its control over the development standards for the Property, by virtue of construction of roadways, by virtue of expanding its public amenities, and by virtue of extension of its water and wastewater systems, by Owner as herein provided. The Parties expressly confirm and agree that development of the Property will be best accomplished through this Agreement and will substantially advance the legitimate interests of the City. The City, by approval of this Agreement, further finds the execution and implementation of this Agreement is not inconsistent or in conflict with any of the policies, plans, or ordinances of the City.

2.3 Contemplated Sequence of Events. The sequence of events contemplated by this Agreement is as follows:

- (a) Approval of this Agreement by the City, and the Owner, including Concept Plan;
- (b) Submittal of the PID Petition and submittal and review of preliminary plats for the various phases of the Property; and;
- (c) Review of the PID Petition and creation of the PID, subject to the approval by City Council;
- (d) City and Owner's negotiation and execution of various agreements to effectuate the terms of the PID and the issuance, subject to the approval by City Council of the PID Bonds.

2.4 Necessary and Appropriate Actions. The Parties agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications (and, in the City's case,

the adoption of such ordinances and resolutions), as may be necessary or appropriate, from time to time, to carry out the terms, provisions and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions and intent, subject to the terms and conditions of this Agreement and subject to applicable processes, procedures, and findings that are required by state law, City ordinances, or the City Charter related to actions taken by the City Council.

ARTICLE III

OBLIGATIONS AND CONDITIONS

3.1 City's Obligations. The City will reasonably cooperate with Owner and use its best efforts, in good faith, to:

(a) Complete City staff review and schedule for approval of the concept plan, preliminary plat, and construction plans for the Project, subject to the Owner timely submitting applications and responding to comments;

(b) Negotiate and enter into the PFA and approve the form of SAP prior to the issuance of the PID Bonds, provided that:

- (1) The PFA and the SAP will specifically identify the Authorized Improvements; and
- (2) Owner can reasonably demonstrate by providing evidence of fiscal security in a form acceptable to the City that it has or will have adequate funding to timely complete any infrastructure required for the Project which will not be paid for or reimbursed by the PID Bonds; and

(c) Authorize issuance of the PID Bonds within six (6) months after receiving a bond issuance request from the Owner (the "Bond Authorization Date") in accordance with the PID Bond issuance requirements set forth in Section 11.1 and the PID Finance Exhibits attached hereto, provided that:

- (1) An appraisal of the Property has been prepared by a third party selected by the City, in consultation with the property owner, prior to issuance of PID Bonds;
- (2) The Parties have entered into the PFA;
- (3) Special assessments in an amount adequate to finance the PID Bonds have been levied against the Property and the SAP has been adopted;
- (4) Owner can reasonably demonstrate to the City and its financial advisors that, as of the time of the proposed bond sale that (i) all applicable tests necessary for issuance of the PID Bonds have been satisfied, (ii) sufficient security for the PID Bonds based upon the market conditions exist at the time of such bond sale, and (iii) any other terms reasonably determined appropriate by the City have been satisfied; and

(d) Subject to the conditions set forth in Section 3.1(b) and 3.1(c), work towards approval of the PFA and issuance of the PID Bonds.

3.2 Owner's Obligations. The Owner shall:

(a) Use its best efforts, in good faith, to submit concept plan, preliminary plat, and construction plan applications, as may be required, to the City and respond to City comments, subject to the City timely commenting on such applications;

(b) Reasonably cooperate with the City and use its best efforts, in good faith, to (i) negotiate and enter into the PFA, (ii) request the issuance of the PID Bonds, (iii) provide the City with information needed to evaluate the proposed special assessments, and the issuance of PID Bonds, to develop and adopt the SAP, and to issue the PID Bonds;

(c) Develop the Property and construct all infrastructure required for built-on-the-lot single-family homes in compliance with the Applicable Rules;

(d) Pay to the City such fees and charges for or with respect to the development of the Property, including, but not limited to, subdivision application fees, building permit fees, and water and wastewater impact, tap and use fees, with the Owner, its grantees, successors and assigns agreeing that the City's fees and charges currently provided for in the Applicable Rules which may be amended by the City from time to time;

(e) Pay to the City the reasonable costs and expenses incurred by the City for legal services in connection with the negotiation and implementation of this Agreement; and

(f) Agree that this Agreement does not waive the requirements of any Applicable Rules, except as specifically provided herein.

3.3 Conditions. Notwithstanding any other codes, resolutions, or ordinances of the City or any agreements related to the PID to the contrary, in the event any of the following events should occur: (i) the City identifies material flaws in the assumptions set forth in the PID Finance Exhibits, including but not limited to whether the proposed special assessments will impact the marketability of the Project; (ii) the Owner fails to give the City notice of its request to issue bonds; (iii) the Appraisal does not demonstrate that Property meets the value to lien ratio set forth in the PID Finance Exhibits; or (iv) the City fails for any reason to authorize the issuance of the PID Bonds to finance the Authorized Improvements on or before the Bond Authorization Date in accordance with the PID Finance Exhibits, the Parties shall confer to determine whether the issuance of PID Bonds is feasible based on the conditions set forth in Section 11.1. If the Parties elect not to proceed with the issuance of PID Bonds, then Owner shall develop the Project in accordance with the City Regulations.

3.4 Dissolution of PID. Contemporaneously with the creation of the PID, the Parties shall enter into an agreement for the dissolution of the PID (the "Dissolution Agreement") whereby the Owner agrees that in the event no PID Bonds have been issued in accordance to the agreed upon terms set forth in the Dissolution Agreement, the City shall dissolve the PID.

ARTICLE IV

DEVELOPMENT OF THE PROPERTY

4.1 Applicable Rules.

(a) The Property shall be developed in compliance with the Applicable Rules, this Agreement and pursuant to the Concept Plan, as it may be amended from time to time, and good engineering practices.

(b) The City Development Rules that apply to the Property are the City ordinances, rules, and regulations governing subdivision, land use, site development, and building and utility construction. If there is any conflict between the Project Approvals and the City Development Rules, the Project Approvals shall prevail. If there is a conflict between this Agreement and the City Rules, this Agreement shall prevail.

(c) For the purpose of establishing development standards for the Property, the following definitions, shall apply:

(1) “Applicable Rules” means the City Rules, the City Charter, and other local, state, and federal laws and regulations that apply to the Property and the development thereof, as they exist on the Effective Date.

(2) “City Rules” means the City’s ordinances, rules and regulations (including the City Development Rules).

(3) “City Development Rules” means the ordinances and regulations defined in Section 4.1(b) in effect on the Effective Date, with amendments to such regulations applicable to the Property as provided herein.

(4) “Project Approvals” means all variances, waivers, and exceptions to the City Development Rules and the City Rules approved by the City, and all properly-granted approvals required under the City Rules for the Project, including the Concept Plan, plat approval, site development plans, and building permits.

(5) “Residential Development Requirements and Variance” the exterior wall standards set forth in this section shall apply to the residential structures located on the Property. At least seventy percent (70%) minimum of the exterior façade of the front elevations, and sixty percent (60%) minimum combined on all elevations, of each residential structure shall be constructed of clay brick, natural stone, cultured stone, cast stone, stucco or natural stone panels or similar material (but excluding cementitious planking) approved by the Development Services Director (“Residential Masonry”), exclusive of roofs, eaves, soffits, windows, balconies, gables, doors, and trim work. For every additional ten percent (10%) of total exterior façade area of a residential structure that is constructed of Residential Masonry, above the required minimum of 60%, the size of such residential structure may be reduced by 100 square feet from the otherwise required residential structure size, to allow a residential structure of 1450 square feet or more and a max building coverage of 3,000 square feet, per single family lot.

4.2 Phased Development. Owner may develop the Project in one or more phases in accordance with the phasing plan approved by City.

4.3 Zoning. The zoning of the Property shall be subject to the process, notices, hearings and procedures applicable to all other properties within the City. It is hereby acknowledged that any re-zoning that is subsequently approved for the Property shall allow the Property to be developed in accordance with

terms and conditions of this Agreement.

4.4 Vested Rights. The City acknowledges that the Owner shall be deemed vested from the Effective Date of this Agreement to develop the Project in accordance with this Agreement, the City Regulations, and the Code of Ordinances to the extent and for such matters as vesting is applicable pursuant to Chapter 245 of the Texas Local Government Code. The Owner's vesting shall expire (1) on the fifth anniversary from the date a concept plan is filed with the City if no progress has been made towards completion of the Project; or (2) if this Agreement is terminated by reason of Owner's default beyond any applicable notice and cure periods (the "Vested Rights"). Progress toward completion of the Project shall be defined as set forth in Section 245.005(c), Texas Local Government Code. To the extent any criteria specified in this Agreement which are in conflict with any other current or future City Regulations, then this Agreement shall prevail unless otherwise agreed to by the Owner in writing. For the avoidance of doubt, the Parties acknowledges and agree that this paragraph shall not apply to fees imposed in conjunction with development permits.

4.5 Owner's Rights to Continue Development. In consideration of Owner's agreements, the City agrees that it will not, during the term of this Agreement, impose or attempt to impose: (a) any moratorium on building or development within the Project or (b) any land use or development regulation that limits the rate or timing of land use approvals, whether affecting subdivision plats, site development permits or other necessary approvals, within the Project except for moratoria imposed pursuant to Texas Local Government Code Subchapter E, Section 212.131 et. seq. This Agreement on the part of the City will not apply to temporary moratoriums uniformly imposed throughout the City due to an emergency constituting an imminent threat to the public health or safety, provided that the temporary moratorium continues only during the duration of the emergency.

4.6 Parkland. The Parties agree that the approximately 5.64 acres that will be dedicated as parkland and open space as more particularly depicted in Exhibit "D" ("Parkland and Open Space") will satisfy all of Owner's obligations with respect to the City's park requirements for the Project. Owner shall design, construct and install the public amenities listed and referenced in Exhibit "D", as more particularly referenced and described hereinafter ("Public Amenities"). Owner shall convey the approximately 5.64 acres by deed to the City upon City's approval of the final plat for the portion of the Property in which the applicable Parkland and Open Space is contained. All Parkland and Open Space conveyed to the City and all trails, landscaping and public amenities described in Exhibit "D" will be maintained and operated by the Association, as the term is defined in Section 12.1, commencing upon the conveyance of the applicable Parkland and Open Space by separate instrument upon completion of the first Public Amenities by the City (as applicable) and continuing for as long as the Parkland and Open Space is used as parkland. Parkland and Open Space shall be dedicated at the time of final plat approval for the portion of the Property in which the Parkland and Open Space is contained. The Public Amenities and other improvements listed and described in Exhibit "D" will be constructed within the Project concurrently with development of each Phase (and as further set forth in Exhibit "D" attached hereto) in which the applicable Public Amenities are located; provided, Owner shall provide to or for the benefit of City, as security for the performance of such obligation a payment and performance bond for the benefit of the City (or any combination thereof), in an amount not less than 110% of the then-projected cost of any such unconstructed Public Amenity prior to any final plat filing for a particular Phase. Owner shall have the right to draw down on the security posted as construction of the Public Amenities progresses. All Public Amenities described in Exhibit "D" and all Parkland and Open Space conveyed to the City will be maintained and operated by the Association, and the Owner and/or the Association and the City will enter into a maintenance and operation agreement substantially in the form attached hereto as Exhibit "E" concurrently with the conveyance of the Parkland and Open Space or Public Amenities, as applicable.

4.7 Masonry and Design Requirements. "Architectural Standards," Chapter 14, Article 14.02,

Division 6, Code of Ordinances, including masonry requirements, shall apply to the structures located on the Property. “Outdoor Lighting,” Article 15.05, Code of Ordinances shall apply to the Property.

4.8 Fencing and Landscaping. A masonry wall shall be provided along Anderson Road. Masonry shall include brick, stone, stucco or concrete panel fencing. Stone or brick columns shall be provided a minimum of 300 feet. Walls shall be minimized and varied whenever possible to avoid a tunnel effect along the roadway. For Anderson Road a minimum of a ten (10) foot landscape buffer measured from the edge of the right-of-way shall be provided. One minimum 3 inch caliper Type A large or Type B medium native tree (as defined by Manor Code of Ordinances) and 5 minimum 3 gallon shrubs shall be planted per 50 feet of landscape buffer.

ARTICLE V

PID TRUE UP

5.1 PID True Up.

(a) The following definitions shall be used in this Article V:

(1) “Maximum Assessment” means, for each lot classification identified in the Service and Assessment Plan (SAP), an assessment equal to an amount that produces an average annual installment (inclusive of principal, interest, and administrative expenses) resulting in the Maximum Equivalent Tax Rate. The Maximum Assessment shall only be calculated upon (i) for a parcel being created by a subdivision plat, at the time of the filing of a subdivision plat, and (ii) for parcels whose assessments are securing a series of PID Bonds, at the time such PID Bonds are issued.

(2) “Maximum Equivalent Tax Rate” means, for each lot classification identified in the SAP, \$3.26 per \$100 of estimated buildout value. The estimated buildout value for a lot classification shall be determined by the PID administrator and confirmed by the City Council by considering such factors as density, lot size, proximity to amenities, view premiums, location, market conditions, historical sales, builder contracts, discussions with homebuilders, reports from third party consultants, information provided by the Owner, or any other information that may help determine buildout value.

(b) Mandatory Reduction in Assessments if Maximum Assessment Exceeded.

(1) Maximum Assessment Exceeded at Plat. If the subdivision of any assessed property by a recorded subdivision plat causes the assessment per lot to exceed the Maximum Assessment, then prior to the City approving the plat the Owner must partially prepay the assessment for each property that exceeds the Maximum Assessment in an amount sufficient to reduce the assessment to the Maximum Assessment.

(2) Maximum Assessment Exceeded at PID Bond Issuance. At the time PID Bonds are issued, if the assessment per Lot for any lot classification identified in the SAP exceeds the Maximum Assessment, then prior to the issuance of PID Bonds the assessment on the parcel shall be reduced until the assessment equals the Maximum Assessment.

ARTICLE VI

PROJECT ENGINEER AND PROJECT FACILITIES

6.1 Project Engineer. The Owner has selected Charles Brigrance of CBD Engineering as the project engineer for the Project Facilities, as herein defined (the "Project Engineer"). The Project Engineer will prepare the design, construction plans and specifications, and supporting documentation for the development of the Property. The Project Engineer will work and coordinate with the City Engineer to obtain the review and approval by Owner, the City Engineer and the Director of Development Services of such design, plans and specifications and supporting documentation. The Owner may, from time to time and at any time, replace the Project Engineer in the Owner's sole and absolute discretion. In the event Owner elects to replace the Project Engineer, the Developer will provide written notice to the City of the replacement engineer.

6.2 Project Facilities. The Project Facilities collectively consist of the Offsite Wastewater Improvements, the Offsite Water Improvements and the Primary Collector Roadway.

6.3 Primary Collector Roadway.

(a) Owner shall construct or cause to be constructed the primary collector roadway of Anderson Road across the west boundary of the Property (the "Primary Collector Roadway"), along the route generally shown on Exhibit "G" attached hereto.

(b) In addition, Owner shall participate in the design and construction of Anderson Road to the boundary as shown on Exhibit "G" (the "Ashton Gray Boundary").

(c) Upon filing of the plat, Owner shall dedicate fifty percent (50%) of the ultimate right-of-way necessary for the extension of Cameron Lane along the north boundary of the Property as shown on Exhibit "G" attached hereto.

ARTICLE VII

PLAN REVIEW/APPROVAL AND BIDDING OF PROJECT FACILITIES

7.1 Plan Review and Approval. The City and the Owner shall cooperate in good faith and in a diligent manner to provide the Project Engineer with all information required to prepare a complete set of plans and specifications for each of the Project Facilities (the "Plans"). The City and Owner shall work together in good faith to prepare and finalize the Plans and to maximize value and ensure the construction costs for all of the Project Facilities are commercially reasonable. Upon receipt of draft Plans from the Owner or Project Engineer, the Owner shall submit such Plans to the City. The Owner shall also provide to the City a cost estimate of the cost to construct the Project Facilities based on the Plans provided ("Cost Estimate") and an estimated construction schedule based on such Plans. The City and Owner agree to work diligently with one another to finalize the Plans and keep the costs commercially reasonable. After Owner receives any comments to the Plans, the Owner shall revise the Plans accordingly to address such comments and value engineering. The foregoing process shall repeat until the Plans are approved by the Owner and the City. The City agrees not to unreasonably withhold its approval of the Plans. Upon approval of the Plans, the City and Owner shall sign, date and exchange an index of drawings identifying such approved Plans. Once the Plans are approved by the City and Owner, the Plans shall not be modified or amended without the prior written consent of both the City and Owner, which both Parties agree to give reasonably; provided that such changes do not result in a material increase in cost. Following approval of the Plans, Owner shall, at Owner's cost and expense and in compliance with all applicable codes, laws, regulations and ordinances cause the construction of the Project Facilities in accordance with the Plans. The City shall

cooperate with Owner in connection with obtaining the necessary permits for the Project Facilities.

7.2 Project Facilities Costs Expenses and Reimbursement. All costs and expenses for designing, bidding, constructing and installing the Project Facilities shall initially be paid by Developer. Developer shall be eligible for reimbursement of the Project Costs (as defined in Section 8.04 below).

7.3 Bidding of Project Facilities. The Project Facilities shall be competitively bid with a minimum of three (3) bids being requested, which shall be documented by the Owner. Copies of the bids will be provided by the Owner to the City upon request.

ARTICLE VIII

CONSTRUCTION OF PROJECT FACILITIES

8.1 Construction of the Project Facilities. Owner shall design, construct, install and obtain City acceptance of the Project Facilities in accordance with the terms and conditions of this Agreement.

8.2 Payment, Performance and Maintenance Bonds. The City shall require the Owner to provide performance and payment bonds (in a form reasonably acceptable to the City) at the time of final plat approval to assure that public improvements are constructed as proposed. Owner shall provide a two (2) year maintenance bond upon acceptance by the City.

8.3 City Acceptance. Within thirty (30) days after the City's final inspection and correction of punch list items of the applicable Project Facility (or applicable segment thereof), the Developer shall convey to the City (if requested by the City and by an instrument acceptable to the City), and the City will accept the applicable Project Facility as follows:

(a) The Developer shall provide the City Engineer with a set of as-built drawings, for permanent record.

(b) The Developer or Developer's Contractor shall provide the City Manager or designee with a two year maintenance bond for the Project Facilities (as applicable).

Upon the completion of construction of the applicable Project Facilities by the Developer, and final acceptance thereof by the City, the applicable Project Facilities will be owned, operated, and maintained by the City; and no other conveyance documents will be required to effectuate this transfer (other than easements that are not conveyed by plat).

8.4. Project Costs. The cost of the Project Facilities (the "Project Costs") will include all costs and expenses paid or incurred by the Developer in connection with the design and construction of the Project Facilities including, but not limited to, costs and expenses for:

- (a) feasibility, design, engineering, environmental, consulting, survey, and legal;
- (b) soils and materials testing;
- (c) obtaining governmental and regulatory approvals;
- (d) construction management, construction, and inspections; and
- (e) amounts reimbursed by the Owner to the City for third party costs paid or incurred by the City in connection with the design and construction of the Project Facilities (including, but not limited to, inspection, engineering, and legal fees).

Project Costs shall be reviewed by the City Engineer for reasonableness and necessity, and written comments, if any, shall be provided to the Owner within thirty (30) days after the Project Costs, including documentation, are delivered to the City Engineer. If any Project Costs are rejected by the City Engineer as unreasonable or unnecessary, a detailed written justification for the rejection shall be provided to the Owner.

8.5 City's Option to Complete Project Facilities.

(a) In the event that the Owner fails to complete and obtain City acceptance of the Project Facilities after any applicable notice and cure periods, the City will have the right but not the obligation to complete the Project Facilities and to draw on any fiscal security guaranteeing the completion of the Project Facilities.

(b) In the event the City elects to complete the Project Facilities, the Owner agrees that all of Owner's right, title, and interest in the plans and specifications, designs, easements, real and personal property, and improvements acquired, produced or installed in aid of or necessary for completing such Project Facilities by the Owner or its engineers or contractors before such default shall become the property of the City and, in such event, the Owner will provide all necessary documentation to the City within five (5) business days of the City's request. To ensure that the City has all necessary rights to the plans and specifications for the Project Facilities and any other engineering services of the Project Engineer, Owner hereby assigns all its rights, title, and interest in the professional services agreements between Owner and the Project Engineer necessary for completion of the Project Facilities. The Owner agrees that the City will have the right to use such plans and specifications to complete the Project Facilities.

ARTICLE IX

OFFSITE WATER AND WASTEWATER IMPROVEMENTS

9.1 Offsite Wastewater Improvements. Offsite Wastewater Improvements. The Owner shall pay wastewater impact fees in advance in the amount of One Million Five Hundred Five Thousand Four Hundred and Eighty Four Dollars (\$1,505,484) the ("Wastewater Payment") to the City for a portion of the cost of designing and constructing an offsite wastewater line to the Cottonwood Creek watershed (the "Wastewater Line") and appurtenances located on the portion of the Property depicted on Exhibit "G" attached hereto, as provided in this Article, subject to reimbursement for such costs as provided herein ("Offsite Wastewater Improvements"). The City acknowledges that the Offsite Wastewater Improvements are projects included in the City's Capital Improvement Plan. The City agrees to complete the Offsite Wastewater Improvements and provide wastewater service to the Property within 24 months of payment of the Wastewater Payment. If the Offsite Wastewater Improvements are not completed, the City will provide alternative temporary pump and haul wastewater service to the Property at its sole cost and expense until the Offsite Wastewater Improvements are completed and servicing the Property.

9.2 Cost of the Offsite Wastewater Improvements. The Owner shall be responsible solely for Owner's pro-rata costs for the Wastewater Improvements and no further costs to design and construct the Offsite Wastewater Improvements. The Owner shall be reimbursed for the funds contributed by Owner through impact fee credits or the PID at the Owner's discretion. Payment forms and procedures will be contained in the PID Financing Agreement (herein so called).

9.3 Offsite Water Improvements. The Owner shall fund, finance and pay for the cost of designing and constructing the extension of a water main 12 inches in diameter) from the intersection of FM 973 and

Gregg Lane north along FM 973 to the north boundary of the Property along FM 973 and the looping of the water extension by extending a water main (12 inches in diameter) to the west through the Property along the route generally shown on Exhibit “H” and all appurtenant facilities and equipment reasonably required to operate the water main attached hereto, as provided in this Article, subject to reimbursement for such costs as provided herein (“Offsite Water Improvements”). In addition, Owner shall participate in the design and construction of the balance of the water line extension within Anderson Road back to Gregg Lane contingent upon the adjacent land owners executing a cost sharing agreement that provides for the appropriate pro-rata costs to be contributed by each land owner.

9.5 Cost of the Offsite Water Improvements. The Owner shall initially be responsible for the costs to design and construct the Offsite Water Improvements. The Owner shall be reimbursed for the costs to design, permit and construct the Offsite Water Improvements through the PID. Payment forms and procedures will be contained in the PID Financing Agreement (herein so called).

9.6 Project Management/Future Expansion Offsite Water Improvements. The Project Engineer will serve as project manager for the construction of the Offsite Water Improvements. The City, at its option and expense, shall be responsible for the construction of any oversizing to the Offsite Water Improvements and associated permits, if any.

ARTICLE X

UTILITY COMMITMENT (WATER)

10.1 Developer Decertification of Property. The Owner will submit to the Public Utility Commission of Texas (“PUC”) a petition for streamlined expedited release to decertify the portion of the Property more particularly described on Exhibit “F” attached hereto (the “KB Home Tract”) from Aqua Water Supply Corporations’ (“Aqua”) CCN on or before the City’s approval of the final plat for the initial phase of the Project and shall thereafter diligently pursue the decertification from Aqua’s CCN. The Developer shall be responsible for any and all costs of such decertification to be reimbursed from the PID. If the Developer and Aqua settle on an amount to be paid to Aqua as compensation following decertification of the KB Home Tract, the Developer agrees to enter into an agreement with Aqua and the City prior to any agreed to settlement payment being made to Aqua.

10.2 City Service. Upon decertification of the KB Home Tract, the City hereby agrees to submit to the PUC a “Notice of Intent to Serve” for the KB Home Tract (the “KB Home Notice”) within thirty (30) days after Developer provides the City with notice that Aqua has approved the decertification. After submittal to the PUC, the City shall thereafter diligently pursue obtaining the final approval from PUC so that the City may provide water utility service to the KB Home Tract. The Developer shall be responsible for any and all costs associated with the KB Home Notice to obtain final approval from the PUC in order for the City to provide water utility service to the KB Home Tract.

ARTICLE XI

PID BOND ISSUANCE REQUIREMENTS

11.1 PID Bond Issuance Requirements. The PID Financing Documents shall be subject, in addition to other terms and conditions as may be acceptable to the Parties, to the following requirements:

(a) PID Bond Operations. The aggregate principal amount of PID Bonds to be issued shall not exceed \$11,800,000, which shall be used to fund: (i) the actual costs of the Authorized Improvements, (ii) to the extent permitted by law, required reserves and capitalized interest during the period of construction and not more than twelve (12) months after the completion of construction of all Authorized Improvements covered by the PID Bond issue in question and in no event for a period greater than twenty-four (24) months from the date of the initial delivery of the PID Bonds, (iii) a PID reserve fund and administrative fund, and (iv) any costs of issuance for the PID Bonds; provided, however, that to the extent the law(s) which limit the period of capitalized interest to twelve (12) months after completion of construction change, the foregoing limitation may, with the agreement of the Parties, be adjusted to reflect the law(s) in effect at the time of future PID Bond issuances.

(b) Maturity. The final maturity for the PID Bonds shall occur no later than thirty (30) years from the issuance date of said PID Bonds.

(c) Financing Amount. The Owner intends to request the issuance of the PID Bonds, subject to the condition that the maximum cost of Authorized Improvements to be funded plus issuance and other financing costs shall not exceed \$11,800,000.

(d) Value to Lien Ratio. Unless agreed to otherwise by the City, the minimum value to lien ratio at the issuance date of each series of PID Bonds shall be at least 3 to 1 on a parcel by parcel basis.

ARTICLE XII PROPERTY OWNERS ASSOCIATION

12.1. Property Owners Association. Owner will create a Property Owners Association (“Association”), and shall establish bylaws, rules, regulations, and restrictive covenants (collectively the “Association Regulations”) to assure the Association performs and accomplishes the duties and purposes required to be performed and accomplished by the Association pursuant to this Agreement. The owner of each lot in the Subdivision shall be required to be a member of the Association, and unpaid dues or assessments shall be and constitute a lien on the lot for which they are assessed. The Association regulations will establish periodic Association dues and assessments, to be charged and paid by the lot owners in the Project, that are and will be sufficient to maintain (a) the drainage easements and improvements within the Property (the “Drainage”); (b) any part or portion of the Property that is dedicated to the Association (the “Dedicated Property”); and (c) maintenance and operation of the parkland and all of the trails and public amenities identified in Exhibit “D” in accordance with Section 4.6 above. The Association Regulations will require the periodic dues and assessments to be increased from time to time as necessary to provide the funds required for the maintenance of the Drainage, Dedicated Property and Public Amenities, and to provide funds required for the management and operation of the Association.

ARTICLE XIII AUTHORITY; COVENANTS; PROPERTY RIGHTS

13.1 Powers.

(a) The City hereby represents and warrants to Owner that the City has full constitutional and lawful right, power and authority, under currently applicable law, to execute and deliver

and perform the terms and obligations of this Agreement, subject to the terms and conditions of this Agreement and subject to applicable processes, procedures, and findings that are required by state law, City ordinances, or the City Charter related to actions taken by the City Council, and all of the foregoing have been authorized and approved by all necessary City proceedings, findings and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the City, is enforceable in accordance with its terms and provisions and does not require the consent of any other governmental authority.

(b) The Owner hereby represents and warrants to the City that Owner has full lawful right, power and authority to execute and deliver and perform the terms and obligations of this Agreement and all of the foregoing have been or will be duly and validly authorized and approved by all necessary actions of Owner. Concurrently with Owner's execution of this Agreement, Owner has delivered to the City copies of the resolutions or other corporate actions authorizing the execution of this Agreement and evidencing the authority of the persons signing this Agreement on behalf of Owner to do so. Accordingly, this Agreement constitutes the legal, valid and binding obligation of Owner, and is enforceable in accordance with its terms and provisions.

13.2 Authorized Parties. Whenever under the provisions of this Agreement and other related documents and instruments or any supplemental agreements, any request, demand, approval, notice or consent of the City or Owner is required, or the City or Owner is required to agree or to take some action at the request of the other, such request, demand, approval, notice or consent, or agreement shall be given for the City, unless otherwise provided herein or inconsistent with applicable law, the City Charter, or City Regulations, by the City Manager and for Owner by any officer of Owner so authorized (and, in any event, the officers executing this Agreement are so authorized); and any party shall be authorized to act on any such request, demand, approval, notice or consent, or agreement.

ARTICLE XIV

GENERAL PROVISIONS

14.1 Time of the Essence. Time is of the essence in all things pertaining to the performance of this Agreement. The Parties will make every reasonable effort to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires their continued cooperation.

14.2 Default.

(a) A Party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement.

(b) Before any failure of any Party to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the Party claiming such failure shall notify, in writing, the Party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining party within thirty (30) days of the receipt of such notice. Upon a breach of this Agreement for which cure has not commenced as provided above, the non-defaulting Party, in any court of competent jurisdiction, by an action or proceeding at law or in equity, may secure the specific performance of the covenants and agreements herein contained, may be awarded damages for failure of performance, or both. Except as otherwise set forth herein, no action taken by a Party pursuant to the

provisions of this Section or pursuant to the provisions of any other Section of this Agreement shall be deemed to constitute an election of remedies and all remedies set forth in this Agreement shall be cumulative and non-exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each of the Parties shall have the affirmative obligation to mitigate its damages in the event of a default by the other Party.

14.3 Personal Liability of Public Officials. To the extent permitted by State law, no public official or employee shall be personally responsible for any liability arising under or growing out of this Agreement.

14.4 Liability of the Owner, its successors and assignees. Any obligation or liability of the Owner whatsoever that may arise at any time under this Agreement or any obligation or liability which may be incurred by the Owner pursuant to any other instrument, transaction or undertaking contemplated hereby shall be satisfied, if at all, out of the assets of the Owner and any fiscal surety posted with the City related to the Holley/Smith Subdivision only, except as required by the PFA or any other agreements the Owner enters related to the PID or the Holley/Smith Subdivision. No obligation or liability shall be personally binding upon, nor shall resort for the enforcement thereof be had to, the property of any of partners, officers, employees, shareholders or agents of the Owner, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise.

14.5 Notices. Any notice sent under this Agreement (except as otherwise expressly required) shall be written and mailed by registered or certified mail, return receipt requested, or personally delivered to an officer of the receiving party at the following addresses:

If to the City:

City of Manor
Attn: City Manager
105 E. Eggleston Street
Manor, Texas 78653

with a copy to:

The Knight Law Firm, LLP
Attn: Paige H. Saenz
223 West Anderson Lane, Suite A-105
Austin, Texas 78752

If to the Owner:

KB Home Lone Star, Inc.
Attn: John Zinsmeyer
10800 Pecan Park Blvd. Suite 200
Austin, Texas 78750

with a copy to:

Winstead PC
Attn: Ross Martin

401 Congress Avenue, Suite 2100
Austin, Texas 78701

Each Party may change its address by written notice in accordance with this Section. Any communication addressed and mailed in accordance with this Section shall be deemed to be given when deposited with the United States Postal Service, and any communication so delivered in person shall be deemed to be given when received for by, or actually received by, an authorized officer of the City or the Owner, as the case may be.

14.6. Amendments and Waivers. Any provision of this Agreement may be amended or waived if such amendment or waiver is in writing and is approved by the City Council and the Owner. No course of dealing on the part of the City or the Owner nor any failure or delay by the City or the Owner with respect to exercising any right, power or privilege pursuant to this Agreement shall operate as a waiver thereof, except as otherwise provided in this Section.

14.7. Invalidity. In the event that any of the provisions contained in this Agreement shall be held unenforceable in any respect, such unenforceability shall not affect any other provisions of this Agreement and, to that end, all provisions, covenants, agreements or portions of this Agreement are declared to be severable.

14.8. Beneficiaries. This Agreement shall bind and inure to the benefit of the Parties and their successors and permitted assigns.

14.9. Successors and Assigns.

(a) Except as expressly provided in this Section, neither party to this Agreement shall have the right to convey, transfer, assign, mortgage, pledge or otherwise encumber all or any part of its right, title and interest under this Agreement to any party without the prior written consent of the other party to this Agreement, which consent shall not be unreasonably withheld, conditioned, delayed or denied.

(b) Owner may, from time to time, effectuate a transfer of its rights under this Agreement, in whole or in part, with the consent of City Council, which shall not be unreasonably withheld, conditioned, delayed, or denied, to any party, provided such party agrees in writing to assume all of Owner's duties, obligations, and liabilities so assigned hereunder, and provided further that any such assignment shall not become effective until the City receives notice of the assignment and a copy of the assignment instrument.

(c) Owner may pledge, assign or transfer its right, title and interest under this Agreement, in whole or in part, without the consent of the City, to any third party lender of the Project (each, a "Lender") as security for the performance of Owner's loan obligations; and in relation thereto, the City will execute reasonable acknowledgements of this Agreement as may be requested by such Lender, including confirmation whether this Agreement is valid and in full force and effect, whether either party is in default of any duty or obligation under this Agreement, and agreeing to provide notice and opportunity to cure to such Lender.

(d) Any attempted transfer of a portion of the Property or of any right or beneficial interest under this Agreement shall not be effective with respect to such interest unless the instrument purporting to carry out such transfer expressly states that the right or beneficial interest subject to the transfer is deemed a transfer to the proposed party and is acknowledged by the City in writing.

(e) Notwithstanding anything to the contrary, this Agreement shall not be binding upon any purchaser of a platted lot or reserve in the Project.

14.10 Exhibits, titles of articles, sections and subsections. The exhibits attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail. All titles or headings are only for the convenience of the Parties and shall not be construed to have any effect or meaning as to the agreement between the Parties hereto. Any reference herein to a section or subsection shall be considered a reference to such section or subsection of this Agreement unless otherwise stated. Any reference herein to an exhibit shall be considered a reference to the applicable exhibit attached hereto unless otherwise stated.

14.11 Applicable Law. This Agreement is a contract made under and shall, be construed in accordance with and governed by the laws of the United States of America and the State of Texas, and any actions concerning this Agreement shall be brought in either the Texas State District Courts of Travis County, Texas or the United States District Court for the Western District of Texas.

14.12 Entire Agreement. This written agreement represents the final agreement between the Parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties. There are no unwritten oral agreements between the Parties.

14.13 No Waiver of City Standards. Except as may be specifically provided in this Agreement, the City does not waive or grant any exemption to the Property or the Owner with respect to City Regulations.

14.14 Approval by the Parties. Whenever this Agreement requires or permits approval or consent to be hereafter given by any of the Parties, the Parties agree that such approval or consent shall not be unreasonably withheld, conditioned or delayed. Approvals and consents shall be effective without regard to whether given before or after the time required for giving such approvals or consents.

14.15 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

14.16 Interpretation. This Agreement has been jointly negotiated by the Parties and shall not be construed against a party because that Party may have primarily assumed responsibility for the drafting of this Agreement.

14.17 Severability. The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement, or the application thereof to any person or circumstance, shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances shall not be affected thereby.

14.18 Anti-Boycott Verification. To the extent this Agreement constitutes a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2270 of the Texas Government Code, and subject to applicable Federal law, Owner represents that neither Owner nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Owner (i) boycotts Israel or (ii) will boycott Israel through the term of this Agreement. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph have the

meanings assigned to the term “boycott Israel” in Section 808.001 of the Texas Government Code, as amended.

14.19 Verification under Chapter 2252, Texas Government Code. To the extent this Agreement constitute a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, Owner represents that Owner nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Owner is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201, or 2252.153 of the Texas Government Code.

14.20 No Discrimination Against Fossil-Fuel Companies. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott energy companies” shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (a) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (b) does business with a company described by (a) above.

14.21 No Discrimination Against Firearm Entities and Firearm Trade Associations. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Owner hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Agreement against a firearm entity or firearm trade association. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, (a) ‘discriminate against a firearm entity or firearm trade association’ means, with respect to the firearm entity or firearm trade association, to: (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association; and (b) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (A) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (B) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association. As used in the foregoing verification, (a) ‘firearm entity’ means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a

firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code); and (b) 'firearm trade association' means a person, corporation, unincorporated association, federation, business league, or business organization that: (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

14.22 Exhibits. The following Exhibits to this Agreement are incorporated herein by reference for all purposes:

<u>Exhibit A</u>	Description of Property
<u>Exhibit B</u>	Concept Plan
<u>Exhibit C</u>	Authorized Improvements
<u>Exhibit D</u>	Parkland and Public Amenities
<u>Exhibit E</u>	Form of Maintenance and Operations Agreement
<u>Exhibit F</u>	Description of KB Home Tract
<u>Exhibit G</u>	Primary Collector Roadway
<u>Exhibit H</u>	Offsite Water Improvements

[Signature pages follow]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement pursuant to all requisite authorizations as of the date first above written.

CITY:

CITY OF MANOR, TEXAS,
a home rule municipality

By: _____
Dr. Larry Wallace, Jr., Mayor

ATTEST:

Lluvia T. Almaraz, City Secretary

APPROVED AS TO FORM:

Veronica Rivera, Assistant City Attorney

OWNER:

KB HOME,

a _____ corporation

By: _____

Name: _____

Title: _____

EXHIBIT "A-1"

42.921 ACRES
(1,869,634 SQ. FT.)
SUMNER BACON SURVEY, ABSTRACT NO. 63
TRAVIS COUNTY TEXAS
HOLLEY TRACT

FIELD NOTES

BEING ALL OF THAT CERTAIN 42.921 ACRE (1,869,634 SQ. FT.) TRACT OF LAND SITUATED IN THE SUMNER BACON SURVEY, ABSTRACT NUMBER 63, SITUATED IN TRAVIS COUNTY, TEXAS, SAID LAND BEING MORE PARTICULARLY DESCRIBED AS ALL OF A CALLED 25.585 ACRE TRACT OF LAND CONVEYED TO ROBERT AND LINDSEY SMITH IN DOCUMENT NUMBER 2016022747 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AND THE REMAINDER OF A CALLED 29.682 ACRE TRACT OF LAND CONVEYED TO ROBERT AND LINDSEY SMITH IN DOCUMENT NUMBER 2016022751 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, SAID 42.921 ACRE (1,869,634 SQ. FT.) TRACT OF LAND, BEING MORE FULLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1/2 inch iron rod found, being in the south right-of-way line of Anderson Road (R.O.W. Varies), also being in the southeast line of a called 40.00 acre tract of land conveyed to Kenneth and Joyce Sprinkles in Volume 8947, Page 802 of the Real Property Records of Travis County, Texas, being also a northwest corner of said 25.585 acre tract for a northwest corner and the **POINT OF BEGINNING** of the herein described tract of land,

THENCE, with the common line of said 25.585 acre tract and said Anderson Road (ROW Varies), the following two (2) courses and distances, numbered 1 and 2

- 1.) N62°25'38"E, a distance of 55.03 feet to a 1/2 inch iron rod found, for corner, and
- 2.) S63°17'54"E, a distance of 5.96' to a 1/2 inch capped iron rod set stamped "CBD SETSTONE", for corner, being the westernmost corner of a called 35.469 acre tract conveyed to Hau Wu and Lanfang Zhang in Document Number 2014104874 of the Official Public Records of Travis County, Texas, from which a 1/2 inch iron rod found bears N27°03'02"E, a distance of 1034.56 feet, being the northernmost corner of said 35.469 acre tract, also being the westernmost corner of a called 12.000 acre tract of land conveyed to Olmer Orellana in Document Number 2014160204 of the Official Public Records of Travis County, Texas

THENCE, with the common line of said 25.585 acre tract and said 35.469 acre tract the following three (3) courses and distances, numbered 1 through 3,

- 1.) S61°52'16"E, a distance of 742.87 feet to a 1/2 capped inch iron rod found, stamped "BRYAN TECH", for corner,
- 2.) S61°40'48"E, passing at a distance of 33.53 feet and 1.6 feet to the left a 1/2 inch iron rod found, and continuing for a total distance of 285.29 feet to a 1/2 capped inch iron rod found, for corner and
- 3.) S61°37'58"E, passing at a distance of 128.53 feet and 2.3 feet to the right a 1/2 inch iron rod found, and continuing for a total distance of 439.53 feet to a 4" concrete monument found, being the southernmost corner of said 35.469 acre tract, also being the westernmost corner of a called 6.789 acre tract conveyed to Vladimir M. Haviar in Document Number 2009019842 of the Official Public Records of Travis County, Texas,

THENCE, with the common line of said 25.585 acre tract and said 6.789 acre tract, S62°05'57"E, a distance of 162.99 feet to a capped 1/2 inch iron rod set stamped "CBD SETSTONE" for corner, being the easternmost corner of said 25.585 acre tract and being also the northernmost corner of a called 14.044 acres conveyed to Don Bayer and Jimmy Bayer in Document Number 2009122122 of the Official Public Records of Travis County, Texas,

42.921 ACRES
(1,869,634 SQ. FT.)
SUMNER BACON SURVEY, ABSTRACT NO. 63
TRAVIS COUNTY TEXAS
HOLLEY TRACT

THENCE, with the common line of said 25.585 acre tract, said 14.044 acre tract, and a called 19.000 acre tract conveyed to Benny Gundy in Document Number 2009017772, Official Public Records of Travis County, Texas, S51°49'49"W, passing at a distance of 690.10 feet a capped 1/2 inch iron found, being the northernmost corner of said 19.000 acre tract, same being the westernmost corner of said 14.044 acre tract and continuing for a total distance of 828.24 feet to a capped 1/2 inch iron rod found, being a northwest corner of said 19.000 acre tract, same being a northeast corner of a called 12.334 acre tract conveyed to The Layla Trust in Document Number 2020009667 of the Official Public Records of Travis County, Texas, for corner,

THENCE, with the common line of said 25.585 acre tract and said 12.334 acre tract, N60°12'14"W, a distance of 299.26 feet to a capped 1/2 inch iron rod found, stamped "BRYAN TECH", for corner, same being the northernmost corner of said 12.334 acre tract and the westernmost corner of the remainder of said 29.682 acre tract,

THENCE, with the common line of said 12.334 acre tract and the remainder of said 29.682 acre tract, S27°51'07"W, a distance of 734.09 feet to a capped 1/2 inch iron rod found stamped "BRYAN TECH", for the southernmost corner of the herein described tract of land, being the westernmost corner of said 12.334 acre tract, same being the southernmost corner of the remainder of said 29.682 acre tract, and being also in the northeast line of a called 39.135 acre tract (Tract Two) conveyed to Mary Ruth Holley in Document Number 2009125123 of the Official Public Records of Travis County, Texas and described in Volume 4234, Page 732, Deed Records of Travis County, Texas

THENCE, with the common line of said 39.135 acre tract and the remainder of said 29.682 acre tract, N62°13'53"W, a distance of 1005.54 feet to a capped 1/2 inch iron rod found, stamped "BRYAN TECH", for the westernmost corner of the herein described tract of land, same being the northernmost corner of said 39.125 acre tract, same being the southernmost corner of the remainder of said 29.682 acre tract, and being also in the southeast line of a said 40.00 acre tract,

THENCE, with the common line of said 40.00 acre tract and the remainder of said 29.682 acre tract, N26°47'53"E, passing at a distance of 765.16 feet a capped 1/2 inch iron rod found, stamped "BRYAN TECH", also passing at a distance of 926.85 feet and 0.32 feet to the right of a capped 1/2 inch iron rod found, stamped "BRUSSEL", and continuing for a total distance of 1446.99 feet to the **POINT OF BEGINNING** and containing 42.921 acres (1,869,634 SQ. FT.) of land.

Surveyed by: _____



7/27/2021

AARON V. THOMASON, R.P.L.S. NO. 6214

Carlson, Brigrance and Doering, Inc.

REG. #100248900

5501 West William Cannon

Austin, TX 78749

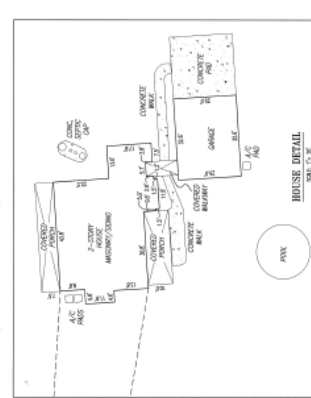
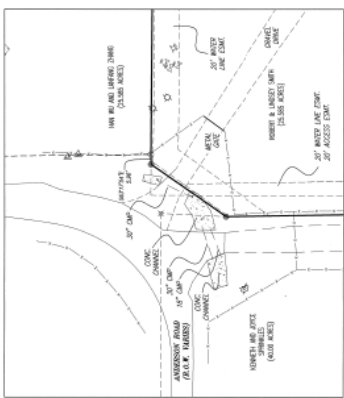
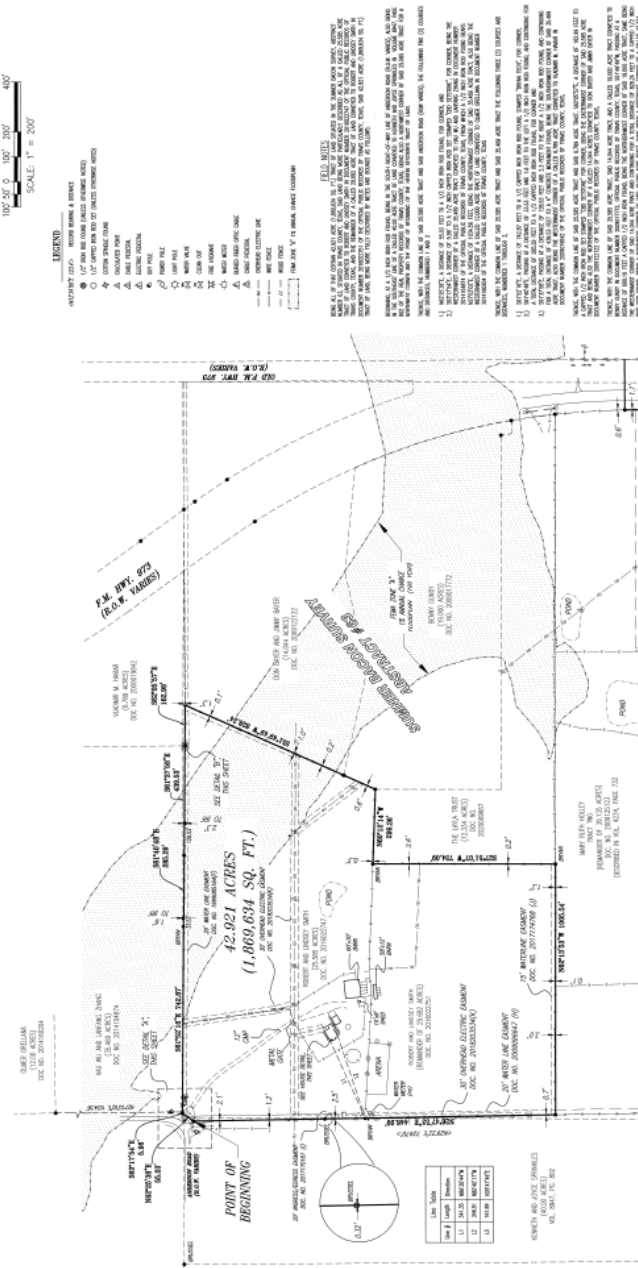
Ph: 512-280-5160

Fax: 512-280-5165

aaron@cbdeng.com



BEARING BASIS: TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (4203)

[illegible][illegible]

Carlson, Brigrance & Doering, Inc.
 FORMED BY TYPE • REG. U.S. PATENT OFF.
 • Civil Engineering • Surveying
 • 5905 West William Avenue • Ansh. Term. 704-941
 Phone No. (313) 366-5168 • Fax No. (313) 366-5168

EXHIBIT "A-2"

93.983 ACRES
(4,093,912 SQ. FT.)
SUMNER BACON SURVEY, ABSTRACT NO. 63
TRAVIS COUNTY TEXAS
HOLLEY TRACT

FIELD NOTES

BEING ALL OF THAT CERTAIN 93.983 (4,093,912 SQ. FT.) ACRE TRACT OF LAND SITUATED IN THE SUMNER BACON SURVEY, ABSTRACT NUMBER 63, TRAVIS COUNTY, TEXAS, SAID LAND BEING MORE PARTICULARLY DESCRIBED AS THE REMAINDER OF A CALLED 39.135 ACRE TRACT OF LAND (TRACT ONE), THE REMAINDER OF A CALLED 39.135 ACRE TRACT OF LAND (TRACT TWO), AND THE REMAINDER OF A CALLED 20 ACRE TRACT OF LAND (TRACT THREE), CONVEYED TO MARY RUTH HOLLEY IN DOCUMENT NUMBER 2009125123 AND DOCUMENT NUMBER 2009125124, BOTH OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AND DESCRIBED IN VOLUME 4234, PAGE 732, DEED RECORDS OF TRAVIS COUNTY TEXAS, SAID 93.983 ACRE (4,093,912 SQ. FT.) TRACT OF LAND, BEING MORE FULLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at a 1/2 inch aluminum capped iron rod found, stamped "TXDOT" in the southwest line of said 39.135 acre Tract One, being in the west right-of way line of F.M. 973 (R.O.W. varies), same being the northeast corner of a called 75.37 acre tract conveyed to the Board of Trustees of Manor Independent School District in Document Number 2008031946 Official Public Records of Travis County Texas, for the southeast corner and **POINT OF BEGINNING** of the herein described tract of land, from which a 1/2 inch capped iron rod found, stamped "BGE" in the east right-of-way line of said F.M. 973, bears S14°48'15"E a distance of 302.09 feet,

THENCE, With the common line of said 39.135 acre Tract One and said 75.37 acre tract, N62°32'47"W, a distance of 2808.00 feet to a 1/2 inch capped iron rod set stamped "CBD SETSTONE", being in the northeastern line of said 75.37 acre tract, also being the southernmost corner of a called 40.00 acre tract conveyed to Kenneth and Joyce Sprinkles in Volume 8947, Page 802, Real Property Records of Travis County, Texas, for the westernmost corner of the herein described tract of land, from which a 3/4 inch iron pipe found bears N62°32'47"W, a distance of 553.37 feet, being in the southwestern line of said 40.00 acre tract, also being the northernmost corner of a 3.56 acre tract conveyed to Aqua Water Supply Corporation in Document Number 2009010572 Official Public Records of Travis County, Texas,

THENCE, with the northwest line of said 39.135 acre Tract One, the northwest line of said 39.135 acre Tract two, and the southeast line of said 40.00 acre tract, N26°45'24"E, passing at a distance of 3.02 feet a 1/2 inch iron rod found, continuing for a total distance of 1462.16 feet to a 1/2 inch iron rod found, being the westernmost corner of a 29.682 acre tract of land conveyed to Robert and Lindsey Smith in Document Number 2016022751, Official Public Records of Travis County, Texas, for the northernmost corner of the herein described tract of land, from which a capped 1/2 inch iron rod found, stamped "BRYAN TECH", being in the eastern line of said 40.00 acre tract, also being the westernmost corner of a 25.585 acre tract conveyed to Robert and Lindsey Smith in Document Number 2016022747, Official Public Records of Travis County, Texas also being the northernmost corner of said 29.682 acre tract, bears N26°48'38"E, a distance of 765.12 feet

THENCE, continuing with the common boundary line of said 93.983 acre tract and said 29.682 acre tract, S62°13'24"E, passing at a distance of 1005.54 feet a 1/2 inch capped iron rod found stamped "BRYAN TECH" for the southernmost corner of said 29.682 acre tract, being at the westernmost corner of a called 12.334 acre tract conveyed to The Layla Trust in Document Number 2020009667, Official Public Records of Travis County, Texas, continuing for a total distance of 2809.36 feet to a 1/2 inch iron rod found in the west right-of-way line of said F.M. 973 (R.O.W. Varies), being at the southernmost corner of said 12.334 acre tract of land, same being at the beginning of a point of curvature to the right, for the easternmost corner of the herein described tract of land,

J:\AC3D\5329-057\Survey\FIELD NOTES\FN - 93.983 AC HOLLEY TRACT.doc

93.983 ACRES
(4,093,912 SQ. FT.)
SUMNER BACON SURVEY, ABSTRACT NO. 63
TRAVIS COUNTY TEXAS
HOLLEY TRACT

THENCE, along said curve to the right, with the west right-of-way line of said F.M. 973 (R.O.W. Varies) over and across said 39.135 acre Tract Two, having an arc length of 282.38 feet, a radius of 2764.79 feet, and whose chord bears S24°12'52"W, a distance of 282.26 feet to a 1/2 inch iron rod found for corner,

THENCE, S27°25'41"W, with the west right-of-way line of said F.M. 973, over and across said 39.135 acre Tract Two, said 20 acre Tract Three, and said 39.135 acre Tract One, a distance of 1164.39 feet to the **POINT OF BEGINNING** and containing 93.983 acres (4,093,912 SQ. FT.) of land.

Surveyed by:  7/27/2021
AARON V. THOMASON, R.P.L.S. NO. 6214
Carlson, Brigrance and Doering, Inc.
REG. #100248900
5501 West William Cannon
Austin, TX 78749
Ph: 512-280-5160 Fax: 512-280-5165
aaron@cbdeng.com



BEARING BASIS: TEXAS STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE (4203)

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EXHIBIT "B"

Concept Plan

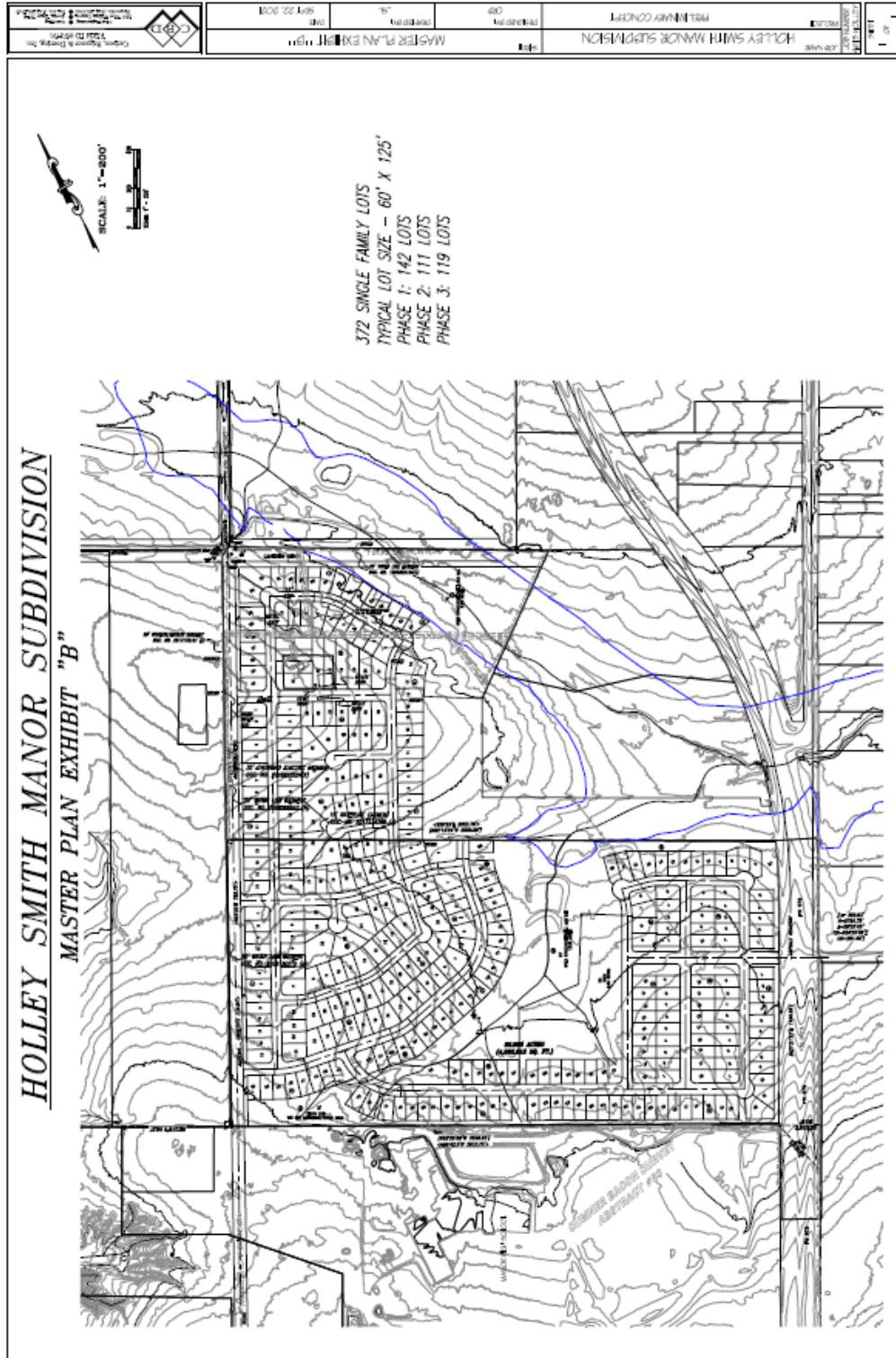


EXHIBIT "C"

Authorized Improvements

City of Manor, Texas**Holley-Smith Public Improvement District*****AUTHORIZED IMPROVEMENTS AND COSTS***

Onsite Wastewater	\$ 1,509,304
Offsite Wastewater	1,437,900
Onsite Water	1,690,243
Offsite Water	357,510
Onsite Storm Drainage	3,750,400
Offsite Storm Drainage	685,725
Detention Pond	1,200,000
Onsite Streets	6,160,796
Offsite Streets	1,085,867
Community Park	465,000
Engineering	1,362,190
Contingencies	1,834,275
District Formation Costs	394,581
TOTAL AUTHORIZED IMPROVEMENTS	<u>\$ 21,933,791</u>
 Bond Capitalized Interest	 \$ -
Bond Debt Service Reserve Fund	580,673
Bond Financing Costs and Underwriting Discount	994,700
Deposits to Administrative Fund	30,000
TOTAL AUTHORIZED COSTS (BONDS)	<u>\$ 1,605,373</u>
 TOTAL BUDGETED PID AUTHORIZED IMPROVEMENTS AND COSTS	 <u>\$ 23,539,164</u>

EXHIBIT "D"

Parkland and Public Amenities

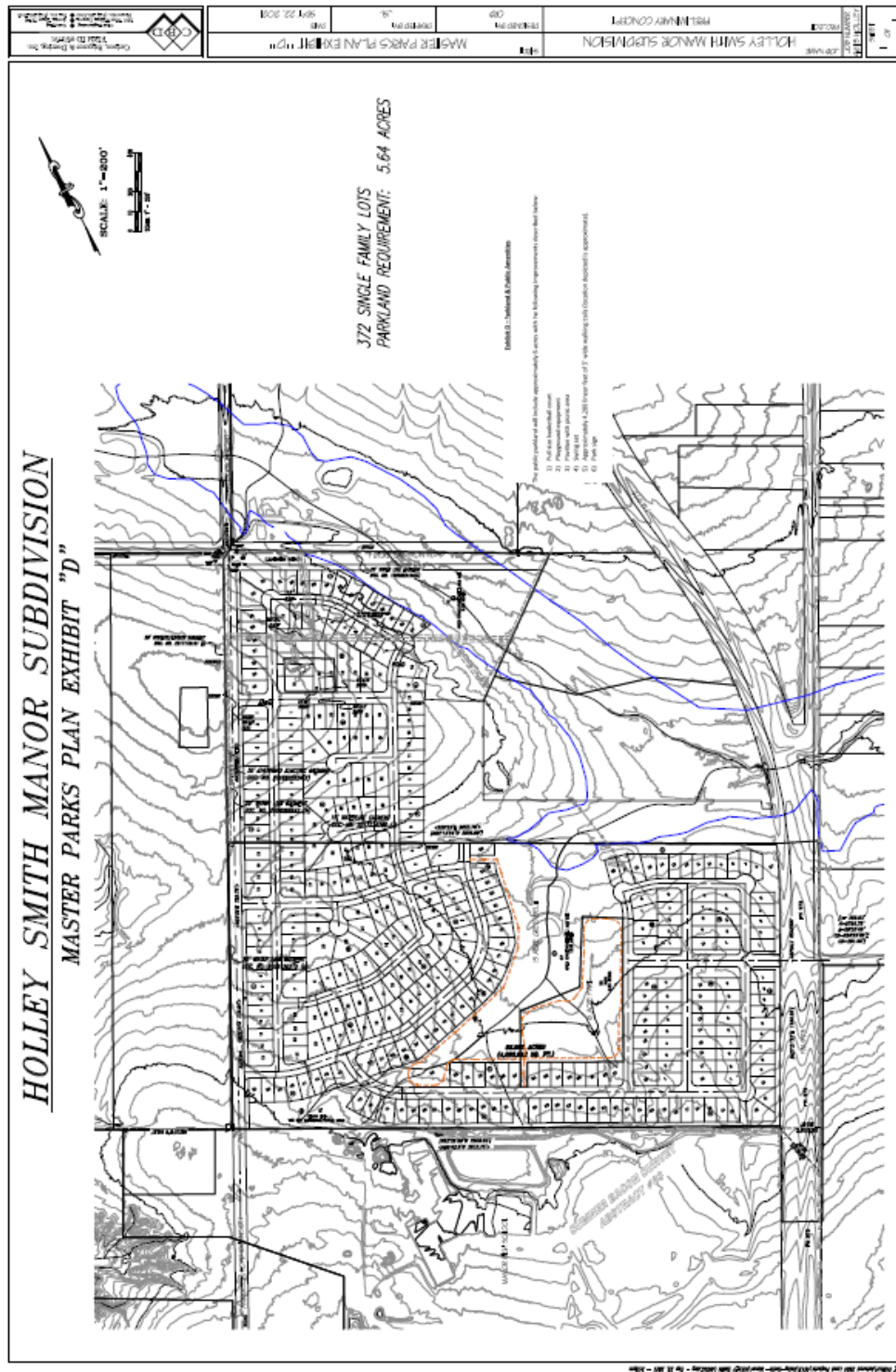


Exhibit D

EXHIBIT “E”

Form of Maintenance and Operations Agreement

MAINTENANCE AND OPERATIONS AGREEMENT

This Maintenance and Operations Agreement (the "Agreement") is entered into by the City of Manor, a Texas home rule municipal corporation and political subdivision of the State of Texas situated in Travis County, Texas (the "City"), and _____, a _____ ("Licensee"), effective as of the _____, 20__ (the "Effective Date"), upon the terms and conditions set forth below.

I. DEFINED TERMS

A. "Development Agreement" means the Development Agreement for KB Home dated effective _____.

B. "Public Amenities" means the "Public Amenities", as defined in the Development Agreement and as listed on Exhibit "D" of the Development Agreement, and attached hereto as Exhibit "A."

C. "KB Home Development" means the "Project", as defined in the Development Agreement, that is being developed on the "Property" (as defined in the Development Agreement) as a master planned community in the city limits of Manor, Travis County, Texas.

II. PURPOSE OF LICENSE AGREEMENT

A. The City grants to Licensee permission to use those portions of the KB Home Development more particularly described on Exhibit "A" (collectively, the "Licensed Property") solely to operate and maintain the Public Amenities; provided that this Agreement is not intended to prevent Licensee from entering and using land dedicated to the City as parkland in the same manner as the general public. The City makes this grant solely to the extent of its right, title and interest in the Licensed Property, without any express or implied warranties.

B. Licensee agrees that all maintenance and operations permitted by this Agreement with respect to the Licensed Property shall be done in compliance with the "Applicable Rules", as such term is defined in Article IV of the Development Agreement.

III. ANNUAL FEE

No annual fee shall be due to the City in connection with this Agreement, and the City will not compensate Licensee for the maintenance and operation of the Licensed Property or any Public Amenities.

IV. CITY'S RIGHT TO LICENSED PROPERTY

This Agreement is expressly subject and subordinate to the present and future right of the City to use the Licensed Property and the Public Amenities for any purpose not inconsistent with the Development Agreement.

V. INSURANCE

A. Licensee shall, at its sole expense, provide a commercial general liability insurance policy, written by a company reasonably acceptable to the City and licensed to do business in Texas, with a combined single limit of not less than \$600,000.00, which coverage may be provided in the form of a rider

Exhibit E

and/or endorsement to a previously existing insurance policy. The City may require the Licensee to increase the combined single limit of such coverage from time to time in the reasonable discretion of the City. Such insurance coverage shall specifically name the City as an additional insured. The insurance shall cover all perils arising from the activities of Licensee, its officers, employees, agents, or contractors, relative to this Agreement. Licensee may satisfy the insurance requirement herein by blanket policies covering property in addition to the Licensed Property. Licensee shall be responsible for any deductibles stated in the policy. A certificate of insurance evidencing such coverage shall be delivered to the Manor City Manager on or before the Licensee's use or occupancy of the Licensed Property.

B. Licensee shall not cause any insurance to be canceled nor permit any insurance to lapse and shall provide the City where possible thirty (30) days written notice as evidenced by a return receipt of registered or certified mail of any anticipated cancellation, reduction, restriction, or other limitation thereafter established under such policy of insurance.

VI. INDEMNIFICATION

Licensee shall indemnify, defend, and hold harmless the City and its officers, agents, and employees against all claims, suits, demands, judgments, damage, costs, losses, expenses, including reasonable attorney's fees, or other liability for personal injury, death, or damage to any person or property which arises from or is in any manner caused by Licensee's use of the Licensed Property under this Agreement. This indemnification provision, however, shall not apply to any claims, suits, demands, judgments, damage, costs, losses, expenses or other liability for personal injury, death, or damage to any person or property (i) for which the City shall have been compensated by insurance provided under Paragraph V, above, (ii) arising out of any acts or omissions by the City under Paragraph IV, above, or (iii) arising solely from the negligence or willful acts or omissions of the City; provided that for the purposes of the foregoing, the City's entering into this Agreement shall not be deemed to be a "negligent or willful act."

VII. CONDITIONS

A. Licensee's Responsibilities. Licensee will be responsible for any and all damage to the Licensed Property unless such damage is as a result of acts or omissions by the City.

B. Maintenance. Licensee shall maintain the Licensed Property by keeping the area free of material amounts of debris and litter and keeping the Licensed Property mowed such that grass and weeds do not exceed the height limits established by City ordinances and regulations. Licensee shall maintain all Public Amenities in good repair, working order, and condition and in compliance with this Agreement and the Development Agreement, as applicable. The City may require Licensee to take action to maintain the Licensed Property and the Public Amenities in compliance with this Agreement, including, but not limited to, the removal of dead or dying vegetation placed by Licensee within the Licensed Property and rebuilding and reconstructing trails or any other Public Amenities, save and except removal or repairs due to normal wear and tear such action shall be completed within thirty (30) days (or such reasonable period of time if thirty (30) days is not feasible) following receipt of a written request from the City. Licensee shall have no obligation to maintain any improvements placed upon the Licensed Property by the City.

C. Operation. Licensee shall operate the Licensed Property in accordance with applicable City regulations and in accordance with Section 4.6 of the Development Agreement.

D. Removal or Modification. No Public Amenities may be modified or removed from the Licensed Property without the prior written consent of the City.

E. Default. In the event that Licensee fails to maintain the Licensed Property as provided in this Agreement and the Development Agreement, or otherwise comply with the terms or conditions as set forth herein, the City shall give Licensee written notice thereof, by registered or certified mail, return receipt requested, to the address set forth below. Licensee shall have thirty (30) days from the date of receipt of such notice to take action to remedy the failure complained of, and if Licensee does not satisfactorily remedy the same within the thirty (30) day period (provided that the City shall allow such additional time as may be reasonably necessary for Licensee to cure any failure as long as Licensee commences such cure within the thirty (30) day period provided and diligently pursues such cure thereafter and as long as such additional time does not exceed ninety (90) days from the date of the notice) the City may pursue its remedies under Paragraph XI below.

City Address:

City of Manor
Attention: City Manager
105 E Eggleston Street
Manor, Texas 78653

Licensee Address:

Attn: _____

VIII. COMMENCEMENT

This Agreement shall begin on the Effective Date and continue thereafter for as long as the Licensed Property is used as parkland in accordance with Section 4.6 of the Development Agreement.

IX. TERMINATION

Notwithstanding any other term, provision, or condition of this Agreement and the Development Agreement, subject only to prior written notification to Licensee, this Agreement is revocable by the City if Licensee fails to comply with the terms and conditions of this Agreement beyond applicable notice and cure periods, including but not limited to the insurance requirements specified herein. The City agrees that if the City terminates this Agreement, the City will operate and maintain the Public Amenities in the manner contemplated by the Development Agreement with reimbursement by Licensee of City's costs to operate and maintain the Public Amenities. The City may further terminate and revoke this Agreement if:

- A. Use of the Licensed Property becomes necessary for another public purpose;
- B. The Public Amenities, or a portion of them, constitute a danger to the public which the City deems not to be remediable by alteration or maintenance of such Public Amenities; or
- C. Maintenance or alteration necessary to alleviate a danger to the public has not been made after the notice and cure periods provided herein have elapsed.

X. FUNDING MAINTENANCE OBLIGATION

Exhibit E

Licensee will establish periodic homeowner's association dues and assessments, to be charged and paid by the lot owners within the property under the jurisdiction of Licensee pursuant to such bylaws, rules, regulations and restrictive covenants established by Licensee (collectively, "Association Regulations"), in order to maintain and operate the Public Amenities as provided in this Agreement. The Association Regulations will require the periodic dues and assessments to be increased from time to time as necessary to provide the funds required for the maintenance and operation of the Public Amenities, and to provide funds required for the management and operation of Licensee.

XI. REMEDIES

The City will be entitled to judicially enforce Licensee's obligations under this Agreement pursuant to the Association Regulations. Licensee also agrees that, in the event of any default on its part under this Agreement, the City shall have available to it equitable remedies including, without limitation, the right to obtain a writ of mandamus or an injunction, or to seek specific performance against Licensee to enforce Licensee's obligations under this Agreement.

XII. EMINENT DOMAIN

If any portion of the Licensed Property is taken by eminent domain by a governmental authority other than the City, this Agreement shall terminate as to the affected portion of the Licensed Property so condemned.

XIII. INTERPRETATION

This Agreement shall, in the event of any dispute over its intent, meaning, or application, be interpreted fairly and reasonably, and neither more strongly for or against either party.

XIV. APPLICATION OF LAW

This Agreement shall be governed by the laws of the State of Texas. If the final judgment of a court of competent jurisdiction invalidates any part of this Agreement, then the remaining parts shall be enforced, to the extent possible, in a manner that is consistent with the intent of the parties as evidenced by this Agreement.

XV. SPECIFIC PERFORMANCE

If either party materially breaches the terms of this License Agreement, such material breach shall be an event of default. In that event, the non-defaulting party to this License Agreement may pursue the remedy of specific performance.

XVI. VENUE

Venue for all lawsuits concerning this Agreement will be in the Travis County, Texas.

XVII. COVENANT RUNNING WITH LAND; WAIVER OF DEFAULT

This Agreement and all of the covenants herein shall run with the Licensed Property; therefore, the conditions set forth herein shall inure to and bind each party's successors and assigns. Either party may waive any default of the other at any time by written instrument, without affecting or impairing any right arising from any subsequent or other default.

Exhibit E

XVIII. AMENDMENT

This License Agreement may be amended only by an instrument in writing signed and approved by both parties.

XIX. ASSIGNMENT

Licensee shall not assign, sublet, or transfer its interest in this Agreement without the written consent of the City Council.

XX. POWER AND AUTHORITY

A. The City hereby represents and warrants to Licensee that the City has full constitutional and lawful right, power, and authority, under currently applicable law, to execute and deliver and perform the terms and obligations of this Agreement, subject to the terms and conditions of this Agreement and subject to applicable processes, procedures, and findings that are required by state law, City ordinances, or the City Charter related to actions taken by the City Council, and all of the foregoing have been authorized and approved by all necessary City proceedings, findings, and actions. Accordingly, this Agreement constitutes the legal, valid, and binding obligation of the City, is enforceable in accordance with its terms and provisions, and does not require the consent of any other governmental authority.

B. Licensee hereby represents and warrants to the City that Licensee has full lawful right, power, and authority to execute and deliver and perform the terms and obligations of this Agreement and all of the foregoing have been or will be duly and validly authorized and approved by all necessary actions of Licensee. Concurrently with Licensee's execution of this Agreement, Licensee has delivered to the City copies of the resolutions or other corporate actions authorizing the execution of this Agreement and evidencing the authority of the persons signing this Agreement on behalf of Licensee to do so. Accordingly, this Agreement constitutes the legal, valid, and binding obligation of Licensee, and is enforceable in accordance with its terms and provisions.

* * *

[SIGNATURE PAGE FOLLOWS]

TERMS AND CONDITIONS ACCEPTED, this the ____ day of _____, 20__.

LICENSOR:
City of Manor

By: _____
Name: _____
Title: Mayor

LICENSEE:

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this the ____ day of _____, 20__, by _____, Mayor, City of Manor, Texas, on behalf of the City.

Notary Public - State of Texas

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this the ____ day of _____, 20 __, by _____, of _____, a _____, on behalf of said _____.

Notary Public - State of Texas

AFTER RECORDING RETURN TO:

City of Manor
Attn: City Secretary
105 E. Eggleston Street
Manor, Texas 78653

Exhibit “A”
Licensed Property
[attached]

Exhibit E

EXHIBIT "F"

Description of KB Home Tract

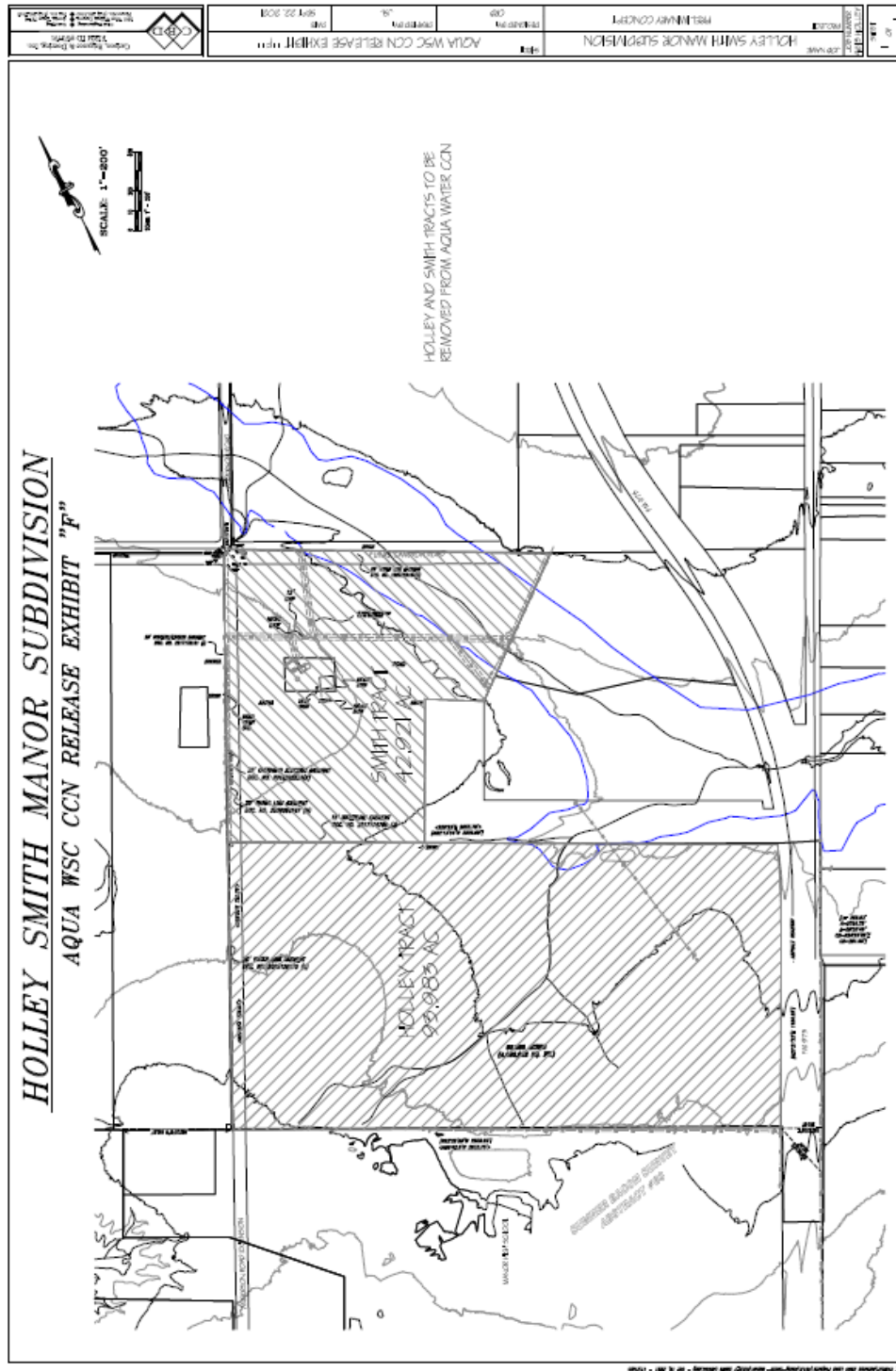


Exhibit F

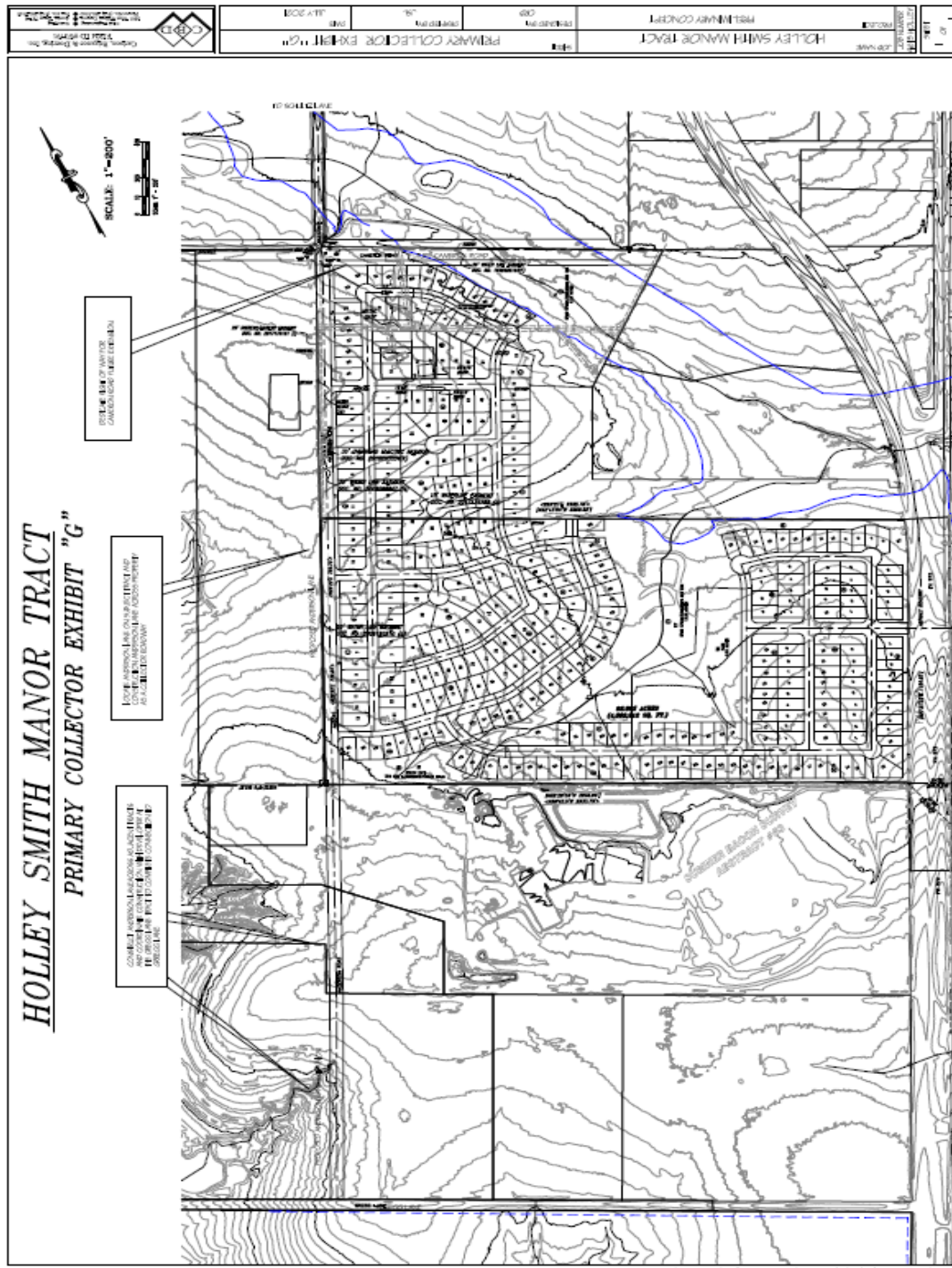
Primary Collector Roadway

Exhibit G

EXHIBIT "H"

Offsite Water Improvements

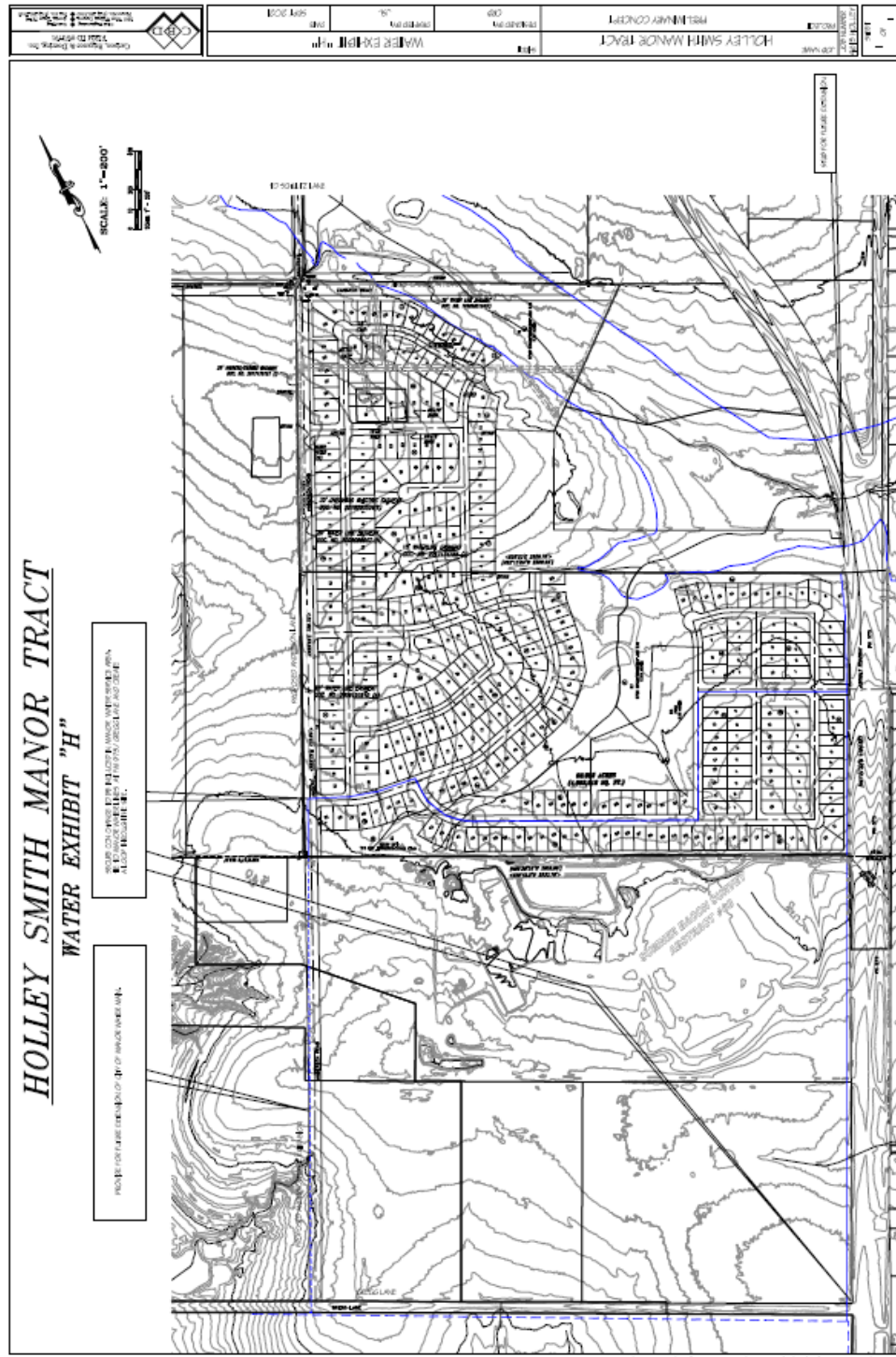


Exhibit H