BEALL - DEAN RANCH DEVELOPMENT AGREEMENT

This Beall - Dean Ranch Development Agreement (this "Agreement") is entered into by and between the City of Willow Park, Texas, a general law type A municipality (the "City"), and Beall–Dean Ranch, Ltd., a Texas limited partnership ("Developer") (each individually, a "Party," and collectively, the "Parties"), to be effective on the Effective Date.

SECTION 1
RECITALS

WHEREAS, certain capitalized terms used in these recitals are defined in Section 2;

WHEREAS, Developer is the owner of approximately 317 acres of real property, described by metes and bounds in **Exhibit A** and depicted in **Exhibit B** (the "Property");

WHEREAS, on or after the Effective Date as provided herein, the City will annex certain rights of way adjacent to the Property pursuant to Section 43.1055, Texas Local Government Code, and the Property pursuant to Section 43.0671, Texas Local Government Code;

WHEREAS, pursuant to Section 42.022, Texas Local Government Code, the City received a petition to expand its extraterritorial jurisdiction ("ETJ") from the Developer such that the entirety of the Property would be located within the City's ETJ (the "ETJ Petition");

WHEREAS, on June 25, 2024, prior to the City's approval of this Agreement, the City Council adopted Ordinance No. ___, accepting the ETJ Petition and expanding the City's ETJ to cover all of the Property;

WHEREAS, the Property is located within the ETJ of the City;

WHEREAS, as generally described and depicted on the Conceptual Plan, Developer intends to develop the Property as a mixed-use development with residential, commercial, retail, and light industrial uses over one or more phases, which development will be known and referred as the Beall - Dean Ranch (the "Project");

WHEREAS, the Property is not currently located within any water or sewer certificates of convenience and necessity ("CCN");

WHEREAS, the City intends to apply for a water and sewer CCN for an area including the Property, and the Parties intend that the City will be the retail provider of water and sewer service to the Property;

WHEREAS, the nearest City water and wastewater facilities do not reach the Property;

WHEREAS, in exchange for the promises made by the Developer as provided herein, the City has agreed to provide certain incentives to the Developer;

WHEREAS, this Agreement is entered into pursuant to Chapter 43 of the Texas Local Government Code, and in exchange for the promises made by the City as provided herein, the

Developer agrees to the voluntary annexation of the Property as described in this Agreement;

WHEREAS, Developer anticipates commencing development of the Project upon: (i) the execution of this Agreement, (ii) the submission and approval of a preliminary plat for the Property that is substantially consistent with the Conceptual Plan as generally depicted in **Exhibit C** (the "Conceptual Plan"), and (iii) creation of the PID and TIRZ by the City;

WHEREAS, the Parties desire and intend that Developer will design, construct, install, and/or make financial contributions toward the Authorized Improvements, and that certain costs incurred therewith will be partially financed or reimbursed through multiple sources, including PID Bond Proceeds and the TIRZ Fund;

WHEREAS, the Parties desire and intend for the design, construction, and installation of the Authorized Improvements to occur in a phased manner over the Term of this Agreement and that Developer will dedicate to and the City will accept the Authorized Improvements for public use and maintenance, subject to the City's approval of the plans and inspection of the Authorized Improvements in accordance with this Agreement and the City Regulations;

WHEREAS, as it relates to the Property, Developer estimates that the overall development costs and Authorized Improvements Cost will be as set forth in **Exhibit D**;

WHEREAS, in consideration of Developer's agreements contained herein and upon the creation of the PID, the City intends to use good faith efforts to exercise its powers under the PID Act to provide financing arrangements that will enable Developer, in accordance with the procedures and requirements of the PID Act and this Agreement, to: (a) receive funding or reimbursement for all or a portion of the Authorized Improvements using the PID Bond Proceeds; or (b) be reimbursed for all or a portion of the Authorized Improvements, the source of which reimbursement will be annual installment payments from Assessments on the Property within the PID, provided that such reimbursements shall be subordinate to the payment of PID Bonds, if any, Administrative Expenses, and any amounts owed to the City by Developer in connection with the PID;

WHEREAS, the City, subject to the consent and approval of the City Council, the satisfaction of all conditions for PID Bond issuance, Developer's substantial compliance with this Agreement, and in accordance with the terms of this Agreement and all legal requirements, including but not limited to the Indenture, shall use good faith efforts to: (i) adopt a Service and Assessment Plan; (ii) adopt one or more Assessment Ordinances (to reimburse Developer for all or a portion of the Authorized Improvements Cost and the costs associated with the administration of the PID and the issuance of the PID Bonds, and for repayment of PID Bonds, to the extent applicable); (iii) issue, in multiple series, up to $75,000,000 in principal amount of PID Bonds for the purpose of financing the Authorized Improvements in accordance with the Service and Assessment Plan, acquiring the Authorized Improvements, and reimbursing Developer for certain associated costs as described herein; and (iv) create the TIRZ and establishment of associated economic development program under Chapter 380, Texas Local Government Code, as amended ("Chapter 380") as provided herein;

WHEREAS, the Authorized Improvements qualify as projects under the PID Act and the TIRZ Act;

WHEREAS, the Public Infrastructure qualify as projects costs eligible for incentives and inclusion in an economic development program under Chapter 380;

WHEREAS, the City shall use good faith efforts to create a TIRZ under the TIRZ Act that shall be coterminous with the boundaries of the Property and shall adopt, approve, and execute the TIRZ Documents to use said TIRZ increment for a period not to exceed thirty (30) years after the issuance of the final series of PID Bonds, with the base year being established as of the year PID Bonds are issued over a corresponding PID improvement area, unless otherwise described in the TIRZ Project and Finance Plan;

WHEREAS, to the extent funds must be advanced to pay for any costs associated with the creation of the PID, TIRZ, the issuance of PID Bonds, or the preparation of documentation related thereto, including any costs incurred by the City and its consultants and advisors (excluding the fees associated with closing the PID Bonds), related to the negotiation of this Agreement, Developer shall be responsible for advancing such funds and executing a professional services agreement that obligates the Developer to fund such costs, and the Developer shall have a right to reimbursement for certain funds advanced from PID Bond Proceeds, Assessments, and the TIRZ Fund, and the City will not be responsible for such reimbursement or the payment of such costs from any other sources of funds;

WHEREAS, the City will require, as a condition precedent to its obligations under this Agreement, that the Developer will petition the City to annex the Property into the City immediately following the City's issuance of debt to finance the City Water Improvements and the City Wastewater Improvements (the "City Obligations");

WHEREAS, the parties intend that this Agreement be a development agreement as provided for by Section 212.172 of the Texas Local Government Code;

WHEREAS, the City and the Developer are agreeable to the Property being annexed and incorporated into the corporate boundaries of the City and to the Property being developed under the rules and regulations of this Agreement;

WHEREAS, immediately following the City's issuance of the City Obligations and the annexation of the Property, the City intends to diligently pursue the completion of the City Water Improvements and the City Wastewater Improvements in accordance with the timeframe set forth herein and consider zoning the Property as a planned development district consistent with the Development Standards and the Conceptual Plan; and

WHEREAS, unless expressly set forth to the contrary in this Agreement, the Parties intend this Agreement to supersede City Regulations only to the extent that City Regulations directly conflict with the terms of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereby agree as follows:

SECTION 2
DEFINITIONS

Certain terms used in this Agreement are defined in this Section 2. Other terms used in this Agreement are defined in the recitals or in other sections of this Agreement. Unless the context requires otherwise, the following terms shall have the meanings hereinafter set forth:

Administrative Expenses means reasonable expenses incurred by or on behalf of the City in the establishment, administration, and operation of the PID and/or the TIRZ and the collection of any assessments, TIRZ revenues, and other amounts associated with same.

Assessment(s) means the special assessments levied on the Property under one or more Assessment Ordinances adopted to finance, acquire, or reimburse Developer for a portion of the Authorized Improvements benefitting the applicable phase(s) as set forth in the Service and Assessment Plan, as well as payment of Administrative Expenses and repayment of the PID Bonds and the costs associated with the issuance of the PID Bonds.

Assessment Ordinance means an ordinance approved by the City Council under the PID Act establishing one or more Assessment(s).

Authorized Improvements means the on- and off-site public water, sewer, drainage, and roadway facilities (roads, traffic signals or other traffic control devices, traffic signage), rights of way, and public amenities and other public improvements, such as landscaping and screening, that benefit the Property, to be constructed or caused to be constructed by the Developer, including but not limited to the improvements identified on **Exhibit D** and as fully described in the SAP and authorized by Section 372.003 of the PID Act, for which the Parties intend Developer will be fully or partially reimbursed pursuant to the terms of this Agreement.

Authorized Improvements Cost means the actual costs of design, engineering, construction, acquisition, and inspection of the Authorized Improvements and all costs related in any manner to the Authorized Improvements.

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

Budgeted Cost means, with respect to any given Authorized Improvement, the estimated cost of the improvement as set forth by phase in **Exhibit D**.

Capital Improvement(s) shall have the meaning provided in Chapter 395, Texas Local Government Code.

Capital Improvement Costs means any construction, contributions, or dedications of Capital Improvements, including actual costs of design, engineering, construction, acquisition, and inspection, and all costs related in any manner to the Capital Improvement.

Capital Improvements Plan ("CIP") means all capital improvements plan(s) duly adopted by the City under Chapter 395, Texas Local Government Code, as may be updated or amended from time to time.

Certificate of Convenience and Necessity ("CCN") means a certificate of that name issued by the Texas Public Utility Commission or its predecessor or successor agency pursuant to Chapter 13, Texas Water Code.

Chapter 245 means Chapter 245, Texas Local Government Code.

Chapter 380 Grant means as defined in Section 5.4 hereof.

Chapter 395 means Chapter 395, Texas Local Government Code.

City Code means the Code of Ordinances, City of Willow Park, Texas.

City Council means the governing body of the City.

City Manager means the current or acting City Manager of the City, or a person designated to act on behalf of that individual if the designation is in writing and signed by the current or acting City Manager.

City Regulations means the City's applicable development regulations in effect on the Effective Date, being the City Code provisions, ordinances (including, without limitation, park dedication fees), design standards (including, without limitation, pavement thickness), and other policies duly adopted by the City; provided, however, that as it relates to Public Infrastructure for any given phase of the Project, the applicable construction standards (including, without limitation, international building codes) shall be those that the City has duly adopted at the time of the filing of an application for a preliminary plat for that phase unless construction has not commenced within two years of approval of such preliminary plat in which case the construction standards shall be those that the City has duly adopted at the time that construction commences. The term does not include Impact Fees, which shall be assessed on the Property in accordance with this Agreement.

Commencement of Construction means that (i) the plans have been prepared and all approvals thereof required by applicable governmental authorities have been obtained for construction of the applicable Authorized Improvement, or portion thereof, as the case may be, in the applicable PID Phase; (ii) all necessary permits for the initiation of construction of the Authorized Improvement or portion thereof, as the case may be, in the applicable PID Phase pursuant to the respective plans therefore having been issued by all applicable governmental authorities; and (iii) grading for the construction of the applicable Authorized Improvement, or portion thereof, as the case may be, has commenced.

Completion of Construction means that (i) the construction of the applicable Authorized Improvement, or portion thereof, as the case may be, benefiting the Property has been substantially in completed in accordance with all City Codes, City Regulations in accordance with the terms of this Agreement; and (ii) the City has with respect to the applicable Authorized Improvements accepted the respective Authorized Improvement or portion thereof.

Conceptual Plan means the intended conceptual plan for the development of the Project as generally depicted on **Exhibit C**.

Continuing Party means any party that continues to be bound by this Agreement after an authorized assignment of this Agreement as described in Section 11.1 hereof.

County means Parker County, Texas.

Developer means Beall–Dean Ranch, Ltd., a Texas limited partnership, and its successors and assigns.

Developer Continuing Disclosure Agreement means any continuing disclosure agreement of Developer executed contemporaneously with the issuance and sale of PID Bonds.

Developer Improvement Account means the construction fund account created under the Indenture, funded by Developer, and used to pay for portions of the acquisition, design, and construction of the Authorized Improvements.

Development Standards means the design specifications and construction standards permitted or imposed by this Agreement, including without limitation the standards set forth in **Exhibit F**.

District Trigger means a written notice from the Developer to the City notifying the City that the City has refused, after a reasonable time, to issue the City Obligations, construct the City Water Improvements and the City Wastewater Improvements, create the PID, levy Assessments, and/or issue PID Bonds pursuant to the terms of this Agreement, subject to a thirty (30) day opportunity for the City to consider such action upon receipt of such notice, provided in no instance shall a District Trigger occur in the event the District Trigger is due to any fault of the Developer, the Developer is not in full compliance with the terms of this Agreement at the time of the notice to the City or the Agreement is terminated because of a Change in Law as described in Section 10.4 of this Agreement .

Effective Date means the effective date of this Agreement, which shall be the date upon which all Parties have fully executed and delivered this Agreement.

End User means any tenant, user, or owner of a Fully Developed and Improved Lot, but excluding the POA.

Fully Developed and Improved Lot means any privately-owned lot in the Project, regardless of proposed use, intended to be served by the Authorized Improvements and for which a final plat has been approved by the City and recorded in the Real Property Records of Parker County.

Home Buyer Disclosure Program means the disclosure provisions relating to property located in public improvement districts set forth in Chapter 5 of the Texas Property Code, which establishes a mechanism to disclose to each End User the terms and conditions under which their lot is burdened by the PID.

Impact Fees means those fees assessed and charged against the Project for water, wastewater and storm water drainage in accordance with this Agreement, the City Code and Chapter 395.

Improvement Account of the Project Fund or IAPF means the construction fund account created under the Indenture, funded by the PID Bond Proceeds, and used to pay for certain portions of the construction or acquisition of the Authorized Improvements.

Indenture means a trust indenture by and between the City and a trustee bank under which PID Bonds are issued and funds are held and disbursed.

Indenture Accounts means the IAPF and Developer Improvement Account.

Landowner Certificate means a certificate executed by the owner(s) of the Property before each levy of Assessments consenting to the creation of the PID, the levy of the Assessments, and undertaking certain other obligations relating to providing notice to subsequent owners of all or a portion of the Property, including the Home Buyer Disclosure Program.

Non-Benefited Property means parcels or lots that accrue no special benefit from the Authorized Improvements, including but not limited to property encumbered with a public utility easement that restricts the use of such property to such easement and as otherwise described in the SAP for the PID.

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

Phase 1 means the first phase of the Development, as set forth in the Conceptual Plan, whether platted as one single plat or in phases.

PID means the Beall - Dean Ranch Public Improvement District for which the City agrees to exert good faith efforts to create for the benefit of the Property pursuant to the PID Act and this Agreement.

PID Act means Chapter 372, Texas Local Government Code, as amended.

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

PID Bonds means assessment revenue bonds, but not Refunding Bonds, issued by the City pursuant to the PID Act to finance the Authorized Improvements.

PID Bond Proceeds means the funds generated from the sale of the PID Bonds.

PID Documents means, collectively, the PID Resolution, the SAP, and the Assessment Ordinance(s).

PID Phase means a distinct portion of the PID described by metes and bounds and as identified in the SAP that will be developed as a construction phase of the Project.

PID Reimbursement Agreement means an agreement by and between the City and Developer by which the Parties establish the terms by which Developer may obtain reimbursements for Authorized Improvements through the PID Bond Proceeds or Assessments.

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

POA means the Beall - Dean Ranch Property Owners' Association, or such name as may be available with Texas Secretary of State, and its successors, which shall privately function as a property owners' association for the Project.

Public Infrastructure means all water, wastewater/sewer, detention and drainage, roadway, park and trail, and other infrastructure necessary to serve the full development of the Project and/or to be constructed and dedicated to the City under this Agreement. The term includes without limitation the Authorized Improvements.

Real Property Records means the official land recordings of the Parker County Clerk's Office.

Refunding Bonds means bonds issued pursuant to Section 372.027 of the PID Act.

Service and Assessment Plan or SAP means the SAP for the PID, to be updated, adopted and amended annually, if needed, by the City Council pursuant to the PID Act for the purpose of assessing allocated costs against portions of the Project located within the boundaries of the PID having terms, provisions, and findings approved by the City, as required by this Agreement.

TIRZ means each tax increment reinvestment zone created under the TIRZ Act and located within the Property.

TIRZ Act means Chapter 311, Texas Tax Code, as amended.

TIRZ Documents means the (a) TIRZ Project and Finance Plan, (b) the TIRZ Ordinance, and (c) an ordinance approving the final TIRZ Project and Finance Plan required by the TIRZ Act.

TIRZ Fund(s) means the separate and distinct interest bearing deposit account(s) established by the City in order to receive ad valorem tax increment revenue generated from within each TIRZ in accordance with this Agreement, the TIRZ Documents, and state law.

TIRZ Ordinance means the City Ordinance by the City Council establishing a TIRZ and any subsequent ordinances effectuating amendments thereto.

TIRZ Project and Finance Plan means each project and finance plan for the TIRZ, as amended from time to time.

SECTION 3
PUBLIC IMPROVEMENT DISTRICT

3.1 Creation of the PID; Levy of Assessments. Subject to the submittal of a petition by Developer, the City shall use good faith efforts to initiate and consider all necessary documents and ordinances, including without limitation the PID Documents, required to effectuate this Agreement, to create the PID, and to levy the Assessments. The Assessments, if approved by the City Council, shall be levied: (i) against the applicable phase(s) benefitted by the applicable portion of the Authorized Improvements for which the applicable series of the PID Bonds are issued, and (ii) prior to the sale of any lot to an End User. The tax rate equivalent of the Assessments at the time of the levy and prior to application of any TIRZ credit shall not exceed $0.85 per $100 of estimated buildout value and shall not be less than $0.65 per $100 of estimated buildout value, unless agreed to by the Developer in writing. The estimated buildout value for a lot classification shall be determined by the PID Administrator using information provided by the Developer 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 Developer, or any other information that may help determine buildout value. The City will select a PID Administrator and the City Council will consider approval of the Preliminary SAP, which shall include the Authorized Improvements, and provide for the levy of the Assessments on the Property or portion thereof benefitted by such portion of the Authorized Improvements. Promptly following preparation and approval of a preliminary SAP acceptable to the Parties and subject to the City Council making findings that the Authorized Improvements confer a special benefit on the Property, the City Council shall consider an Assessment Ordinance. The preliminary financial analysis of the PID is set forth in **Exhibit M** attached hereto, subject to final approval of the SAP.

3.2 Acceptance of Assessments and Recordation of Covenants Running with the Land. Following the levy of the Assessment applicable to a particular phase(s) of the Project, Developer shall: (a) approve and accept in writing the levy of the Assessment(s) on all Property owned by Developer; (b) approve and accept in writing the Home Buyer Disclosure Program related to such phase; and (c) cause the covenants running with the land to be recorded against the portion of the Property within the applicable phase(s) that will bind any and all current and successor developers and owners of all or any part of such phase of the Project to: (i) pay the Assessments, with applicable interest and penalties thereon, as and when due and payable and cause the purchasers of such land to take their title subject to and expressly assuming the terms and provisions of such assessments and the liens created thereby; and (ii) comply with the Home Buyer Disclosure Program. The covenants required to be recorded under this paragraph shall be recorded substantially contemporaneously with the recordation of the final plat of the applicable phase.

3.3 PID Notice. The Service and Assessment Plan, including any annual update thereto, will include the notice form required by Section 5.014 of the Texas Property Code (the "Section 5.014 Notice"). The Developer shall or shall require any current and successor developers and owners of all or any part of such phase to execute and provide to any potential purchaser of the Property the Section 5.014 Notice in accordance with Subchapter A of Chapter 5 of the Texas Property Code and, upon closing of the purchase and sale of such Property execute a copy of the Section 5.014 Notice in recordable form and file or cause to be filed such notice in the deed records

of Parker County in accordance with Subchapter A of Chapter 5 of the Texas Property Code. If foregoing procedures set forth in this section 3.3 are later amended by the Texas Legislature, the amended provisions of the PID Act or Subchapter A of Chapter 5 of the Texas Property Code shall be deemed to amend this section 3.3 without any further actions by the City or the Developer.

3.4 City Consent to Districts. Following the occurrence of a District Trigger, this Agreement constitutes, to the extent permitted by applicable law, the irrevocable and unconditional consent of the City to the Developer's creation of one or more municipal utility districts, municipal management districts, or other type of districts covering the Property or any portion thereof (a "District") pursuant to the authority of Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 54, Texas Water Code, as amended. Upon a District Trigger, the City agrees, at no cost to the City, to consider such further ordinances, or consents, and execute such further documents as may reasonably be requested by the Developer, the TCEQ, the Texas Attorney General, or the District to evidence the City's consents as set forth in this Agreement and in any consent resolution. The Developer agrees to reimburse or cause the District to reimburse the City for reasonable and necessary costs associated with such further documents. The District agrees to cause the District, during the District's first board meeting, to take action by resolution to confirm that it has assumed all obligations otherwise expected from the PID under this Agreement. The consents provided in accordance with this Section 3.4 and any consent resolution (the "District Consents") are given by the City, to the extent permitted by law, in full satisfaction of any requirements for district consents contained in any statute or otherwise required by law, rule, regulation or policy including, but not limited to, consents required by the Texas Water Code, as amended, the Texas Local Government Code, as amended, any rules, regulations, or policies of the TCEQ, or any rules, regulations, or policies of the Texas Attorney General.

SECTION 4
PID BONDS

4.1 PID Bond Issuance. Developer may request issuance of PID Bonds by filing a written request with the City including a list of the Authorized Improvements to be funded or acquired with the PID Bond Proceeds and the estimated or actual costs of such Authorized Improvements. Following such a request, the City may require a professional services agreement that obligates Developer to fund the costs of the City's professionals relating to the preparation for and issuance of PID Bonds, which amount shall be agreed to in advance by the Parties and considered a cost payable from such PID Bond Proceeds. Prior to the City undertaking any preparations for the sale of PID Bonds: (i) the City Council shall have approved and adopted the PID Documents; (ii) the City shall have reviewed and approved the Landowner Certificate; (iii) owner(s) of the portion of the Property constituting all of the acreage in the portion of the PID relating to the issuance of PID Bonds at the time of such undertaking shall have executed a Landowner Certificate; and (iv) Developer shall have delivered to the City a fully executed original copy of such Landowner Certificate. The issuance of each series of PID Bonds is further subject to all of the following conditions:

(a) The City has evaluated and determined that there will be no negative impact on the City's creditworthiness, bond rating, access to or cost of capital, or potential for liability.

(b) The City has determined that the PID Bonds assessment level, structure, terms, conditions and timing of the issuance of the PID Bonds are reasonable for the Authorized Improvements Cost to be financed and that there is sufficient security for the PID Bonds to be creditworthy.

(c) The aggregate principal amount of PID Bonds required to be issued will not exceed an amount sufficient to fund: (i) the actual costs of the qualified public improvements, (ii) required reserves and capitalized interest during the period of construction and not more than 12 months after the completion of construction and in no event for a period greater than 2 years from the date of the initial delivery of the bonds, (iii) any costs of issuance, and (iv) an initial deposit to a PID administrative fund. Provided, however that to the extent the law(s) which limit the period of capitalized interest to 12 months after completion of construction change, the foregoing limitation may be adjusted to reflect the law(s) in effect at the time of actual bond issuance.

(d) All costs incurred by or on behalf of the City that are associated with the administration of the PID shall be paid out of special assessment revenue levied against property within the PID. City administration costs shall include those associated with continuing disclosure, compliance with federal tax law, agent fees, staff time, regulatory reporting and legal and financial reporting requirements.

(e) The Service and Assessment Plan and the Assessment Ordinance levying assessments on all or any portion of the Property benefitted by Authorized Improvements provide for amounts sufficient to pay all costs related to such PID Bonds.

(f) The City has formed and utilized its own financing team including, but not limited to, bond counsel, financial advisor, PID Administrator, and underwriters related to the issuance of PID Bonds and bond financing proceedings.

(g) The City has chosen and utilized its own continuing disclosure consultant and arbitrage rebate consultant. Any and all costs incurred by these activities will be included in City administration costs recouped from special assessments. The continuing disclosure will be divided into City disclosure and Developer disclosure, and the City will not be responsible or liable for Developer disclosure and the Developer will not be responsible or liable for the City disclosure, but the City's disclosures professional will be used for both disclosures.

(h) The aggregate principal amount of PID Bonds issued and to be issued shall not exceed $75,000,000.

(i) Approval by the Texas Attorney General of the PID Bonds and registration of the PID Bonds by the Comptroller of Public Accounts of the State of Texas.

(j) No issuance of PID Bonds through a third-party conduit will be allowed. unless the City chooses not to issue PID bonds as requested by Developer.

(k) Developer is current on all taxes, assessments, and fees to the City including without limitation payment of Assessments.

(l) Developer is not in default under this Agreement or, with respect to the Property, any other agreement to which Developer and the City are parties.

(m) The PID Administrator has certified that the specified portions of the Authorized Improvements Cost to be paid from the proceeds of the PID Bonds are eligible to be paid with the proceeds of such PID Bonds.

(n) The Authorized Improvements to be financed by the PID Bonds have been or will be constructed according to the approved Development Standards imposed by this Agreement.

(o) The City has determined that the amount of proposed PID assessments and the structure, terms, conditions and timing of the issuance of the PID Bonds are reasonable for the project costs to be financed and the degree of development activity within the PID, and that there is sufficient security for the PID Bonds to be creditworthy.

(p) The maximum maturity for PID Bonds shall not exceed 30 years from the date of delivery thereof.

(q) The City has determined that the PID Bonds meet all regulatory and legal requirements applicable to the issuance of the PID Bonds.

(r) Unless otherwise agreed by the City, the PID Bonds shall be sold and may be transferred or assigned only in compliance with applicable securities laws and in minimum denominations of $100,000 or integral multiples of $1,000 in excess thereof.

(s) If the applicable portion of Authorized Improvements has not already been constructed and to the extent PID Bond Proceeds are insufficient to fund such Authorized Improvements Cost, Developer shall, at time of closing the PID Bonds, provide a cash contribution in the amount equal to the difference between the net proceeds of the applicable series of PID Bonds and the total Budgeted Costs of the Authorized Improvements needed to serve and fully develop the applicable phase of the Property and produce final lots within such phase of the PID. This amount is to be deposited with the bond trustee for the applicable series and will be distributed in accordance with the terms set forth in the applicable Indenture. If PID Bonds are issued in order to acquire completed improvements, the Developer must provide evidence reasonably acceptable to the City of the costs of the constructed improvements being acquired, which evidence will be subject to review and approval by an administrator hired by the City in connection with the administration of the PID. In the event such costs are approved by the City, the costs of the already constructed improvements being acquired with proceeds of the bonds shall be subtracted from the difference calculated as described above in determining if a cash contribution will be required. Proceeds of the PID Bonds will be drawn upon and expended before funds otherwise provided by the Developer.

(t) Developer agrees to provide periodic information and notices of material events regarding Developer and Developer's development within the PID in accordance with Securities and Exchange Commission Rule 15c2-12 and any continuing disclosure agreements executed by Developer in connection with the issuance of PID Bonds.

(u) The value to lien ratio is at least 1.75:1, when comparing the appraised value of the portion of the Property in the applicable phase to the par amount of PID Bonds proposed to be issued with respect to such phase, and any other Assessments previously levied against Property within such phase, which value shall be confirmed by an appraisal from a licensed MAI appraiser based on the assumption that development of the applicable portion of the Property only includes (A) the Authorized Improvements in place and to be constructed with the PID Bond Proceeds, and (B) finished lots (without vertical construction) for a phased improvement area. A portion of the PID Bond proceeds deposited with the trustee will be subject to a holdback based on a 3:1 value to lien.

(v) For the issuance of any Refunding Bonds, the amount of assessment necessary to pay the Refunding Bonds shall not exceed the amount of the assessments that are outstanding to pay the PID Bonds that are being refunded.

(w) Developer and the City shall have entered into a PID Reimbursement Agreement that provides for Developer's construction of all or a portion of the Authorized Improvements and the City's reimbursement to Developer of certain Authorized Improvements; provided, however, in the event no Authorized Improvements Cost related to the Authorized Improvements benefitting such phase of the Property are anticipated to be paid from the annual installments of Assessments following the issuance for PID Bonds, such PID Reimbursement Agreement shall not be required.

(x) The City and Developer have complied with and obtained all necessary approvals under laws applicable to PID Creation and PID Bond issuance as such laws may be amended.

4.2 Disclosure Information. Prior to the issuance of PID Bonds by the City, Developer shall provide all relevant information, including financial information that is reasonably necessary in order to provide potential bond investors with a true and accurate offering document for any PID Bonds. Developer shall, at the time of providing such information, agree, represent, and warrant that the information provided for inclusion in a disclosure document for an issue of PID Bonds does not, to Developer's actual knowledge, contain any untrue statement of a material fact or omit any statement of material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, and Developer further shall provide a certification to such effect as of the date of the closing of any PID Bonds.

4.3 Qualified Tax-Exempt Status.

(a) Generally. In any calendar year in which PID Bonds are issued, Developer agrees to pay the City its actual additional costs ("Additional Costs") the City may incur in the issuance of its own revenue bonds/obligations and public securities or obligations on its own taxing power of municipal revenues (the "Municipal Obligations"), as described in this section, if the Municipal Obligations are deemed not to qualify for the designation of qualified tax-exempt obligations ("QTEO"), as defined in section 265(b)(3) of the Internal Revenue Code ("IRC") as amended, as a result of the issuance of PID Bonds by the City in any given year. The City agrees to deposit all funds for the payment of such Additional Costs received under this section into a

segregated account of the City, and such funds shall remain separate and apart from all other funds and accounts of the City until December 31 of the calendar year in which the PID Bonds are issued, at which time the City is authorized to utilize such funds for any purpose permitted by law. On or before January 15th of the following calendar year, the final Additional Costs shall be calculated. By January 31st of such year, any funds in excess of the final Additional Costs that remain in such segregated account on December 31st of the preceding calendar year shall be refunded to the developers or owners (including the Owner, as applicable) and any deficiencies in the estimated Additional Costs paid to the City by any developer or owner (including the Owner, as applicable) shall be remitted to the City by the respective developer or owner (including the Owner, as applicable).

(b) Issuance of PID Bonds prior to Municipal Obligations.

(1) In the event the City issues PID Bonds prior to the issuance of Municipal Obligations, the City, with assistance from its financial advisor ("Financial Advisor"), shall estimate the Additional Costs based on the market conditions as they exist approximately 30 days prior to the date of the pricing of the PID Bonds (the "Estimated Costs"). The Estimated Costs are an estimate of the increased cost to the City to issue its Municipal Obligations as non-QTEO. Promptly following the determination of the Estimated Costs, the City shall provide a written invoice to Developer in an amount less than or equal to the Estimated Costs. Developer, in turn, shall remunerate to the City the amount shown on said invoice on or before the earlier of: (i) 15 business days after the date of said invoice, or (ii) 5 business days prior to pricing the PID Bonds. The City shall not be required to price or sell any series of PID Bonds until Developer has paid the invoice of Estimated Costs related to the PID Bonds then being issued.

(2) Upon the City's approval of the Municipal Obligations, the Financial Advisor shall calculate the Additional Costs to the City of issuing its Municipal Obligations as non-QTEO. The City will, within 5 business days of the issuance of the Municipal Obligations, provide written notice to Developer of the amount of the Additional Costs. In the event the Additional Costs are less than the Estimated Costs, the City will refund to Developer the difference between the Additional Costs and the Estimated Costs within 15 business days of the date of the City's notice to Developer required under this paragraph. If the Additional Costs are more than the Estimated Costs, Developer will pay to the City the difference between the Additional Costs and the Estimated Costs within 15 business days of the date of the City's notice required under this paragraph. If Developer does not pay the City the difference between the Additional Costs and the Estimated Costs within 15 business days of the date of the City's notice required under this paragraph, Developer shall not be paid any reimbursement amounts under any PID Reimbursement Agreement(s) related to the Project until such payment of Additional Costs is made in full.

(c) Issuance of Municipal Obligations prior to PID Bonds.

(1) In the event the City issues Municipal Obligations prior to the issuance of PID Bonds, the City, with assistance from the Financial Advisor, shall calculate the Estimated Costs based on the market conditions as they exist 20 days prior to the date of the pricing of the Municipal Obligations. Promptly following the determination of the Estimated Costs, the City shall provide a written invoice to Developer: (1) in an amount less than or equal to the

Estimated Costs, and (2) that includes the pricing date for such Municipal Obligations. Developer, in turn, shall remunerate to the City the amount shown on said invoice at least 15 days prior to the pricing date indicated on the invoice. If Developer fails to pay the Estimated Costs as required under this paragraph, the City, at its option, may elect to designate the Municipal Obligations as QTEO, and the City shall not be required to issue any PID Bonds in such calendar year.

(2) Upon the City's approval of the Municipal Obligations, the Financial Advisor shall calculate the Additional Costs to the City of issuing non-QTEO Municipal Obligations. The City will, within 5 business days of the issuance of the Municipal Obligations, provide written notice to Developer of the Additional Costs. In the event the Additional Costs are less than the Estimated Costs, the City will refund to Developer the difference between the Additional Costs and the Estimated Costs within 15 business days of the date of the City's notice to Developer. If the Additional Costs are more than the Estimated Costs, Developer will pay to the City the difference between the Additional Costs and the Estimated Costs within 15 business days of the date of the City's notice. If Developer does not pay to the City the difference between the Additional Costs and the Estimated Costs as required under this paragraph, then Developer shall not be paid any reimbursement amounts under any PID Reimbursement Agreement(s) related to the Project until such payment of Additional Costs is made in full.

(d) To the extent any developer(s) or property owner(s) (including Developer, as applicable) has (have) paid Additional Costs for any particular calendar year, any such Additional Costs paid subsequently by a developer or property owner (including Developer, as applicable) to the City applicable to the same calendar year shall be reimbursed by the City to the developer(s) or property owner(s) (including Developer, as applicable) as necessary so as to put all developers and property owners (including Developer, if applicable) so paying for the same calendar year in the proportion set forth in subsection (e), below, said reimbursement to be made by the City within 15 business days after its receipt of such subsequent payments of such Additional Costs.

(e) The Developer shall only be liable for its portion of the Additional Costs under this provision, and if any Additional Costs in excess of Developer's portion has already been paid to the City under this provision, then such excess of Additional Costs shall be reimbursed to Developer. The portion owed by Developer shall be determined by dividing the total proceeds from any debt issued on behalf of Developer in such calendar year by the total proceeds from any debt issued by the City for the benefit of all developers (including Developer) in such calendar year.

4.4 Tax Certificate. If, in connection with the issuance of the PID Bonds, the City is required to deliver a certificate as to tax exemption (a "Tax Certificate") to satisfy requirements of the Internal Revenue Service, Developer agrees to provide, or cause to be provided, such facts and estimates as the City reasonably considers necessary to enable it to execute and deliver its Tax Certificate. Developer represents that such facts and estimates will be based on its reasonable expectations on the date of issuance of the PID Bonds and will be, to the knowledge of the officers of Developer providing such facts and estimates, true, correct and complete as of such date. To the extent that it exercises control or direction over the use or investment of the PID Bond Proceeds, including, but not limited to, the use of the Authorized Improvements, Developer further agrees that it will not knowingly make, or permit to be made, any use or investment of such funds

that would cause any of the covenants or agreements of the City contained in a Tax Certificate to be violated or that would otherwise have an adverse effect on the tax-exempt status of the interest payable on the PID Bonds for federal income tax purposes.

SECTION 5
TIRZ & CHAPTER 380 GRANT

5.1 Tax Increment Reinvestment Zone.

(a) The City shall exercise its powers under the TIRZ Act and create a TIRZ for the Property and intends to dedicate sixty five percent (65%) of the City's maintenance and operations ad valorem tax increment (the "City TIRZ Increment") attributable to the Property in the TIRZ, based on the City's M&O tax rate each year for a period of thirty (30) years after the issuance of the final series of PID Bonds.

(b) The City shall make a request to the County to receive participation from the County in the amount of fifty percent (50%) of the County's ad valorem tax increment attributable to the Property in the TIRZ, based on the County's tax rate each year (the "County TIRZ Increment") for a period of thirty (30) years after the issuance of the final series of PID Bonds pursuant to an interlocal agreement between the City and the County. In no event shall the County's failure to participate in the TIRZ constitute an Event of Default under the terms of this Agreement.

(c) The City shall make a request to the Parker County Emergency Services District No. 1 (the "ESD") to receive participation from the ESD in the amount of fifty percent (50%) of the ESD's sales tax increment attributable to the Property in the TIRZ, based on the ESD's sales tax rate each year (the "ESD TIRZ Increment") for a period of thirty (30) years after the issuance of the final series of PID Bonds pursuant to an interlocal agreement between the City and the ESD. In no event shall the ESD's failure to participate in the TIRZ constitute an Event of Default under the terms of this Agreement.

(d) The preliminary financial analysis of the TIRZ is set forth in **Exhibit M** attached hereto, subject to final approval of the TIRZ Project and Finance Plan.

5.2 TIRZ Fund.

(a) In accordance with the TIRZ Project and Finance Plan, a portion of the City TIRZ Increment (not to exceed fifty percent (50%) of the City's maintenance and operations ad valorem tax increment) and the County TIRZ Increment, if any, obtained from the Property in each phase shall be placed into a subaccount of the TIRZ Fund and shall be distributed pari passu in accordance with the TIRZ Project and Finance Plan in the following order of priority: (i) first, to pay the Administrative Expenses of the TIRZ; and (ii) second to lower the Assessments of Assessed Property owners, on an annual basis not to exceed a tax rate equivalent below $0.85 per $100 of estimated buildout value but not less than $0.40 per $100 of estimated buildout value at the time of the Assessment levy (the "TIRZ Credit"), unless agreed to by the City in writing.

(b) In accordance with the TIRZ Project and Finance Plan, fifteen percent (15%) of the City's maintenance and operations ad valorem tax increment, the remaining portion

of the 50% City TIRZ Increment after application of the TIRZ Credit, and the ESD TIRZ Increment, if any, obtained from the Property in each phase shall be placed into a subaccount of the TIRZ Fund and shall be distributed in accordance with the TIRZ Project and Finance Plan to provide a Chapter 380 Grant to the Developer, as set forth in Section 5.4 below.

(c) The Parties intend for the remaining portion of the County TIRZ Increment, if any, after application of the TIRZ Credit obtained from the Property in each phase to be placed into a subaccount of the TIRZ Fund and to be distributed to the Developer as an economic development grant (the "Chapter 381 Grant") from the County pursuant to a separate agreement between the Developer and the County pursuant to Chapter 381, Texas Local Government Code, as amended.

(d) Amounts in each subaccount of the TIRZ Fund shall not be commingled, and the TIRZ shall have its own TIRZ Fund separate and apart from all other tax increment reinvestment zone funds. Any excess TIRZ revenues after payment in accordance with the priorities described herein will be returned to the City's general fund.

5.3 TIRZ Documents. As soon as is practicable and prior to the approval of a final plat for the first phase of the Project, the Parties shall use best efforts to agree to the final form of the TIRZ Documents, which shall comply with this Agreement to allow landowners within the PID and the TIRZ to receive the TIRZ Credit and entitle the Developer to receive the Chapter 380 Grant.

5.4 Chapter 380 Grant. The City shall consider a separate economic development grant agreement (the "Chapter 380 Agreement") pursuant to Chapter 380 to provide a grant to the Developer, on an annual basis, using fifteen percent (15%) of the City's maintenance and operations ad valorem tax increment, any remainder of the City TIRZ Increment after application of the TIRZ Credit described in Section 5.2(a) above, and the ESD TIRZ Increment, if any (the "Chapter 380 Grant"). The Parties agree that the Chapter 380 Grant will be used to reimburse the costs of the Public Infrastructure and provide funding for incentive agreements with targeted tenants and users for the Project as agreed to by the City and the Developer. The City TIRZ Increment paid to the Developer pursuant to the 380 Grant shall not exceed the sum of $1,000,000 annually or $25,000,000 cumulatively for a term not to exceed 40 years and may be earned by the Developer subject to the performance criteria provided in the Chapter 380 Agreement (the "Chapter 380 Incentive Maximum"). The ESD TIRZ Increment shall not be applied toward the calculation of the Chapter 380 Incentive Maximum; however after the Chapter 380 Incentive Maximum has been reached, (i) the City and ESD shall no longer be obligated to place the revenues in a segregated TIRZ account for Chapter 380 incentives and those funds shall be the property of the City and the ESD, in proportion to their respective ownership of same, to be used by each entity in their sole and absolute discretion; and (ii) the TIRZ Revenues shall only be used for payment of administrative costs and expenses of the TIRZ and the payment of the TIRZ Credit (the "Authorized TIRZ Revenue Expenses"). All other excess TIRZ Revenues over and above the payment of the Authorized TIRZ Revenue Expenses, the City shall no longer be obligated to place the TIRZ Revenues in a segregated TIRZ account and the revenues shall be the property of the City, to be used by the City in its sole and absolute discretion.

SECTION 6
AUTHORIZED IMPROVEMENTS

6.1 Authorized Improvements. The Authorized Improvements and Authorized Improvements Cost are subject to change as may be agreed upon by Developer and the City and, if changed, shall be updated by Developer and the City consistent with the Service and Assessment Plan and the PID Act. All approved final plats within the Project shall include those Authorized Improvements located therein and the respective Authorized Improvements Cost shall be finalized at the time the applicable final plat is approved by the City Council. Developer shall include any updated Budgeted Cost(s) with each final plat application that shall be submitted to the City Council for consideration and approval concurrently with the submission of each final plat. Upon approval by the City Council of any such updated Budgeted Cost(s), this Agreement shall be deemed amended to include such approved updated Budgeted Cost(s) in **Exhibit D**. The Budgeted Cost, Authorized Improvements Cost, and the timetable for installation of the Authorized Improvements will be reviewed at least annually by the Parties in an annual update of the Service and Assessment Plan adopted and approved by the City.

6.2 Construction, Ownership, and Transfer of Authorized Improvements.

(a) Contract Specifications. Developer's engineers shall prepare, or cause the preparation of, and provide the City with contract specifications and necessary related documents for the Authorized Improvements.

(b) Engineering Plans and Specifications. The Authorized Improvements shall be designed in accordance with the City Code, the City Regulations and all applicable laws by a licensed engineer, retained by Developer, at Developer's sole cost and expense. The design of all Authorized Improvements shall be approved by the City in advance of the construction of same.

(c) Construction Standards, Inspections and Fees. Except as otherwise expressly set forth in this Agreement, the Authorized Improvements and all other Public Infrastructure required for the development of the Property shall be constructed and inspected, and all applicable fees, including but not limited to water, wastewater and storm water drainage Impact Fees (subject to the terms hereof) , permit fees, and inspection fees, shall be paid by Developer, in accordance with this Agreement, the City Code, the City Regulations, and any other governing body or entity with jurisdiction over the Authorized Improvements, except that in the event of a conflict, this Agreement shall rule.

(d) Contract Letting. The Parties understand that construction of the Authorized Improvements to be funded through PID Assessments are legally exempt from competitive bidding requirements pursuant to Section 252.022(a)(9) of the Texas Local Government Code. As of the Effective Date, the construction contracts for the construction of Authorized Improvements have not been awarded and contract prices have not yet been determined. Before entering into any construction contract for the construction of all or any part of the Authorized Improvements, Developer's engineers shall prepare, or cause the preparation of, all contract specifications and necessary related documents, including the contract proposal showing the negotiated total contract price and scope of work, for the construction of any portion of the Authorized Improvements that have not been awarded.

(e) Ownership. Unless otherwise specifically set forth herein, all of the Authorized Improvements and Public Infrastructure shall be owned by the City upon acceptance of them by the City, but only if the Authorized Improvements and Public Infrastructure are designed and constructed in accordance with the City Code, the City Regulations and all applicable laws and this Agreement, including, the provision of all applicable bonds as provided in Section 9.9 of this Agreement. Developer agrees to take any action reasonably required by the City to transfer, convey, or otherwise dedicate or ensure the dedication of land, right-of-way, or easements for the Authorized Improvements and Public Infrastructure to the City for public use. PID Bond Proceeds and/or the annual installments of PID Assessments pledged under a PID Reimbursement Agreement will be used in part to reimburse Developer for Authorized Improvements Cost related to the Authorized Improvements and, in the event PID Bond Proceeds and/or annual installments of PID Assessments are not available at the time that all or a portion of the Authorized Improvements are substantially complete and the City is ready to accept said Authorized Improvements or portion thereof, and the Developer and the City will prepare and the City will consider an agreement related to the payment of such Authorized Improvements Cost if and when Assessments are levied in the future against the applicable phase, or as otherwise agreed to by the Parties.

6.3 Operation and Maintenance.

(a) Upon inspection, approval, and acceptance of the water and sewer Authorized Improvements or any portion thereof, the City shall maintain and operate the water and sewer Authorized Improvements and provide retail water and sewer service to the Property under the same terms as other similarly located property in the corporate limits of the City. The City rates will apply after the Property is annexed in accordance with this Agreement.

(b) Upon final inspection, approval, and acceptance of the roadway and storm drainage Authorized Improvements required under this Agreement or any portion thereof, the City shall maintain and operate the public roadways and related drainage improvements.

(c) The POA shall maintain and operate any open spaces, trails, amenity center, common areas, landscaping, screening walls, development signage, and any other common improvements or appurtenances within the Property that are not maintained or operated by the City, including without limitation such facilities financed by the PID (the "POA Maintained Improvements"). The City agrees to enter into a maintenance agreement with the POA for the maintenance of the POA Maintained Improvements that are dedicated to the City and reimbursable through the PID. The City will not be required to use City funds to maintain the POA Maintained Improvements.

6.4 Water Facilities.

(a) Developer's General Obligations. Except as otherwise provided herein, the Developer is responsible for design, installation, and construction of all on-site water improvements necessary to serve the Property as shown on **Exhibit J** attached hereto ("Water Improvements"). Developer shall be responsible for the dedication of any easements lying within the Property necessary for Water Improvements (the size and extent of each such easement or other property interest to be reasonably approved by the City). The costs of dedicating such easements

may be included in the applicable Authorized Improvement Costs to be reimbursed to the Developer through the PID.

(b) Timing of Developer's Obligations. The Developer shall complete in a good and workmanlike manner all Water Improvements necessary to serve each phase of the Project prior to the recordation of the final plat covering such phase. The Parties acknowledge that the Property may be developed in phases, and the preliminary plats to be submitted to the City for approval may likewise be phased. If deemed necessary, Developer may submit a replat or amending plat for all or any portions of the Property in accordance with applicable law.

(c) City's General Obligations. The City is responsible for the design, installation, and construction of all offsite water improvements necessary to extend the City's retail water service to the Property, including an offsite 12" water main that will be extended to the northwest corner of the Property as shown on **Exhibit L** and an 8" secondary water main along Bankhead Highway for looping the water system, and including obtaining all third-party rights-of-way, consents, and easements related thereto (the "City Water Improvements"). The City agrees to coordinate and cooperate with TxDOT on all permits necessary to construct the City Water Improvements and delivery water service to the Property in accordance with this Agreement.

(d) Timing of City's Obligations.

(1) The City agrees to award the engineering contracts for the City Water Improvements and to award all bids for construction of the City Water Improvements within nine (9) months of the Effective Date of this Agreement.

(2) The City agrees to complete design and construction of the City Water Improvements within twenty four (24) months of the Effective Date of this Agreement. If the City does not complete the City Water Improvements prior to the deadline specified herein and is not diligently pursuing completion of the City Water Improvements, the Developer shall have the right, but not the obligation, to complete the City Water Improvements, and the City agrees to cooperate with the Developer to dedicate all easements and rights of way needed for the Developer to complete such City Water Improvements. The City agrees to reimburse the Developer for any of the Developer's costs of the City Water Improvements from sources other than the PID or the TIRZ, such reimbursement to occur not later than thirty (30) days after the Developer's completion of the applicable City Water Improvements.

(e) Adequate Capacity. Subject to the City's Drought Contingency Plan, which may be amended from time to time, the City agrees to provide capacity in the existing water system necessary to provide adequate and continuous water service to the Property in accordance with Title 16, Part 2, Chapter 24, Subchapter H, Rule 24.247 of the Texas Administrative Code in the amount of 780,000 average gallons per day, in accordance with the Water Capacity Analysis attached hereto as **Exhibit I**.

(f) CCN. The Developer agrees to cooperate with the City in the City's CCN application to serve retail water service to the Property. The City agrees to provide the Developer: (i) a copy of its CCN application to the Public Utility Commission of Texas, and (ii) monthly status reports throughout the CCN application and approval process, including notice of any application

deficiencies. In the event this Agreement is terminated pursuant to Sections 8.2 or 8.3, or any portion of the Property is disannexed from the City pursuant to Sections 8.2 or 8.3 hereof, the City agrees to cooperate with the Developer to promptly release the CCN or transfer the CCN to another utility provider, at the request of the Developer. This Section 6.4(f) shall survive termination of the Agreement.

6.5 Wastewater Facilities.

(a) Developer's General Obligations. Except as otherwise provided herein, the Developer is responsible for the design, installation, and construction of the on-site wastewater improvements necessary to serve the Property (the "Wastewater Improvements"). Developer shall be responsible for the dedication of any easements lying within the Property necessary for Wastewater Improvements (the size and extent of each such easement or other property interest to be reasonably approved by the City) for all development. The costs of obtaining such easements may be included in the applicable Authorized Improvement Costs to be reimbursed to the Developer through the PID.

(b) Timing of Developer's Obligations. The Developer shall complete in a good and workmanlike manner all Wastewater Improvements necessary to serve each phase of the Project prior to the recordation of the final plat covering such phase. The Parties acknowledge that the Property may be developed in phases, and the preliminary plats to be submitted to the City for approval may likewise be phased. If deemed necessary, Developer may submit a replat or amending plat for all or any portions of the Property in accordance with applicable law.

(c) City's General Obligations. The City is responsible for the design, installation, and construction of all offsite wastewater improvements necessary to extend the City's retail wastewater service to the Property, including obtaining all third-party rights-of-way, consents, and easements related thereto, to the southwest corner of the Property as shown on **Exhibit L** attached hereto (the "City Wastewater Improvements"). The City agrees to coordinate and cooperate with TxDOT on all permits necessary to construct the City Wastewater Improvements and deliver wastewater service to the Property in accordance with this Agreement.

(d) Timing of City's Obligations.

(1) The City agrees to award the engineering contracts for the City Wastewater Improvements on or before the ninetieth (90th) day after the Effective Date of this Agreement and to award all bids for construction of the City Wastewater Improvements within nine (9) months of the Effective Date of this Agreement.

(2) The City agrees to complete design and construction of the City Wastewater Improvements within twenty four (24) months of the Effective Date of this Agreement. If the City does not complete the City Wastewater Improvements prior to the deadline specified herein and the City is not diligently pursuing completion of the City Wastewater Improvements, the Developer shall have the right, but not the obligation, to complete the City Wastewater Improvements, and the City agrees to cooperate with the Developer to dedicate all easements and rights of way needed for the Developer to complete such City Wastewater Improvements. The City agrees to reimburse the Developer for any of the Developer's costs of the

City Wastewater Improvements from sources other than the PID or the TIRZ, such reimbursement to occur not later than thirty (30) days after the Developer's completion of the applicable City Wastewater Improvements.

(3) The City may elect to install, at its sole cost, a temporary sewer package plant to serve the Property within twenty four (24) months of the Effective Date of this Agreement in the event the City Wastewater Improvements are not completed as set forth in 6.5(d)(2) above.

(e) Sufficient Capacity. The City agrees to provide sufficient capacity in the existing wastewater system pursuant to Title 16, Part 2, Chapter 24, Subchapter G, Rule 24.207, including wastewater treatment, necessary to provide adequate and continuous wastewater service to the Property in the amount of 410,000 average gallons per day in accordance with the Wastewater Capacity Analysis attached hereto as **Exhibit K**.

(f) Discharge Permit. If necessary, the City agrees to support any application made to the TCEQ for a discharge permit for the Property.

6.6 Water and Wastewater Services.

(a) Maintenance and Operation. Upon acceptance by the City of all or any the water and wastewater facilities described herein, the City shall operate or cause to be operated said water and wastewater facilities serving the Project and use them to provide service to all customers within the Project at the same rates as similar projects located within the City as otherwise required by State law, subject to the maintenance bond provided by Developer in place for two (2) years after the City's final acceptance of the Authorized Improvement. Upon acceptance by the City, the City shall at all times maintain said water and wastewater facilities, or cause the same to be maintained, in good condition and working order in compliance with all applicable laws and ordinances and all applicable regulations, rules, policies, standards, and orders of any governmental entity with jurisdiction over same, subject to the maintenance bond which shall pay for and maintain the Authorized Improvements for the two year period stated herein.

6.7 Roadway Facilities and Drainage Improvements.

(a) Developer's General Obligations. Developer is responsible for the design, installation, and construction of all roadway facilities required to serve the Property. The design of all roadway improvements shall be approved by the City in advance of the construction of same. Notwithstanding anything to the contrary, the Parties acknowledge that Bankhead Parkway is anticipated to be funded and constructed by the County, and the Developer shall not be responsible for the design, installation, or construction of Bankhead Parkway. If the Developer elects to design and construct Bankhead Parkway, or any portion thereof, such roadway shall be considered Public Infrastructure, and to the extent such costs are not reimbursed by the County, the City agrees to reimburse the Developer for such costs through the PID or any other source of funds available to the City.

(b) Timing of General Obligations. Prior to the recordation of any final plat for any phase of the Project, Developer shall complete, in a good and workmanlike manner, construction of all roadway facilities and related improvements necessary to serve such phase in

accordance with construction plans approved by the City. Thereafter, the roads shall be conveyed to the City for ownership and maintenance, subject to the maintenance bond provided by Developer in place for two (2) years after the City's final acceptance of the Authorized Improvement. The Parties acknowledge that the Property may be developed in phases, and the preliminary plats to be submitted to the City for approval may likewise be phased. If deemed necessary, Developer may submit a replat or amending plat for all or any portions of the Property in accordance with applicable law.

(c) TxDOT. The Developer agrees to comply with state requirements for the design and construction of turn lanes and deceleration lanes for the Property, as applicable, including but not limited to, the design or construction of any TxDOT roadway improvements, access roads or the expansion of existing TxDOT roadways, traffic signals and/or traffic impact analysis.

6.8 Drainage/Detention Infrastructure. Developer shall have full responsibility for designing, installing, and constructing the drainage/detention infrastructure that will serve the Property and the cost thereof. Prior to the recordation of the final plat for any phase of development, Developer shall complete in a good and workmanlike manner construction of the drainage/detention improvements necessary to serve such phase. Upon inspection, approval and acceptance, City shall maintain and operate the drainage improvements for the Property, subject to the maintenance bond provided by Developer in place for two (2) years after the City's final acceptance of the Authorized Improvement.

SECTION 7
PAYMENT AND REIMBURSEMENT OF AUTHORIZED IMPROVEMENTS

7.1 Authorized Improvements.

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

(b) Timing of Expenditures and Reimbursements. The Parties agree that, where possible, payment for Authorized Improvements shall be made directly from the IAPF rather than to Developer on a reimbursement basis; however, Developer may also be paid for costs of acquiring the Authorized Improvements subsequent to their construction. Although the terms by which Authorized Improvements may be financed through the IAPF or by which Developer will be entitled to reimbursement from the IAPF and release of funds from Developer Improvement Account shall be detailed in one or more PID Reimbursement Agreement(s) and the Indenture, Developer will be entitled to the maximum available funds within the Indenture Accounts up to the Authorized Improvements Cost, plus interest (interest can be paid out as long as there are

sufficient Authorized Improvements Costs), following the City's acceptance of the Authorized Improvements.

(c) Cost Overrun. Should the total of the Authorized Improvements Cost exceed the maximum PID Bond Proceeds deposited in the IAPF ("Cost Overrun"), Developer shall be solely responsible to fund such part of the Cost Overrun, subject to the cost-underrun in subsection (d) below. An individual line item exceeding its estimated cost shall not be construed as a Cost Overrun; rather, the Authorized Improvements Cost for each phase shall be viewed in its entirety.

(d) Cost Underrun. Upon the final acceptance by City of an Authorized Improvement and payment of all outstanding invoices for such Authorized Improvement, and only if the Authorized Improvement Cost is less than the Budgeted Cost (a "Cost Underrun"), any remaining funds in the Improvement Account of the Project Fund will be available to pay Cost Overruns on any other Authorized Improvement payable from the same Assessment, and as authorized by the PID Act, with the approval of the City. An individual line item exceeding its estimated cost shall not be construed as a Cost Underrun; rather, the Authorized Improvements Cost for each phase shall be viewed in its entirety. The City shall promptly confirm to the Trustee that such remaining amounts are available to pay such Cost Overruns, and the City, with input from Developer, will decide how to use such moneys to secure the payment and performance of the work for other Authorized Improvements, payable from the same Assessment if authorized by the PID Act, with the approval of the City, if available. If a Cost Underrun exists after payment of all costs for all Authorized Improvements contemplated in the applicable Indenture, such unused funds will be used to pay Assessments on the Property.

(e) Infrastructure Oversizing. Developer shall not be required to construct or fund any Public Infrastructure so that it is oversized to provide a benefit to land outside the Property ("Oversized Public Infrastructure") unless, by the commencement of construction, the City has made arrangements with and acceptable to the Developer to finance the City's portion of the costs of construction attributable to the oversizing requested by the City from sources other than PID Bond Proceeds, Assessments, or the TIRZ Fund. In the event Developer constructs or causes the construction of any Oversized Public Infrastructure on behalf of the City, the City shall be solely responsible for all costs attributable to oversized portions of the Oversized Public Infrastructure and neither the PID Assessment revenues nor the TIRZ revenues shall be utilized for financing the costs of Oversized Public Infrastructure.

(f) Reimbursement of Authorized Improvements Cost. The Parties shall, prior to or substantially contemporaneously with the initial levy of assessments on a phase(s) of the Project, enter into a PID Reimbursement Agreement (or similar agreement) to provide for reimbursement to Developer for Authorized Improvements Cost for such phase(s) from the collected annual installments of Assessments levied against such phase, to the extent that the PID Bond Proceeds will not be used to directly finance the Authorized Improvements Cost.

(g) Payment Process for Authorized Improvements. The Developer shall submit a Certification for Payment Form to the City (no more frequently than monthly) for Authorized Improvement Costs including a completed segment, section or portion of an Authorized Improvement, as approved by the City. The form of Certification for Payment is set

forth in **Exhibit H**, as may be modified by the Indenture, a construction funding agreement or a PID Reimbursement Agreement, if applicable. The City shall review the sufficiency of each Certification for Payment Form (each, a "Payment Certificate") with respect to compliance with this Agreement, compliance with City Code and City Regulations, and compliance with the SAP. The City shall review each Payment Certificate within fifteen (15) business days of receipt thereof and upon approval, certify the Payment Certificate pursuant to the provisions of the Indenture or PID Reimbursement Agreement, if applicable, and payment shall be made to the Developer or its designee pursuant to the terms of the Indenture or PID Reimbursement Agreement, if applicable, provided that funds are available under the Indenture or PID Reimbursement Agreement. If a Payment Certificate is approved only in part, the City shall specify the extent to which the Payment Certificate is approved and payment for such partially approved Payment Certificate shall be made to the Developer pursuant to the terms of the Indenture or PID Reimbursement Agreement, as applicable, provided that funds are available under the Indenture or PID Reimbursement Agreement. If the City requires additional documentation, timely disapproves, or questions the correctness or authenticity of the Payment Certificate, the City shall deliver a detailed notice to the Developer within ten (10) business days of receipt thereof, then payment with respect to disputed portion(s) of the Payment Certificate shall not be made until the Developer and the City have jointly settled such dispute or additional information has been provided to the City's reasonable satisfaction

7.2 Charges and Fees.

(a) Development, Review, Permit, and Inspection Fees. For the first five (5) years following the Effective Date of this Agreement, development of any portion of the Property shall be subject only to payment to the City of the applicable fees according to the City's Development Services Fee Schedule in effect on the Effective Date, which Development Services Fee Schedule is attached hereto as **Exhibit G**, including without limitation fees relating to platting, zoning requests, permitting, and any other charges and fees not expressly exempted or altered by the terms of this Agreement. Beginning in the sixth (6^{th}) year after the Effective Date of this Agreement, development of any portion of the Property shall be subject to payment to the City of the applicable fees according to the then-current City Development Services Fee Schedule, City Code or City Regulations.

(b) Impact Fees.

(1) General Obligations. The Parties agree that all Impact Fees charged or assessed against the Property shall be at the rates set forth in this Agreement and shall be due and by homebuilders or other builders of vertical improvements permitted hereunder in accordance with the requirements of Chapter 395 of the Local Government Code, City Code and City Regulations. The City acknowledges that it cannot assess roadway Impact Fees on properties within its ETJ, including the Property, and that regardless of annexation status of all or any portion of the Property pursuant to this Agreement, the City shall not assess roadway impact fees against the Property.

(2) Water Impact Fees. As consideration for the Developer's construction of the Water Improvements, the City agrees to freeze the rates charged for water Impact Fees collected from the Property as set forth in **Exhibit G** attached hereto for a period of

five (5) years following the City's completion of the City Water Improvements. The City may increase amounts charged for water Impact Fees once during each successive three-year period thereafter. The Developer recognizes and agrees that certain portions of the water Impact Fees represent a pass-through cost from the City of Fort Worth and such portions may not be frozen.

(3) Wastewater Impact Fees. As consideration for the Developer's construction of the Wastewater Improvements, the City agrees to freeze the rates charged for wastewater Impact Fees collected from the Property as set forth in **Exhibit G** attached hereto for a period of five (5) years following the City's completion of the City Wastewater Improvements. The City may increase amounts charged for wastewater Impact Fees once during each successive three-year period thereafter. The Developer recognizes and agrees that certain portions of the wastewater Impact Fees represent a pass-through cost from the City of Fort Worth and such portions may not be frozen.

(4) Storm Water Drainage Impact Fees. As consideration for the Developer's construction of the Storm Water Drainage Improvements, the City agrees to freeze storm water drainage Impact Fees collected from the Property as set forth in **Exhibit G** attached hereto for a period of five (5) years following the Effective Date of this Agreement. The City may increase amounts charged for storm water Impact Fees once during each successive three-year period thereafter.

(c) Parkland Dedication and Development Fee Credit. The Developer agrees to comply with the City's Public Space Dedication Ordinance contained in Section 10.02.181 et. seq. of the City's Code of Ordinance (the "Park Dedication Ordinance") which requires the Developer to dedicate parkland to the City equal to one (1) acre for each one hundred (100) proposed dwelling units in accordance with the City Regulations as of the Effective Date (the "Park Dedication Land") and/or pay cash to the City in lieu of dedication of land. The Parties acknowledge that the depiction of the Park Dedication Land on **Exhibit C** attached hereto is conceptual in nature and is subject to final design, engineering and approval by the City. The sizes and locations of the Park Dedication Land and/or the payment of cash to the City in lieu of the dedication of land will be determined by the City pursuant to the City's platting or zoning processes and shall not require an amendment to **Exhibit C** attached to this Agreement. In exchange for compliance with the City's Park Dedication Ordinance, including the dedication of the Park Dedication Landand/or payment of cash in lieu of land, , Developer shall be deemed to have satisfied all applicable parkland dedication requirements or fees required in lieu thereof, as well as any park development fees or park impact fees that may now or hereinafter be enacted by the City, including any related community development fee or similar fee, by whatever name, enacted by the City now or in the future.

7.3 Payee Information. With respect to any and every type of payment/remittance due to be paid at any time by the City to Developer after the Effective Date under this Agreement, the name and delivery address of the payee for such payment shall be:

Beall–Dean Ranch, Ltd.
Attn: Robert S. Beall
5712 Colleyville Boulevard, Suite 200
Colleyville, Texas 76034

Developer may change the name of the payee and/or address set forth above by delivering written notice to the City designating a new payee and/or address or through an assignment of Developer's rights hereunder.

SECTION 8
ANNEXATION AND ZONING MATTERS; CONCEPTUAL PLAN

8.1 Annexation into City. A condition precedent to the City's obligations under this Agreement is Developer shall upon the City's issuance of the City Obligations to fund the City Water Improvements and the City Wastewater Improvements: (i) submit a signed petition for annexation to the City pursuant to Section 43.0671 of the Texas Local Government Code requesting that the City annex the Property (which will not be effective until the Contiguous Annexation, as defined below, is complete; (ii) agree on an annexation services agreement with the City pursuant to Section 43.0672(a) of the Local Government Code for the Property, in accordance with **Exhibit E** attached hereto and incorporated herein (which will not be effective until the Contiguous Annexation, as defined below, is complete; and (iii) complete annexation of the Property no later than ninety (90) days after the Developer files the annexation petition. Developer acknowledges and agrees that annexation of the Property into the City limits of the City, is a condition precedent to the validity of this Agreement. In the event that the Property is not annexed within the time required above, the City shall have the right to terminate the Agreement, and upon termination of the Agreement, neither the City nor the Developer shall have any liability to one another because of such termination. Developer further acknowledges and agrees that (i) the Property is not currently contiguous with the city limits of the City and annexation of the Property is contingent on the City annexing property contiguous with the Property and the City limits (the "Contiguous Annexation); and (ii) the City cannot guarantee or warrant that the City will be able to complete the Contiguous Annexation since it is contingent on the owners of that property voluntarily requesting annexation, but the City will use reasonable efforts to complete the Contiguous Annexation. The Developer acknowledges receipt of the following written disclosure as required by Local Government Code Section 212.172(b-1) and (b-2): **Developer understands that it is not required to enter into this Agreement. The City is annexing the Property described herein (the "Annexed Property") on a request by Developer and/or the owners of the Property, as the owner of the Annexed Property, to annex the Annexed Property pursuant to Section 43.0671 of the Local Government Code. The annexation procedures applicable to the annexation are as follows: (a) Developer shall submit a petition to annex the Annexed Property to the City Council; (b) the City Council will negotiate and execute an annexation services agreement applicable to the Annexed Property; (c) the City Council will call for a public hearing to consider annexation of the Annexed Property, publish notice of the public hearing not more than twenty (20), but not less than ten (10) days before the public hearing in a newspaper of general circulation in the area and public notice on the City's website; (d) the City will send written notice of annexation to the school district in the Annexed Property area, along with other public entities and private entities providing services in the Annexed Property area; and (e) the City will conduct a public hearing on the annexation and adopt an ordinance annexing the Annexed Property. The annexation of the Annexed Property, and the procedures applicable to the annexation, require the Developer's consent. The City, by entering into the Annexation Services Agreement, has waived its immunity to suit, pursuant to Section 212.172 of the Local Government Code.**

8.2 Zoning. Within sixty (60) days following the adoption of an ordinance approving the annexation of the Property, the City Council shall consider the establishment of planned development district on the Property consistent with the Development Standards, the Conceptual Plan, and applicable provisions of this Agreement (the "PD Zoning"). Developer hereby expressly consents and agrees to the PD Zoning of the Property and Developer shall not be required to submit a formal zoning application, but shall pay any applicable fees to the City to proceed with zoning the Property as contemplated by this Agreement. Any such zoning of the Property shall otherwise be in accordance with all procedures set forth in the applicable City Code and/or City Regulations. Should the City fail to approve the PD Zoning or approve zoning on the Property that is any way more restrictive than the PD Zoning without Developer's prior consent, Developer shall have the right to terminate this Agreement with Notice to the City. Upon termination, the City and the Developer will have no further liability to each other except as follows: Within thirty (30) days following delivery of such termination Notice, the City shall: (i) disannex the Property from the City , and (ii) be deemed to have consented to the formation of a municipal utility district, municipal management district, or similar utility or improvement district created by special act of the Texas Legislature, TCEQ, or the Parker County Commissioners Court. The City agrees, at no cost to the City, to consider such further resolutions or ordinances and execute such further documents as may reasonably be requested by Developer, the TCEQ, the Texas Attorney General, or the applicable district to evidence the City's consents as set forth in this Agreement and in any consent resolution consenting to a district.

8.3 Municipal Services. Pursuant to Section 43.0672, Chapter 43, the City shall provide services to the Property in accordance with the annexation services agreement entered into by and between the parties and this Agreement (collectively the "Annexation Services Agreement"). Immediately upon the annexation of the Property, the Property and its residents shall be entitled to receive Municipal Services in accordance with the Annexation Services Agreement. In addition to any other remedy provided in this Agreement, any End User of a Fully Developed and Improved Lot within the Property, as well as the POA, shall have the right to enforce the Annexation Services Agreement through specific performance.

8.4 Gas Well Setbacks.

(a) The drilling and production of oil and gas within the Property shall be permitted if the well is located more than 50 feet from any street, alley, or public thoroughfare, and more than 200 feet from the closest residence, commercial building, religious or public building, school or public park, such distances to be measured from the center of the well head, as set forth in the Development Standards attached hereto.

(b) The following uses may be developed within any gas well setbacks applicable to the Property: public open spaces, parks, parking, roadways, and other land uses permitted in accordance with the Development Standards and this Agreement; provided however, that in no event shall any habitable structure be located within any gas well setback. No additional setbacks shall be required to existing or future gas collection lines within the Property.

8.5 Conceptual Plan. As consideration for the City's obligations under this Agreement and in consideration for the issuance of the PID Bonds, the Developer agrees that the development and use of the Property including, without limitation, the construction, installation, maintenance,

repair and replacement of all buildings and all other improvements and facilities of any kind whatsoever on and within the Property, shall be in compliance with the Development Standards and in general conformance with the Conceptual Plan as determined by the City. Any amendment to the Conceptual Plan or Development Standards attached hereto that is approved by the City pursuant to the City's platting or zoning processes shall be considered an amendment to this Agreement. Notwithstanding anything to the contrary, the City Manager may administratively approve minor amendments to the Conceptual Plan limited solely to: (a) adjustments to the street network and layout, including the addition or removal of a roadway as supported by a traffic impact analysis; (b) changes as a result of a finding or determination by a governmental authority; and (c) adjustments to the boundaries and area of any undeveloped areas on the Conceptual Plan by up to a cumulative amount of twenty-five percent (25%) for each land use area. If the City Manager deems an amendment not to be minor in nature in his reasonable discretion, the proposed amendments to the Conceptual Plan shall be processed in accordance with the City Code and/or City Regulations.

SECTION 9
ADDITIONAL OBLIGATIONS AND AGREEMENTS

9.1 Administration of Construction of Public Infrastructure. Subject to the terms of this Agreement, Developer shall be solely responsible for the construction of all Public Infrastructure. The on-site and off-site Public Infrastructure and all other related improvements will be considered a City project and the City will own all such Public Infrastructure upon completion and acceptance.

9.2 [Intentionally Omitted.]

9.3 Mandatory Property Owners' Association. Developer will, in a manner acceptable to the City, create the POA, which shall be mandatory and shall levy and collect from property owners annual fees in an amount calculated to maintain the right-of-way irrigation systems, raised medians and other right-of-way landscaping, and screening walls within the Project. Common areas, including, but not limited to, all landscaped entrances to the Project and right-of-way landscaping and signage, shall be maintained solely by the POA. Maintenance of public rights-of-way, landscaping, and signage by the POA shall comply with City Code and/or City Regulations and shall be subject to oversight by the City.

9.4 Conflicts. In the event of any direct conflict between this Agreement and any other ordinance, rule, regulation, standard, policy, order, guideline, or other City adopted or City enforced requirement, whether existing on the Effective Date or thereafter adopted, this Agreement, including its exhibits, as applicable, shall control. In the event of a conflict between the Conceptual Plan and the Development Standards, the Development Standards shall control to the extent of the conflict.

9.5 Compliance with City Regulations and City Code. Development and use of the Property, including, without limitation, the construction, installation, maintenance, repair, and replacement of all buildings and all other improvements and facilities of any kind whatsoever on and within the Property, shall be in compliance with City Regulations and City Code unless expressly stated to the contrary in this Agreement. City Regulations and City Code shall apply to

the development and use of the Property unless expressly set forth to the contrary in this Agreement. It is expressly understood and the Parties agree that City Regulations and City Code applicable to the Property and its use and development include but are not limited to City Code provisions, ordinances, design standards, international codes, zoning regulations not affected by this Agreement, and other policies duly adopted by the City. In addition, any City tree mitigation and preservation requirements or fees applicable to the Project or the Property shall be waived for a period of five (5) years following the Effective Date of this Agreement.

9.6 Phasing. The Property may be developed in phases and Developer may submit a replat or amending plat for all or any portions of the Property in accordance with applicable law. Any replat or amending plat shall be in conformance with applicable City Regulations and/or City Code and subject to City approval.

9.7 Public Infrastructure, Generally. Except as otherwise expressly provided for in this Agreement, Developer shall provide all Public Infrastructure necessary to serve the Project, including streets, utilities, drainage, sidewalks, trails, street lighting, street signage, traffic control devices or signs, and all other required improvements, at no cost to the City except as expressly provided in this Agreement or the PID Reimbursement Agreement, and as approved by the City's engineer or his or her agent. Developer shall cause the installation of the Public Infrastructure within all applicable time frames in accordance with the City Regulations and/or City Code unless otherwise established in this Agreement. Developer shall provide engineering studies, plan/profile sheets, and other construction documents at the time of platting as required by City Regulations and/or City Code and as required by this Agreement. Such plans shall be approved by the City's engineer or his or her agent prior to approval of a final plat. Construction of any portion of the Public Infrastructure shall not be initiated until a pre-construction conference with a City representative has been held regarding the proposed construction and the City has issued a written notice to proceed. No final plat may be recorded in the Real Property Records until construction of all Public Infrastructure shown thereon shall have been constructed, and thereafter inspected, approved, and accepted by the City. Notwithstanding anything the contrary, a final plat may be submitted to the City for review and approval prior to completion of construction of any Public Infrastructure if the Developer provides the City with applicable payment bonds and performance bonds acceptable to the City.

9.8 Bonds. For each construction contract for any part of the Public Infrastructure, Developer, or Developer's contractor, must execute a performance bond, payment bond and maintenance bond in accordance with applicable City Regulations and/or City Code, which shall name the City and the Developer as a beneficiary: (a) Performance Bond: The Developer should provide to the City a performance bond in an amount equal to 100 percent of the total contract price (between the Developer and Prime Contractor) guaranteeing the full and faithful execution of the work and for the protection of the City against any improper execution of the work or the use of inferior materials; (b) Payment Bond: A good and sufficient payment bond in the 100 percent of the total contract price (between the Developer and Prime Contractor guaranteeing the payment of all labor, material, and equipment used in the construction of the Authorized Improvements. (c) Maintenance Bond: The Developer should provide the City a maintenance bond that guarantees the costs of any repairs that may become necessary to any part of the construction work performed in connection with the Authorized Improvements and/or Public Infrastructure, arising from defective workmanship or materials used therein, for a full period of two (2) years

from the date of final acceptance by the City of the Public Infrastructure constructed under such contract.

9.9 Inspections, Acceptance of Public Infrastructure, and Developer's Remedy.

(a) Inspections, Generally. The City shall have the right to inspect, at any time, the construction of all Public Infrastructure necessary to support the Project, including without limitation water, wastewater/sanitary sewer, drainage, roads, streets, alleys, public park facilities, electrical, and street lights and signs. The City's inspections and/or approvals shall not release Developer from its responsibility to construct, or cause the construction of, adequate Authorized Improvements and Public Infrastructure in accordance with approved engineering plans, construction plans, and other approved plans related to development of the Property. Notwithstanding any provision of this Agreement, it shall not be a breach or violation of the Agreement if the City withholds building permits, certificates of occupancy or City utility services as to any portion of the Project until Developer has met its obligations to provide for required Public Infrastructure necessary to serve such portion according to the approved engineering plans and City Regulations and until such Public Infrastructure is operational and has been dedicated to and accepted by the City. Acceptance by the City shall not be unreasonably withheld, conditioned, or delayed.

(b) Acceptance; Ownership. From and after the inspection and acceptance by the City of the Public Infrastructure and any other dedications required under this Agreement, such improvements and dedications shall be owned by the City. Acceptance of Public Infrastructure by the City shall be evidenced in a writing issued by the City Manager or his designee.

(c) Approval of Plats/Plans. Approval by the City, the City's engineer, or other City employee or representative, of any plans, designs, or specifications submitted by Developer pursuant to this Agreement or pursuant to applicable City Regulations shall not constitute or be deemed to be a release of the responsibility and liability of Developer, his engineer, employees, officers, or agents for the accuracy and competency of their design and specifications. Further, any such approvals shall not be deemed to be an assumption of such responsibility and liability by the City for any defect in the design and specifications prepared by Developer or Developer's engineer, or engineer's officers, agents, servants or employees, it being the intent of the parties that approval by the City's engineer signifies the City's approval on only the general design concept of the improvements to be constructed. In accordance with Chapter 245, all development related permits issued for the Project, including the Preliminary Plat, shall remain valid for a period of at least two years and shall not thereafter expire so long as progress has been made toward completion of the Project. Upon recordation of the final plat for Phase 1 of the Project, the Preliminary Plat shall remain valid for the duration of this Agreement as long as progress toward completion of the Project is being made.

9.10 Insurance. Developer or its contractor(s) shall acquire and maintain, during the period of time when any of the Public Infrastructure is under construction (and until the full and final completion of the Public Infrastructure and acceptance thereof by the City): (a) workers compensation insurance in the amount required by law; and (b) commercial general liability insurance including personal injury liability, premises operations liability, and contractual liability, covering, but not limited to, the liability assumed under any indemnification provisions of this

Agreement, with limits of liability for bodily injury, death and property damage of not less than $1,000,000.00. Such insurance shall also cover any and all claims which might arise out of the Public Infrastructure construction contracts, whether by Developer, a contractor, subcontractor, material man, or otherwise. Coverage must be on a "per occurrence" basis. All such insurance shall: (i) be issued by a carrier which is rated "A-1" or better by A.M. Best's Key Rating Guide and licensed to do business in the State of Texas; and (ii) name the City as an additional insured and contain a waiver of subrogation endorsement in favor of the City. Upon the execution of Public Infrastructure construction contracts, Developer shall provide to the City certificates of insurance evidencing such insurance coverage together with the declaration of such policies, along with the endorsement naming the City as an additional insured. Each such policy shall provide that, at least 30 days prior to the cancellation, non-renewal or modification of the same, the City shall receive written notice of such cancellation, non-renewal or modification. All policies shall be endorsed to waive the right of subrogation against the City.

9.11 INDEMNIFICATION and HOLD HARMLESS. DEVELOPER, INCLUDING ITS RESPECTIVE SUCCESSORS AND ASSIGNS, HEREBY COVENANT AND AGREE TO RELEASE, DEFEND, HOLD HARMLESS, AND INDEMNIFY THE CITY AND ITS OFFICIALS, OFFICERS, AGENTS, REPRESENTATIVES, SERVANTS AND EMPLOYEES (COLLECTIVELY, THE "RELEASED PARTIES"), FROM AND AGAINST ALL THIRD-PARTY CLAIMS, SUITS, JUDGMENTS, DAMAGES, AND DEMANDS AGAINST THE CITY OR ANY OF THE RELEASED PARTIES, WHETHER REAL OR ASSERTED INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEY'S FEES, RELATED EXPENSES, EXPERT WITNESS FEES, CONSULTANT FEES, AND OTHER COSTS (TOGETHER, "CLAIMS"), ARISING OUT OF THE NEGLIGENCE OR OTHER WRONGFUL CONDUCT OF DEVELOPER, INCLUDING THE NEGLIGENCE OF ITS RESPECTIVE EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, MATERIALMEN, AND/OR AGENTS, IN CONNECTION WITH THE DESIGN OR CONSTRUCTION OF ANY PUBLIC INFRASTRUCTURE THAT ARE REQUIRED OR PERMITTED UNDER THIS AGREEMENT; **AND IT IS EXPRESSLY UNDERSTOOD THAT SUCH CLAIMS SHALL, EXCEPT AS MODIFIED BELOW, INCLUDE CLAIMS EVEN IF CAUSED BY THE CITY'S OWN CONCURRENT NEGLIGENCE SUBJECT TO THE TERMS OF THIS SECTION**. **DEVELOPER SHALL NOT, HOWEVER, BE REQUIRED TO INDEMNIFY THE CITY AGAINST CLAIMS CAUSED BY THE CITY'S SOLE NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.** IF THE CITY INCURS CLAIMS THAT ARE CAUSED BY THE CONCURRENT NEGLIGENCE OF DEVELOPER AND THE CITY, DEVELOPER'S INDEMNITY OBLIGATION WILL BE LIMITED TO A FRACTION OF THE TOTAL CLAIMS EQUIVALENT TO DEVELOPER'S OWN PERCENTAGE OF RESPONSIBILITY. DEVELOPER, INCLUDING ITS RESPECTIVE SUCCESSORS AND ASSIGNS, FURTHER COVENANTS AND AGREES TO RELEASE, DEFEND, HOLD HARMLESS, AND INDEMNIFY, THE CITY AGAINST ANY AND ALL CLAIMS BY ANY PERSON CLAIMING AN OWNERSHIP INTEREST IN THE PROPERTY PRIOR TO THE EFFECTIVE DATE WHO HAS NOT SIGNED THIS AGREEMENT IF SUCH CLAIMS RELATE IN ANY MANNER OR ARISE IN CONNECTION WITH: (1) THE CITY'S RELIANCE UPON DEVELOPER'S REPRESENTATIONS IN THIS AGREEMENT; (2) THIS AGREEMENT OR OWNERSHIP OF THE PROPERTY; OR (3) THE CITY'S APPROVAL OF ANY TYPE OF DEVELOPMENT APPLICATION OR SUBMISSION WITH RESPECT TO THE PROPERTY. DEVELOPER, INCLUDING ITS RESPECTIVE SUCCESSORS AND

ASSIGNS, FURTHER COVENANTS AND AGREES TO RELEASE, DEFEND, HOLD HARMLESS, AND INDEMNIFY, THE RELEASED PARTIES AGAINST ANY AND ALL CLAIMS BY ANY PERSON CLAIMING THAT ANY PROVISION OR STATEMENT IN THIS AGREEMENT CONFERS OR POTENTIALLY CONFERS ANY BENEFIT OR THING OF VALUE TO OWNER THAT IS INVALID, ILLEGAL, UNLAWFUL OR THAT THE CITY IS NOT LEGALLY PERMITTED TO CONFER TO OWNER UNDER THIS AGREEMENT.

9.12 Status of Parties. At no time shall the City have any control over or charge of Developer's design, construction or installation of any of the Public Infrastructure, nor the means, methods, techniques, sequences or procedures utilized for said design, construction or installation. This Agreement does not create a joint enterprise or venture or employment relationship between the City and Developer.

9.13 Eminent Domain. The Parties acknowledge that the Developer may be required to acquire certain off-site property rights and interests to allow certain Authorized Improvements to be constructed to serve the Property. Developer shall use, in its sole discretion, commercially reasonable efforts to obtain all third-party rights-of-way, consents, or easements, if any, needed to construct the off-site improvements. If, however, Developer is unable to obtain such third-party rights-of-way, consents, or easements within ninety (90) days of commencing efforts to obtain the needed rights-of-way, consents, or easements, then, as a condition to requiring the Developer to construct off-site improvements, the City, in its sole discretion, may take reasonable steps to secure same through the use of the City's power of eminent domain. If the City takes such eminent domain action, the Developer shall fund all reasonable and necessary legal proceeding/litigation costs, compensation awards by courts or negotiated amounts for the condemned property interest, attorneys' fees, appraiser and expert witness fees, interest, court costs, mediation fees, deposition costs, copy charges, courier fees, postage and taxable court costs (collectively, "Eminent Domain Fees") paid or incurred by the City in the exercise of its eminent domain powers that for any reason are not funded by the proceeds of PID Bonds, if PID Bonds are issued, or Assessments and shall escrow with a mutually agreed upon escrow agent the City's reasonably estimated Eminent Domain Fees both in advance of the initiations of each eminent domain proceeding and as funds are needed by the City. If the escrow fund remains appropriately funded in accordance with this Agreement and in accordance with the City's discretionary governmental powers, the City will use all reasonable efforts to expedite such condemnation procedures so that the Authorized Improvements can be constructed as soon as reasonably practicable. If the Eminent Domain Fees exceed the amount of funds escrowed in accordance with this paragraph, Developer shall deposit additional funds as requested by the City into the escrow account within 10 days after written Notice from the City. Any unused escrow funds will be refunded to Developer within 15 days after any condemnation award or settlement becomes final and non-appealable. Nothing in this subsection is intended to constitute a delegation of the police powers or governmental authority of the City, and the City reserves the right, at all times, to control its proceedings in eminent domain.

To the extent Eminent Domain Fees are paid by the Developer, the Developer may seek reimbursement of any or all eligible Eminent Domain Fees from PID Bonds, or if PID Bonds are not issued, Assessments.

9.14 Vested Rights. This Agreement shall constitute a "permit" (as defined in Chapter 245) that is deemed filed with the City on the Effective Date. Notwithstanding anything

in Chapter 245 or this Agreement to the contrary, and unless otherwise agreed by Developer, the City's master thoroughfare plan in effect on the Effective Date shall govern for the duration of the Project.

9.15 Legislative Discretion. The City shall use its best efforts to initiate and approve all necessary documents and ordinances required to effectuate this Agreement including, but not limited to, the creation of the PID, the levying of Assessments and the issuance of PID Bonds. Except as otherwise permitted by law, nothing contained in this Agreement shall be construed as creating a contractual obligation that controls, waives, or supplants the City Council's and/or the Planning and Zoning Commission's legislative discretion.

9.16 Statutory Verifications. The Developer and Owner makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Developer or Owner (as applicable) within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) Not a Sanctioned Company. The Developer and Owner each represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes each of the Developer and Owner and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Developer and Owner each hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Developer and Owner each 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 against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) No Boycott of Energy Companies. The Developer and Owner each 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. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

9.17 Form 1295. Submitted herewith is a completed Form 1295 in connection with the Developer's participation in the execution of this Agreement generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Developer and the City understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the City nor its consultants have verified such information.

SECTION 10
EVENTS OF DEFAULT; REMEDIES

10.1 Events of Default.

(a) Developer Default.

Subject to the notice and cure provisions of Section 10.2, each of the following events shall be an Event of Default by the Developer under this Agreement:

(i) The Developer fails to achieve Commencement of Construction in the first PID Phase in the Project within three (3) years of the Effective Date of this Agreement.

(ii) The Developer fails to achieve, with respect to any remaining PID Phase, the applicable Phase Completion Date.

(iii) The Developer shall fail to comply in any material respect with any term, provision or covenant of this Agreement.

(b) City Default.

(i) The City shall fail to comply in any material respect with any term, provision or covenant of this Agreement.

10.2 Cure Notice. No "Event of Default" shall be deemed to have occurred and no Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given in writing (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given a reasonable time to cure the alleged failure (such reasonable time to be determined based on the nature of the alleged failure, but in no event more than thirty (30) days (or any longer time period to the extent expressly stated in this Agreement as relates to a specific failure to perform) after written notice of the alleged failure has been given. Notwithstanding the foregoing, no "Event of Default" shall be deemed to have occurred and no Party shall be in default under this Agreement if, within the applicable cure period, the Party to

whom the notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured. Notwithstanding the foregoing, however, a Party shall be in default of its obligation to make any payment required under this Agreement if such payment is not made within twenty (20) business days after it is due.

10.3 Remedies. If a Party is in default, the aggrieved Party may, at its option and without prejudice to any other right or remedy under this Agreement, seek any relief available at law or in equity, including, but not limited to, termination of the Agreement, an action under the Uniform Declaratory Judgment Act, specific performance, mandamus, and injunctive relief.

10.4 Change in Law. If there is a change in any Texas or federal law, regulation or rule, which affects this Agreement or the activities of either Party under this Agreement, and either Party reasonably believes in good faith that the change will have a substantial adverse effect on that Party's rights or obligations under this Agreement, then that Party may, upon written notice, require the other Party to enter into good faith negotiations to amend the applicable portion of this Agreement. If the Parties are unable to reach an Agreement concerning the modification of the Agreement within thirty (30) days after the date of the notice seeking renegotiation, then either Party may terminate this Agreement by written notice to the other Party.

10.5 City Actions Upon Termination.

(a) PID. In the event of termination of this Agreement, the City may (i) use remaining PID Bond Proceeds pursuant to the provisions of the Indenture or (ii) construct or cause to be constructed the remaining Authorized Improvements for which the PID Bonds were issued, payable from PID Bond Proceeds. Upon termination, the Developer shall convey all completed Authorized Improvements to the City and the Developer shall have no claim or right to any further payments for Authorized Improvement Project Costs pursuant to this except that, (i) any Authorized Improvements completed and accepted by the City or (ii) Authorized Improvement Project Costs incurred by the Developer up until the date of termination shall still be subject to reimbursement.

(b) TIRZ. In the event of termination of this Agreement, the City, the County and/or the ESD, shall not be obligated to pay the City TIRZ Increment, the Chapter 380 Grant, the Chapter 381 Grant, or any ad valorem tax increment or sales tax increment provided for in this Agreement, except for any TIRZ contractual obligations incurred by the Developer prior to termination of the TIRZ, which may be assumed by the City, at its sole election and discretion.

SECTION 11
ASSIGNMENT; ENCUMBRANCE

11.1 Assignment.

(a) Developer has the right (from time to time, without the consent of the City, but upon written notice to the City) to assign in its entirety, all of Developer's right, title, and interest under this Agreement, to any person or entity that is controlled by or under common control of the Developer. Each assignment shall be in writing executed by Developer and the assignee and shall obligate the assignee to be bound by this Agreement to the extent this Agreement

applies or relates to the obligations, rights, title, or interests being assigned. A copy of each assignment shall be provided to all Continuing Parties as set forth in Section 11.4 hereof. City shall not be bound by any assignment of this Agreement unless and until City has received a fully signed copy of the assignment. Developer shall maintain written records of all assignments made by Developer, and, upon written request from any Continuing Party, shall provide a copy of such records to the requesting person or entity. Notwithstanding anything to the contrary above, City shall be obligated to recognize and be obligated to no more than one entity or person that is the "Developer" as a party to this Agreement.

(b) The obligations, requirements, or covenants to develop the Property subject to this Agreement shall be freely assignable, in whole or in part, to any affiliate or related entity of Developer or any Continuing Party or any lien holder on the Property without the prior written consent of the City. Except as otherwise provided in this paragraph, the obligations, requirements or covenants to the development of the Property shall not be assigned, in whole or in part, by Developer or any Continuing Party to a non-affiliate or non-related entity of Developer or the Continuing Party without the prior written consent of the City, which consent shall not be unreasonably withheld or delayed if the assignee demonstrates financial ability to perform. An assignee shall be considered a "Party" for the purposes of this Agreement. Each assignment shall be in writing executed by Developer, or the Continuing Party, and the assignee and shall obligate the assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. No assignment by Developer, or the Continuing Party, shall release Developer, or the Continuing Party, from any liability that resulted from an act or omission by Developer, or the Continuing Party, that occurred prior to the effective date of the assignment unless the City approves the release in writing. Developer, or the Continuing Party, shall maintain written records of all assignments made by Developer, or the Continuing Party, to assignees, including a copy of each executed assignment and, upon written request from any Party or assignee, shall provide a copy of such records to the requesting person or entity, and this obligation shall survive the assigning Party's sale, assignment, transfer, or other conveyance of any interest in this Agreement or the Property. Notwithstanding the foregoing, no assignment of this Agreement or any rights of or receivables due Developer, or the Continuing Party, under this Agreement or any other agreement relating to the PID may be made by Developer, or the Continuing Party, to any party or entity for the purpose of or relating to the issuance of bonds or other obligations and provided further, however that no such assignment shall be made without the prior written consent of the City if such transfer would result in (a) the issuance of municipal securities and/or (b) the City being viewed as an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission, and/or (3) the City being subjected to additional reporting or recordkeeping duties.

11.2 Assignees as Parties. An assignee authorized in accordance with this Agreement and for which notice of assignment has been provided in accordance herewith shall be considered a "Party" for the purposes of this Agreement. With the exception of: (a) the City, (b) an End User, (c) a purchaser of a Fully Developed and Improved Lot, any person or entity upon becoming an owner of land within the PID or upon obtaining an ownership interest in any part of the Property shall be deemed to be a "Developer" and have all of the rights and obligations of Developer as set forth in this Agreement and all related documents to the extent of said ownership or ownership interest.

11.3 Third Party Beneficiaries. Except as otherwise provided herein and except for an authorized Continuing Party, this Agreement inures to the benefit of, and may only be enforced by, the Parties, including an authorized assignee of Developer. No other person or entity shall have any right, title, or interest under this Agreement or otherwise be deemed to be a third-party beneficiary of this Agreement.

11.4 Notice of Assignment. Subject to Section 11.1 and Section 11.2 of this Agreement, the following requirements shall apply in the event that Developer sells, assigns, transfers, or otherwise conveys the Property or any part thereof and/or any of its rights or benefits under this Agreement: (i) Developer must provide written notice to the City to the extent required under Section 11.1 or Section 11.2 at least 15 business days in advance of any such sale, assignment, transfer, or other conveyance; (ii) said notice must describe the extent to which any rights or benefits under this Agreement will be sold, assigned, transferred, or otherwise conveyed; (iii) said notice must state the name, mailing address, telephone contact information, and, if known, email address, of the person(s) that will acquire any rights or benefits as a result of any such sale, assignment, transfer or other conveyance; and (iv) said notice must be signed by a duly authorized person representing Developer and a duly authorized representative of the person that will acquire any rights or benefits as a result of the sale, assignment, transfer or other conveyance.

SECTION 12
RECORDATION AND ESTOPPEL CERTIFICATES

12.1 Binding Obligations. This Agreement and all amendments thereto and assignments hereof shall be recorded in the Real Property Records. This Agreement binds and constitutes a covenant running with the Property and, upon the Effective Date, is binding upon Developer and the City, and forms a part of any other requirements for development within the Property. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns as permitted by this Agreement and upon the Property.

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

SECTION 13
GENERAL PROVISIONS

13.1 Term. Unless otherwise extended by mutual agreement of the Parties or terminated early as provided herein, the term of this Agreement shall be thirty (30) years after the Effective Date (the "Original Term"). Upon expiration of the Original Term, the City shall have no obligations under this Agreement with the exception of maintaining and operating the PID in accordance with the SAP and the Indenture.

13.2 Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this

Agreement; (c) reflect the final intent of the Parties with regard to the subject matter of this Agreement; and (d) are fully incorporated into this Agreement for all purposes. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

13.3 Acknowledgments. In negotiating and entering into this Agreement, the Parties respectively acknowledge and understand that:

(a) Developer's obligations hereunder are primarily for the benefit of the Property;

(b) the improvements to be constructed and the open space dedications and donations of real property that Developer is obligated to set aside and/or dedicate under this Agreement will benefit the Project by positively contributing to the enhanced nature thereof, increasing property values within the Project, and encouraging investment in and the ultimate development of the Project;

(c) Developer's consent and acceptance of this Agreement is not an exaction or a concession demanded by the City, but is an undertaking of Developer's voluntary design to ensure consistency, quality, and adequate public improvements that will benefit the Property;

(d) the Authorized Improvements will benefit the City and promote state and local economic development, stimulate business and commercial activity in the City for the development and diversification of the economy of the state, promote the development and expansion of commerce in the state, and reduce unemployment or underemployment in the state;

(e) nothing contained in this Agreement shall be construed as creating or intended to create a contractual obligation that controls, waives, or supplants the City Council's legislative discretion or functions with respect to any matters not specifically addressed in this Agreement;

(f) this Agreement is a development agreement under Section 212.172, Texas Local Government Code; and

(g) to the extent permitted under Section 395.023, Texas Local Government Code, Developer shall be entitled to Impact Fee Credits against roadway and utility Impact Fees for Capital Improvement Costs incurred in connection with collector or arterial roadways shown on the City's CIP, master thoroughfare plan, or comparable planning document.

13.4 Notices. Any notice, submittal, payment or instrument required or permitted by this Agreement to be given or delivered to any party shall be deemed to have been received when delivered personally or upon the expiration of 72 hours following deposit of the same in any United States Post Office, registered or certified mail, postage prepaid, addressed as follows:

To the City:	City of Willow Park, Texas Attn: City Manager 120 El Chico Trail, Suite A Willow Park, Texas 76087
With a copy to:	William P. Chesser Attorney at Law P.O. Box 983 Brownwood, Texas 76804
To Developer:	Beall–Dean Ranch, Ltd. Attn: Robert S. Beall 5712 Colleyville Boulevard, Suite 200 Colleyville, Texas 76034
With a copy to:	Winstead PC Attn: Ross Martin 2728 N. Harwood St., Suite 500 Dallas, Texas 75201

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

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

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

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

13.8 Limited Waiver of Immunity. The Parties are entering into this Agreement in reliance upon its enforceability. Consequently, the City unconditionally and irrevocably waives all claims of sovereign and governmental immunity which it may have (including, but not limited to, immunity from suit and immunity to liability) to the extent, but only to the extent, that a waiver is necessary to enforce specific performance of this Agreement (including all of the remedies

provided under this Agreement) and to give full effect to the intent of the Parties under this Agreement. Notwithstanding the foregoing, the waiver contained herein shall not waive any immunities that the City may have with respect to claims of injury to persons or property, which claims shall be subject to all of their respective immunities and to the provisions of the Texas Tort Claims Act. Further, the waiver of immunity herein is not enforceable by any party not a Party to this Agreement, or any party that may be construed to be a third-party beneficiary to this Agreement.

13.9 Waiver of Claims under Section 212.904. The Developer agrees that all dedications and construction of Public Improvements made by the Developer pursuant to this Agreement are roughly proportional to the need created by the Project, and the Developer hereby waives any claim that it may have, therefore. The Developer further acknowledges and agrees that all prerequisites to such a determination of rough proportionality have been met, and that any costs incurred relative to the dedications and construction required by or performed under this Agreement are related both in nature and extent to the impact of the Project. Provided the City is not in default of this Agreement, the Developer waives and releases all claims against the City related to any and all rough proportionality and individual determination requirements mandated by Section 212.904, Texas Local Government Code, or the Texas or U.S. constitutions, as well as other requirements of a nexus between development conditions and the projected impact of the Project, but only to the extent such claims relate to the dedications required by or construction performed under this Agreement.

13.10 Severability. This Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible and upon mutual agreement of the parties, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

13.11 Applicable Law; Venue. This Agreement is entered into pursuant to, and is to be construed and enforced in accordance with, the laws of the State of Texas, and all obligations of the Parties are performable in Parker County. Exclusive venue for any action related to, arising out of, or brought in connection with this Agreement shall be in the Parker County District Court.

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

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

13.14 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within ten (10) business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give Notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term "force majeure" shall include events or circumstances that are not within the reasonable control of the Party whose performance is suspended and that could not have been avoided by such Party with the good faith exercise of good faith, due diligence and reasonable care, including, without limitation: acts of God, strikes, lockouts, or other industrial disturbances, acts of a public enemy, acts or orders of any kind of the Government of the United States or the State of Texas, or any civil or military authority, insurrection, riots, epidemics, pandemics, quarantine, viral outbreaks, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply, or other acts, events, causes, or circumstances not within the reasonable control of the Party claiming such inability and that could not have been avoided by such Party with the exercise of good faith, due diligence, and reasonable care. A Party that has claimed the right to temporarily suspend its performance shall provide written reports to the other Party at least once every week detailing: (i) the extent to which the force majeure event or circumstance continue to prevent the Party's performance; (ii) all of the measures being employed to regain the ability to perform; and (iii) the projected date upon which the Party will be able to resume performance.

13.15 Complete Agreement. This Agreement embodies the entire Agreement between the Parties and cannot be varied or terminated except as set forth in this Agreement, or by written agreement of the Parties expressly amending the terms of this Agreement. By entering into this Agreement, any previous agreements or understanding between the Parties relating to the same subject matter are null and void.

13.16 Consideration. This Agreement is executed by the Parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is hereby acknowledged.

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

Exhibit A	Metes and Bounds Description of the Property
Exhibit B	Depiction of the Property
Exhibit C	Conceptual Plan
Exhibit C-1	Base Zoning Districts
Exhibit D	Authorized Improvements with Budgeted Cost by Phase
Exhibit E	Annexation Services Agreement
Exhibit F	PD Development Standards
Exhibit G	Development Services Fee Schedule & Impact Fee Schedule
Exhibit H	Form of Certification for Payment
Exhibit I	Water Capacity Analysis

Exhibit J	City Water Improvements
Exhibit K	Wastewater Capacity Analysis
Exhibit L	City Wastewater Improvements
Exhibit M	PID and TIRZ - Preliminary Financial Analysis
Exhibit N	City of Willow Park Zoning Ordinance

[SIGNATURES PAGES AND EXHIBITS FOLLOW;
REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

EXECUTED BY THE PARTIES TO BE EFFECTIVE ON THE EFFECTIVE DATE:

CITY OF WILLOW PARK

By:_____
Name: Doyle Moss
Title: Mayor

ATTEST

_____
Name: Crystal Dozier
Title: City Secretary

APPROVED AS TO FORM

_____
Name:
Title: City Attorney

STATE OF TEXAS §
COUNTY OF PARKER §

This instrument was acknowledged before me on this ____ day of _____ 2024, by Doyle Moss, Mayor of the City of Willow Park, Texas, on behalf of said City.

_____
Notary Public, State of Texas

[SEAL]

DEVELOPER:

Beall—Dean Ranch, Ltd.
a Texas limited partnership

By: RSB Realty Investment, LLC,
a Texas limited liability company
Its: General Partner

By: _____
Name: Robert S. Beall
Its: Manager

STATE OF TEXAS §
§
COUNTY OF TARRANT §

This instrument was acknowledged before me, on the ___ day of _____, 2024, by Robert S. Beall, Manager of RSB Realty Investment, LLC, a Texas limited liability company, General Partner of Beall—Dean Ranch, Ltd., a Texas limited partnership, on behalf of said limited partnership.

_____
Notary Public in and for the State of Texas

[SEAL]