

DEVELOPMENT AGREEMENT FOR THE NORTHLINE PUD

This Development Agreement for The Northline PUD (this "**Agreement**") is made and entered into to be effective the date set forth below by and between the CITY OF LEANDER, TEXAS, a Texas home rule municipal corporation (the "**City**"), and AREA LEANDER 1 LP, a Texas limited partnership (the "**Developer**"). The City and the Developer are sometimes referred to herein individually as a "**Party**" and jointly as the "**Parties**." The Parties agree as follows.

Article I. Purposes; Consideration.

1.01. The Developer desires to develop a mixed-use community consisting of residential, office and commercial uses on 115.7076 acres of land located within the Transit Oriented Development District of the City to be known as "The Northline Planned Unit Development" more particularly described on **Exhibit A** attached hereto and made a part hereof ("**The Northline PUD**").

1.02. The development of The Northline PUD would result in significant benefits to the City, and is expected to add significant tax revenues to the City's tax base, to create jobs and stimulate the overall local economy.

1.03. The City desires to encourage and assist the Developer to promptly commence its development of The Northline PUD, to expedite permits and provide certain reimbursements and incentives in connection with the development of The Northline PUD.

1.04. The development of The Northline PUD requires the subdivision of the Property and the construction of infrastructure related to the subdivision and development of the Property, including streets, utilities, drainage, and other public infrastructure improvements as well as the improvement of public parks and civic spaces (collectively, the "**Public Improvements**"), and the City intends to participate in the cost of a portion of the Public Improvements, subject to the issuance of the Bonds (defined herein), as provided in this Agreement that are generally described on **Exhibit B** attached hereto and made a part hereof (the "**City Improvements**"). The Public Improvements consist of the City Improvements, the "**Water Improvements**" and the "**Wastewater Improvements**," which are generally described on **Exhibit C** attached hereto and made a part hereof, and the "**Developer Improvements**," which are generally described on **Exhibit D** attached hereto and made a part hereof.

1.05. The Northline PUD is located within Reinvestment None Number One, City of Leander, Texas, which is a tax increment reinvestment zone created pursuant to the authority of Chapter 311, Texas Tax Code, as amended, by Ordinance No. 06-02900 adopted by the City Council of the City on September 7, 2006, as amended (the "**TIRZ**").

1.06. To finance the costs to construct the City Improvements, it is the City's intent to issue certificates of obligation pursuant to Subchapter C, Texas Local Government Code, in the amount of \$15,000,000.00 (the "**Bonds**"), and that the City would receive reimbursement for the cost of the City Improvements from the TIRZ.

1.07. It is acknowledged that the Developer shall pay for the Developer Improvements and the Water

Improvements and Wastewater Improvements, and that the Developer will seek to receive reimbursement for the cost of the Developer Improvements from the TIRZ.

1.08. The City is authorized by Chapter 378 of the Texas Local Government Code to create neighborhood empowerment zones if the City determines that the creation of the zone would promote an increase in economic development in the zone. The City is further authorized by Chapter 380, Texas Local Government Code, to establish an economic incentive program to promote state or local economic development and to stimulate business and commercial activity in the municipality. By Resolution No. _____, the City created the Northline Neighborhood Empowerment Zone and by Ordinance No. _____ created the Northline PUD Development Incentives Program covering The Northline PUD (the “**Zone**”) for the purposes of offering economic development incentives authorized by Chapter 378 and Chapter 380 of the Texas Local Government Code to promote increased economic development within the Zone and the City, to encourage the location and expansion of businesses in The Northline PUD, to contribute to the retention or expansion of primary employment, and to attract major investment in the Zone that would be a benefit to the Property and that would contribute to the economic development of the City.

1.09. It is the City’s intent to rebate water impact fees for the reimbursable costs of the Water Improvements and wastewater impact fees for the Wastewater Improvements on the terms and conditions set forth in this Agreement, subject to the amendment of the City’s Capital Improvement Plan to include the Water Improvements and Wastewater Improvements.

1.10. The consideration for this Agreement are the covenants, conditions and undertakings between the Parties and the benefits that will accrue to the Parties, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged. It is expressly acknowledged that this Development Agreement is subject to the issuance of the Bonds and the receipt of the proceeds thereof.

Article II. City Improvements.

2.01. Developer shall cause the Public Improvements to be designed, installed, and constructed, and shall act as agent for the City in connection with the design and construction of the City Improvements. The City shall participate in the cost of the City Improvements as provided herein. Developer shall not charge a fee for its services; provided, Developer shall be reimbursed for the actual out-of-pocket costs and expenses incurred by Developer in performing its duties and obligations as set forth in this Agreement. It is understood, however, that costs incurred by Developer prior to the date the Bonds are issued may not be eligible to be reimbursed under Subchapter C, Chapter 271, Texas Local Government Code. Developer has engaged Big Red Dog, Inc., dba BIG RED DOG Engineering and Consulting (the “**Project Engineer**”) to act as engineer for the Public Improvements, and the Project Engineer has commenced the preparation of the design and plans for the Public Improvements. The Project Engineer will complete the preparation of the design, construction plans and specifications, and supporting documentation for the City Improvements, the Water Improvements, the Wastewater Improvements, and for the Developer Improvements in accordance with good engineering practices, the design and construction standards of all applicable federal, state and local regulations and the terms of this Agreement. It is agreed that the City may contract directly with the Project Engineer or such other engineer or other person or entity as the City and the Developer may mutually approve to perform all or a portion of the design and plans for the City Improvements. The Project Engineer will work and coordinate with the City Engineer to obtain the timely review and approval by Developer, the City Engineer and the Director of Development Services of the design, plans, specifications and construction of the Public Improvements. Developer shall be responsible

for ensuring that the Project Engineer complies with the terms of this Agreement, including with regard to the responsibilities assigned to Project Engineer herein. As the design of the Public Improvements progresses and is completed, the Parties will prepare detailed descriptions of the Public Improvements that constitute the City Improvements, the Water Improvements, the Wastewater Improvements, and the Developer Improvements to be used to further define the costs of the Public Improvements that will be funded by the Bonds and reimbursed by the Impact Fees (herein defined), and such descriptions that are approved by the City Engineer and the Project Engineer shall control to the extent of any conflicts with Exhibits B, C, and D, respectively. The City Improvements will only include those Public Improvements and related costs that may be funded by the Bonds. The Water Improvements and Wastewater Improvements may include improvements that are not included, but are eligible to be included, in the City's Capital Improvement Plan, but the Water Impact Fee Payments and the Wastewater Impact Fee Payments as provided in Article VI will only be made with respect to the water infrastructure and wastewater infrastructure, respectively, that are included, in the City's Capital Improvement Plan. Any water improvements or wastewater improvements that are not included in the City's Capital Improvement Plan may be included in the Developer's Improvements. The detailed descriptions approved by the City Engineer and the Project Engineer will serve as the basis for the separate description and itemization of the bid documents and the payment requests for the Public Improvements, so that the costs of the City Improvements, the Water Improvements, the Wastewater Improvements, and Developer Improvements can be separately accounted for and payments for said improvements made from the appropriate sources of funds as provided in this Agreement.

2.02. Upon approval of the plans and specifications for the Public Improvements by the City Engineer and Developer, the Project Engineer will advertise the City Improvements for sealed competitive bids in compliance with Chapter 252, Texas Local Government Code, including requirements for payment and performance bonds for the full cost of constructing the City Improvements that comply with Chapter 2253, Texas Government Code and that name the City as the beneficiary under the payment and performance bonds, based on the City Engineer's approved design, plans and specifications, and will recommend the lowest qualified bidder/contractor to Developer and the City. It is understood that Developer may, at Developer's option, include the Water Improvements, Wastewater Improvements, and Developer Improvements in the request for bids; provided, the bid documents shall require the bid prices for the City Improvements, the Water Improvements, the Wastewater Improvements, and the Developer Improvements to be clearly and separately itemized. Prior to bidding the City Improvements, the Developer shall provide the City Engineer and the City's purchasing agent with a copy of the documents and materials soliciting the bids, including but not limited to the notice to bidders, instructions to bidders, construction contracts, general, special and supplemental conditions, and technical specifications. The bid notice shall include any language required to be included due the City Improvements being financed with the Bonds. The City Engineer will review the description of the City Improvements for compliance with this Agreement. The Developer shall make any changes to the bid documents required by the City Engineer that do not comply with the terms of this Agreement. The Project Engineer will coordinate the receipt and opening of the bids with the City Engineer and will provide a copy of the bids and bid tabulations the City Engineer for review. Upon receipt of the bids, the City Engineer shall evaluate the bids to determine whether the bids are fair and balanced prior to accepting a recommendation of bid award. Any unbalanced or skewed bids, as determined by bid tabulations, will be appropriately corrected or rejected by the City. Within ten (10) days after receipt of the bids, the City Engineer will notify Developer of the City's Engineer's approval or rejection of the bids and the City Engineer's and Project Engineer's recommendation of the lowest qualified bidder/contractor. If Developer agrees with the City Engineer's and Project Engineer's recommendation, the approved bid will be approved by the City Engineer. If the City approves the bid, Developer shall enter a contract as agent and project manager for the City with the

approved bidder/contractor for the construction of the City Improvements (the “**Construction Contract**”); provided, the Construction Contract shall not exceed \$15,000,000 and shall be subject to and conditioned upon the approval and issuance of the Bonds, unless the Bonds already have been issued, and the City’s receipt of the proceeds from the sale of the Bonds. The Developer shall cause a copy of the fully executed Construction Contract, payment and performance bonds, and the insurance certificates to be delivered to the City. The Developer shall cause the City Improvements to be constructed and completed in accordance with the approved construction plans, good engineering practices, applicable local, state, and federal regulations, and the deadlines for completion set forth in the Construction Contract. The City shall approve the form of the Construction Contract and the form of the payment and performance bonds. The Construction Contract will contain the terms set forth in **Exhibit E**, unless otherwise approved by the City. If the Bonds are not issued and the City does not receive the proceeds from the sale of the Bonds, the City shall not be liable for any funds under the Construction Contract. It is acknowledged that Developer may enter a contract with the contractor approved for the City Improvements, or that the Construction Contract may include the Developer Improvements, the Water Improvements, and/or the Wastewater Improvements; so long as the cost of the City Improvements, the Water Improvements, the Wastewater Improvements, and the Developer Improvements and the payments for said improvements are clearly and separately itemized and independent from each other. Developer shall not approve any change order that includes any of the City Improvements, or the cost thereof, until Developer has received the City Engineer’s and City Manager’s prior written approval of such change order and the expenditures under such change order. The City Manager will be authorized to approve change orders for the City Improvements that involve an increase or decrease of \$50,000 or less, provided that the original contract price is not increased by more than twenty-five percent (25%) and provided further that the City’s obligation to fund and pay for the costs of the City Improvements shall not exceed \$15,000,000.

2.03. Before the City approves the Construction Contract, the following conditions must be met: (a) the Developer must convey to the City easements, right-of-way dedications, or other appropriate property interests in a form reasonably acceptable to the City, or final plat(s) must be recorded dedicating such easements and rights-of-way, over the land upon which the City Improvements will be installed; (b) the Developer must post fiscal arrangements in the current form required by the City for the approval of subdivision plats in the amount of the estimated costs to construct the Water Improvements and the Wastewater Improvements; and (c) the Developer must have entered into contracts for construction of the Water Improvements, the Wastewater Improvements, and the Developer Improvements, provided, such contracts shall be subject to and conditioned upon the approval and issuance of the Bonds and the City’s receipt of the proceeds from the sale of the Bonds, unless the Bonds already have been issued.

2.04. Promptly after the approval of the lowest qualified bidder/contractor by the City and Developer, the City shall hold a public hearing to approve the Bonds and authorizing a Notice of Intent to Issue Bonds.

Subject to receipt of a petition requiring voter approval of the Bonds, the Bonds would be issued as soon as reasonably practicable, and the proceeds of the sale of the Bonds shall be deposited into a separate account to be held by the City to pay the costs of the City Improvements as provided herein (the “**City Improvements Account**”). The City shall give Developer notice of the deposit of the proceeds from the sale of the Bonds into the City Improvements Account, and Developer shall give Notice to Proceed with the construction of the City Improvements pursuant to the Construction Contract.

2.05. The City shall pay from the City Improvement Account the costs incurred by Developer to design, install, and construct the City Improvements, including without limitation, the hard construction costs; all advertising and other costs associated with public bidding and award of construction contracts; the cost of payment, performance, and maintenance bonds for the City Improvements; surveying costs; soils and

material testing costs; the fees of the Project Engineer, a third party construction supervisor, other professional fees related to the City Improvements, and any other necessary and reasonable out-of-pocket costs expended by Developer in connection with the design, construction, inspection and completion of the City Improvements; provided, costs incurred by Developer prior to the date the Bonds are issued may not be eligible to be reimbursed under Subchapter C, Chapter 271, Texas Local Government Code and provided further that such costs are eligible to be financed with the Bonds (the “**City Improvements Costs**”). After the Effective Date of this Agreement and during the design phase for the Public Improvements, the Parties will cooperate to define the costs of the City Improvements that are eligible for and will be funded by the Bonds. Developer shall submit to the City Engineer the construction draw requests from the contractor constructing the City Improvements in accordance with the terms of the Construction Contract, and the requests for payment or reimbursement of any of the other costs of the City Improvements, not more frequently than once a month. The construction draw requests will further comply with the terms set forth in Exhibit E. Not later than 10 days after receipt of a request for payment, the City Engineer shall review such requests and recommend the amount included in such requests to be paid. Any unbalanced or skewed requests that appear to include costs other than for the City Improvements will be appropriately corrected or rejected by the City Engineer and the Developer. The City Engineer may further reject a payment request for any reason set forth in the Construction Contract. Within 10 days after the City Engineer’s recommendation, the City shall then advance the amount so recommended by checks drawn on the City Improvements Account payable to Developer; provided, the City shall have the right to issue checks for draw requests under the Construction Contract directly to the contractor.

2.06. The parties will work in good faith to cause the project to be bid and administered in a manner that is compliant with Chapter 252, Texas Local Government Code and Subchapter C, Chapter 271, Texas Local Government Code, and shall approve amendments to this Agreement and include terms in the Construction Contract as necessary to comply with said laws. In the event that the Bonds are not issued or the City does not receive the proceeds thereof, the Parties shall meet to determine whether the construction of the Public Improvements as contemplated under this Agreement, the City TIRZ Agreement, and the Developer TIRZ Agreement is feasible. If it is not, the parties may consider amendments to this Agreement, the City TIRZ Agreement, and the Developer TIRZ Agreement, as appropriate, or may terminate said Agreements.

2.07. Upon final City inspection and approval of Public Improvements that are constructed in accordance with the approved construction plans, good engineering practices, and applicable local, state, and federal regulations, the Developer will convey the Water Improvements and the Wastewater Improvements to the City, and will also assign all contract rights, warranties, guarantees, assurances of performance, and bonds related to such improvements to the City. The City will accept the Public Improvements that are constructed in compliance with this Agreement for operation and maintenance, provided that the City may provide for the maintenance of Public Improvements by a third party, including a property owners’ association, and such acceptance will not be unreasonably withheld, conditioned or delayed.

2.08. It is contemplated that the future approved Developer TIRZ Agreement as provided for below shall require compliance with the following conditions to qualify for reimbursement. It is agreed that to the extent any future approved Developer TIRZ Agreement does not require substantially the same conditions as hereinafter set forth, Developer shall nevertheless comply with the following terms and conditions with respect to the construction of all of the Developer Improvements other than natural gas and electric facilities. Upon approval of the design, plans and specifications for the Public Improvements as provided in

Section 2.01 above, and prior to entering into a contract for construction of one or more of the applicable Developer Improvements, or any component thereof, Developer shall submit the contractors' proposals to the City Engineer for review, evaluation, and approval. The City Engineer shall review the proposals to determine whether the proposals are fair and balanced prior to Developer awarding a construction contract for one or more of such Developer Improvements, or any component thereof. Any unbalanced or skewed proposals will be appropriately corrected or rejected by the City Engineer and Developer. The City Engineer's decision to reject a proposal will not be made in an arbitrary or capricious manner. Developer shall not award a contract that includes any of such Developer Improvements until the Developer has received the City Engineer's written approval of the contractor's proposal, and expenditures made under such a contract prior to receiving the City Engineer's written approval will be disallowed. All water and wastewater utility construction must be unit price bids. Developer will have each contract proposal separately identify or itemize the construction costs for any of the Developer Improvements from the City Improvements and from any improvements that are not included in the Developer Improvements. The City Engineer will timely review and approve all contracts for the construction of each of such Developer Improvements, or any component thereof for compliance with the applicable regulations; provided that the selection of the contractor will be at the sole discretion of Developer. Developer will award all construction contracts. Prior to approving a change order to an approved contract, the City Engineer shall review the change order to determine whether the change order is fair and balanced prior to Developer approving the change order. Developer shall not approve a change order for an approved contract until Developer has received the City Engineer written approval of the change order, and expenditures made under such a change order prior to receiving the City Engineer's written approval will be disallowed.

2.09. The City hereby agrees:

- (a) to coordinate with the Project Engineer on specific design requirements and specifications; and to review, and to approve and sign the plans and specifications for the Public Improvements in a timely manner, as appropriate;
- (b) to review and approve the plans, specifications and bids for construction of the Public Improvements as obtained for and on behalf of the City by the Project Engineer and Developer, as appropriate, and to review and approve, or provide detailed explanation for the rejection of, the contracts for the Public Improvements;
- (c) during the course of the construction of the Public Improvements, to review, approve and sign necessary and appropriate change orders in a timely manner; to perform all inspections of the Public Improvements in a timely manner; and to approve the Public Improvements in a timely manner if constructed in accordance with the City approved plans and specifications;
- (d) after completion of the installation of the lines, to allow the water and wastewater portions of the Public Improvements to be connected to the City's utility systems to allow the testing of such Public Improvements as may be required for the final acceptance by the City;
- (e) after final acceptance by the City of the Public Improvements as constructed, to accept the Public Improvements as part of the City's utility systems, as appropriate;
- (f) after Developer completes construction and obtains City acceptance of the Public Improvements, and upon Developer completing construction of a finally platted subdivision phase or section of The Northline PUD in compliance with this Agreement and the City giving final acceptance of such phase or section, the City will approve connections of the lots within such phase or section to the City's utility systems and provide such services within the completed phase or section of The Northline PUD on the same terms and conditions as then provided within other areas of the City; and
- (g) to review and process the applications made, and the plans and specifications submitted, by

Developer with respect to The Northline PUD in a timely manner.

2.10. Developer hereby agrees:

- (a) to contract with the Project Engineer for the design, preparation of the plans and specifications, and the provision of the services anticipated to be performed by the Project Engineer for the Public Improvements pursuant to and in compliance with this Agreement;
- (b) to review and approve the plans and specifications for the Public Improvements (including the estimated cost thereof), identify any design errors, defects or insufficiencies, and to advise the City Engineer as to any perceived error, defect or insufficiency prior to approving any such plans and specifications;
- (c) to enter into a contract with an appropriate contractor approved by the City pursuant to competitive bids approved by the City and Developer for construction of the City Improvements in accordance with this Agreement;
- (d) to work and coordinate with the City Engineer to assure that actual City Improvements Costs, the Reimbursable Costs of the Water Improvements, the Reimbursable Costs of the Wastewater Improvements, and the Developer Reimbursable Costs, are accurately and truly identified and agreed between the Parties as eligible for cost participation or reimbursement, as appropriate, under this Agreement and the future approved Developer TIRZ Agreement; and
- (e) to timely perform and complete each task, duty and responsibility of Developer set forth in this Agreement.

Article III. Development Obligation

Developer has committed, and hereby confirms its agreement, to submit applications for site plans and/or building permits for not less than a total of 100,000 square feet of commercial and non-residential uses and not less than a total of 200 residential units within The Northline PUD on or before the expiration of five (5) years after the effective date of the future approved Developer TIRZ Agreement (as defined below), and for not less than a total of 200,000 square feet of commercial and non-residential uses and not less than a total of 400 residential units within The Northline PUD on or before the expiration of eight (8) years after the effective date of the future approved Developer TIRZ Agreement. In addition to the other requirements set forth under the Agreement, Developer will not be eligible to receive any additional TIRZ reimbursements, which are not covered by this Agreement, if the above requirements are not met.

Article IV. TIRZ Agreements

4.01. It is contemplated that the agreement between the City and the TIRZ for reimbursement of the cost of the City Improvements (the “**City TIRZ Agreement**”) and the agreement between Developer and the TIRZ for reimbursement of the cost of the Developer Improvements (the “**Developer TIRZ Agreement**”) will each provide that the amounts available for reimbursement from the Tax Increment Funds deposited in a separate and segregated account with respect to The Northline PUD (the “**Northline PUD Fund**”) shall be allocated between the City and Developer, and shall be paid by the TIRZ as follows:

- (a) First, such amounts shall be paid to the City until the City has been reimbursed for the amount of the debt service payments (principal and interest) actually paid by the City with respect to the Bonds and sufficient Tax Increment Funds are being deposited into The Northline PUD Fund to pay for the debt service payments due during the fiscal year in which

the Tax Increment Funds are received.

- (b) Second, to the extent there are any remaining Tax Increment Funds deposited in the The Northline PUD Fund available to be paid in excess of the amount of the current and accrued debt service on the Bonds paid to the City above, such excess funds shall be paid to Developer to reimburse the Developer for the reimbursable costs of the Developer Improvements, as defined in the future approved Developer TIRZ Agreement. The determination of whether there are remaining Tax Increment Funds in the Northline PUD Fund to be paid to the Developer under this subsection will be made by August 15th of each year, and payments of such excess funds shall be made by September 30th.

4.02. It is acknowledged that portions of the land within The Northline PUD are located within properties that are subject to existing Development and Reimbursement Agreements with the TIRZ. Specifically, 47.5871 acres of the land within The Northline PUD are included in the land covered by that certain Development and Reimbursement Agreement for RB 270 Partnership dated October 6, 2011, recorded under Document No. 2011086121 of the Official Public Records of Williamson County, Texas, as affected by Addendum to Development and Reimbursement Agreement for RB 270 Partnership recorded under Document No. 2012030292 of the Official Public Records of Williamson County, Texas, and by Amended Addendum to Development and Reimbursement Agreement for RB 270 Partnership recorded under Document No. 2016010199 of the Official Public Records of Williamson County, Texas (the “**RB 270 TIRZ Agreement**”), which is subject to that certain Assignment of Partial Interest in Development Agreement effective as of January 24, 2018, between RB 270 Partnership, A Texas general partnership and AREA Leander 1 LP, a Texas limited partnership in which RB 270 Partnership assigns its right to receive a portion of its share of all amounts, payments, and credits due under the RB 270 TIRZ Agreement to the Developer (the “**RB 270 TIRZ Assignment**”); and 45.3395 acres of land within The Northline PUD are included in the land covered by that certain Development and Reimbursement Agreement for the Village at Leander Station dated October 6, 2011, with the Leander Development Authority, the City of Leander, and the Reinvestment Zone Number One, City of Leander, Texas, as modified and amended by Addendum to Development and Reimbursement Agreement for the Village at Leander Station dated March 15, 2012; by Amended Addendum to Development and Reimbursement Agreement for the Village at Leander Station dated January 23, 2014; and by Second Amended Addendum to Development and Reimbursement Agreement for the Village at Leander Station dated May 5, 2016, a copy of which Second Amended Addendum to Development and Reimbursement Agreement for the Village at Leander Station is recorded under Document No. 2016043754 of the Official Public Records of Williamson County, Texas (the “**TVI TIRZ Agreement**”). The City and Developer confirm and agree that the right to receive reimbursements from the TIRZ under both the City TIRZ Agreement and the future approved Developer TIRZ Agreement shall be subordinate and inferior to the rights to receive reimbursements under the RB 270 TIRZ Agreement, the RB 270 TIRZ Assignment, and the TVI TIRZ Agreement with respect to the Tax Increment Funds attributable to the portions of The Northline PUD that are subject to the RB 270 TIRZ Agreement, the RB 270 TIRZ Assignment, and the TVI TIRZ Agreement.

4.03 It is the intent of the Parties that Developer shall be entitled to seek to enter other agreements with the TIRZ for reimbursement of the costs of other projects and improvements within The Northline PUD other than the initial Developer Improvements subject to Article III above and subject to required approvals by the Authority, TIRZ, and City Council. Developer agrees that Developer’s right to receive reimbursement under such subsequent agreements with the TIRZ shall be subordinate and inferior to the rights of the City to receive reimbursements under the City TIRZ Agreement. Developer further confirms and agrees that Developer shall be entitled to receive reimbursement for such other projects and improvements under such subsequent agreements with the TIRZ shall be subject to and conditioned upon

the completion and issuance of certificates of occupancy for at least 100,000 square feet of commercial and non-residential uses and at least 200 residential units within The Northline PUD.

Article V. Subdivision Plat

It is anticipated that Developer will complete the Public Improvements prior to the time Developer will require the final subdivision plat of the portion of The Northline PUD that will be served by such Public Improvements. It is agreed, however, that in the event Developer determines it is necessary or helpful for the development and marketing of lots within The Northline PUD for one or more final plats to be approved and recorded for a portion of The Northline PUD prior to the completion of the required portion of the Public Improvements serving such final plat(s), the City agrees that the cost of constructing the City Improvements will not be included in the fiscal guarantee required as a condition for the approval and recording of such subdivision plat(s).

Article VI. Collection and Payment of Water and Wastewater Impact Fees

6.01. It is understood and agreed that each lot, tract, parcel, or building site within The Northline PUD will be provided water and wastewater service by the City and that the owner of each such lot, tract, parcel, or building site shall be required to pay the City's water impact fees (the "**Water Impact Fee**") and the City's wastewater impact fees (the "**Wastewater Impact Fee**"), established pursuant to Chapter 395 of the Texas Local Government Code, in the amount that is established by the City Capital Improvements Plan and City ordinance, as amended, from time to time. The Water Impact Fee and the Wastewater Impact Fee are collectively referred to as the "**Water and Wastewater Impact Fees**" or the "**Impact Fee Payments**". The Water and Wastewater Impact Fees shall be payable with respect to a lot, tract, parcel, or building site at the time the building permit for each building or structure is applied for or, if no building permit is required, then upon the first to occur of the following: (a) the date construction of the building or structure is first commenced, (b) the date an application is made to the City for a water connection and/or wastewater connection to serve the building or structure, or (c) the date water and/or wastewater service is requested for the lot, tract or parcel of land.

6.02. Subject to the terms, conditions and limitations of this Agreement, during the Term of this Agreement, Developer shall receive a payment equal to one hundred percent (100%) of the Water Impact Fees paid to the City for connections to the City water utility system within: (i) The Northline PUD; and (ii) within land or developments that connect to the Water Improvements by a direct connection or by a water line that is not listed and included in the City Capital Improvements Plan and an ordinance that establishes the Water Impact Fees (the "**Water Impact Fee Payments**"). The Water Impact Fee Payments (combined with any reimbursements under the future approved Developer TIRZ Agreement) shall not exceed the total of the cost of the Reimbursable Costs of the Water Improvements with respect to the water infrastructure that is included, or is eligible to be included, in the City's Capital Improvement Plan. The Water Impact Fee Payments will terminate on the earlier to occur of: (i) Developer receiving Water Impact Fee Payments, or a combination of Water Impact Fee Payments, reimbursements from the TIRZ, Permit Fee Payments and one or more payments from the City equal to the Reimbursable Costs of the Water Improvements; (ii) the expiration of this Agreement; (iii) the termination of this Agreement by reason of a Developer default; or (iv) the failure of Developer to satisfy the conditions for development within The Northline PUD as set forth in Section 6.05 below.

6.02 Subject to the terms, conditions and limitations of this Agreement, during the Term of this Agreement and except as provided in Section 6.04, Developer shall receive a payment equal to one hundred percent (100%) of the Wastewater Impact Fees paid to the City for connections to the City wastewater utility system within: (i) The Northline PUD; and (ii) within land or developments that connect to the Wastewater Improvements by a direct connection or by a wastewater line that is not listed and included in the City Capital Improvements Plan and an ordinance that establishes the Wastewater Impact Fees (the “**Wastewater Impact Fee Payments**”). The Wastewater Impact Fee Payments (combined with any reimbursements for the Wastewater Improvements under the future approved Developer TIRZ Agreement) shall not exceed the total of the cost of the Reimbursable Costs of the Wastewater Improvements with respect to the wastewater infrastructure that is included, or is eligible to be included, in the City’s Capital Improvement Plan. The Wastewater Impact Fee Payments will terminate on the earlier to occur of: (i) Developer receiving Wastewater Impact Fee Payments, or a combination of Wastewater Impact Fee Payments, reimbursements from the TIRZ, Permit Fee Payments and one or more payments from the City equal to the Reimbursable Costs of the Wastewater Improvements; (ii) the expiration of this Agreement; (iii) the termination of this Agreement by reason of a Developer default; or (iv) the failure of Developer to satisfy the conditions for development within The Northline PUD as set forth in Section 6.05 below.

6.03 (a) The Water Improvements and the Wastewater Improvements shall be publicly bid in accordance with the procedures set forth in applicable state law and Section 2.02.

(b) The Reimbursable Costs of the Water Improvements shall be the total cost to design, install, and construct the Water Improvements, including without limitation, the hard construction costs; all advertising and other costs associated with public bidding and award of construction contracts; the cost of payment, performance, and maintenance bonds for the Water Improvements; surveying costs; soils and material testing costs; the fees of the design engineer, a third party construction supervisor, other professional fees related to the Water Improvements, and any other necessary and reasonable out-of-pocket costs expended by Developer in connection with the design, construction, inspection and completion of the Water Improvements reviewed and approved by the City, expended by the Developer in connection with the Water Improvements; provided that all such sums and amounts shall have been paid by Developer and are reasonable, necessary and documented to and approved by the City Engineer and Director of Development Services.

(c) The Reimbursable Costs of the Wastewater Improvements shall be the total cost to design, install, and construct the Wastewater Improvements, including without limitation, the hard construction costs; all advertising and other costs associated with public bidding and award of construction contracts; the cost of payment, performance, and maintenance bonds for the Wastewater Improvements; surveying costs; soils and material testing costs; the fees of the design engineer, a third party construction supervisor, other professional fees related to the Wastewater Improvements, and any other necessary and reasonable out-of-pocket costs expended by Developer in connection with the design, construction, inspection and completion of the Wastewater Improvements reviewed and approved by the City, expended by the Developer in connection with the Wastewater Improvements; provided that all such sums and amounts shall have been paid by Developer and are reasonable, necessary and documented to and approved by the City Engineer and Director of Development Services.

6.04 Commencing on the Effective Date and continuing until the obligation to make the Impact Fee Payments is terminated pursuant to this Agreement, the City will maintain a separate escrow account for the Water Impact Fees (the “**Water Impact Fee Escrow Account**”) and a separate escrow account for the

Wastewater Impact Fees (the “**Wastewater Impact Fee Escrow Account**”). The Water Impact Fee Escrow Account and the Wastewater Impact Fee Escrow Account are collectively referred to as the “**Impact Fee Escrow Accounts**”. The City will deposit into the Water Escrow Account one hundred percent (100%) of the Water Impact Fees paid to and received by the City for water connections listed in Section 6.02 above. The City will deposit into the Wastewater Escrow Account one hundred percent (100%) of the Wastewater Impact Fees paid to and received by the City for wastewater connections listed in Section 6.03 above. Notwithstanding the foregoing, it is acknowledged that 60% of the Wastewater Impact Fees that will be paid by the owners of land within The Northline PUD for connections to an existing wastewater line that was constructed by Crescent Leander, TX, LLC (“**Crescent**”) are to be rebated to Crescent pursuant to that certain Crescent Leander Development and Reimbursement Agreement effective January 7, 2014, among the City, the Leander Development Authority, the TIRZ and Crescent. The City and Developer confirm and agree that only 40% of the amount of the Wastewater Impact Fee paid with respect to the wastewater line covered by the above Crescent Leander Development and Reimbursement Agreement shall be deposited into the Impact Fee Escrow Account hereunder. The Impact Fee Escrow Accounts will be held by the City and the Impact Fee Payments paid out to Developer as provided in this Agreement. Once Developer completes and obtains City acceptance of the Water Improvements or Wastewater Improvements, as appropriate, the City shall pay amounts from the Water Impact Fee Escrow Account for completed Water Improvements or Wastewater Impact Fee Escrow Account for completed Wastewater Improvements to Developer quarterly in arrears. Impact Fee Payments will be paid on or before the 15th day of each April, July, October and January following the date the City receives the Water and Wastewater Impact Fees. The Impact Fee Payments will be in an amount equal to the Water Impact Fees and Wastewater Impact Fees collected by City preceding the month the scheduled payment is due and payable. For example, if the City collects Water Impact Fees and Wastewater Impact Fees for the connection of lots within the Property in November and December, on or before the 15th day of January, the City will pay an Impact Fee Payment to Developer (or its assignee) in an amount equal to the Water Impact Fees and Wastewater Impact Fees, as appropriate, for such lots within The Northline PUD plus such other Water Impact Fees and Wastewater Impact Fees as were collected during the prior quarter. The City may suspend payment of Impact Fee Payments if Developer is in default of this Agreement until such time that Developer cures the default.

6.05 It is expressly agreed that the obligation of the City to make the Impact Fee Payments to Developer shall terminate (a) if applications for site plans and/or building permits for not less than a total of 100,000 square feet of commercial and non-residential uses and not less than a total of 200 residential units within The Northline PUD have not been filed on or before the expiration of five (5) years after the effective date of the future approved Developer TIRZ Agreement, or (b) if applications for site plans and/or building permits for not less than a total of 200,000 square feet of commercial and non-residential uses and not less than a total of 400 residential units within The Northline PUD have not been filed on or before the expiration of eight (8) years after the effective date of the future approved Developer TIRZ Agreement. In the event either of the foregoing conditions is not satisfied, Developer shall no longer be entitled to receive any further Impact Fee Payments under the terms of this Agreement, and the Water and Wastewater Impact Fees that otherwise would be paid into the Impact Fee Escrow Account shall be paid into the General Fund of the City.

Article VII. Collection and Payment of Construction Supervision and Building Permit Fees

7.01 It is understood and agreed that the Developer and/or the owner of each such lot, tract, parcel, or

building site within The Northline PUD shall be required to pay the fees required by the City's construction supervision and inspection services for subdivision and other infrastructure construction plans, site development plans and building permits in the amounts established by the City from time to time (the "**Permit Fees**"). For purposes of this Agreement, the Permit Fees shall not include any portion of construction, site plan or building permit fees established by the City for (a) the review and processing of the applications for such construction plans, site development plans and building permits, (b) professional fees and costs of services provided by third parties to the City in connection with such construction plans, development plans or building permits, or (c) costs of notices or other out-of-pocket costs or expenses incurred by the City for services other than construction supervision and inspection services. All Permit Fees paid for any construction plans, site development plans, and building permits for projects that are not otherwise receiving any City incentives or fee waivers as defined below will be deposited by the City into a restricted escrow account (the "**Permit Fees Escrow Account**"). The projects within The Northline PUD that may receive City incentives or fee waivers would comprise retail or hotel projects (the "**The Northline PUD Incentive Projects**"). Permit Fees for The Northline PUD Incentive Projects would not be deposited by the City in the Permit Fees Escrow Account, but the City would otherwise use or waive as the City determines.

7.02 Once Developer completes and obtains City acceptance of the Developer Improvements and the remaining Public Improvements are completed and accepted by the City, the City shall pay amounts from the Permit Fees Escrow Account to Developer quarterly in arrears. Permit Fee Payments will be paid on or before the 15th day of each April, July, October and January following the date the City receives the Permit Fees (the "**Permit Fees Payments**"). The Permit Fees Payments will be in an amount equal to the Permit Fees collected by City preceding the month the scheduled payment is due and payable. Subject to the terms, conditions and limitations of this Agreement, during the Term of this Agreement, Developer shall receive a payment equal to one hundred percent (100%) of the amounts deposited in the Permit Fees Escrow Account, but not to exceed the total of the cost of the Developer Improvements. The Permit Fees Payments will terminate on the earlier to occur of: (i) Developer receiving Permit Fees Payments, or a combination of Permit Fees Payments, reimbursements from the TIRZ, and one or more payments from the City equal to the Developer Reimbursable Costs (as defined below); (ii) the expiration of this Agreement; (iii) the termination of this Agreement by reason of a Developer default; or (iv) the failure of Developer to satisfy the conditions for development within The Northline PUD as set forth in Section 7.04 below. The City may suspend payment of Permit Fees Payments if Developer is in default of this Agreement until such time that Developer cures the default.

7.03 The "**Developer Reimbursable Costs**" shall be the total cost to design, install, and construct the Developer Improvements, including without limitation, the hard construction costs; all advertising and other costs associated with public bidding and award of construction contracts; the cost of payment, performance, and maintenance bonds for the Developer Improvements; surveying costs; soils and material testing costs; the fees of the design engineer, a third party construction supervisor, other professional fees related to the Developer Improvements, and any other necessary and reasonable out-of-pocket costs expended by Developer in connection with the design, construction, inspection and completion of the Developer Improvements reviewed and approved by the City, expended by the Developer in connection with the Developer Improvements; provided that all such sums and amounts shall have been paid by Developer and are reasonable, necessary and documented to and approved by the City Engineer and Director of Development Services.

7.04 It is expressly agreed that the obligation of the City to make the Permit Fees Payments to Developer shall terminate (a) if applications for site plans and/or building permits for not less than a total of

100,000 square feet of commercial and non-residential uses and not less than a total of 200 residential units within The Northline PUD have not been filed on or before the expiration of five (5) years after the effective date of the future approved Developer TIRZ Agreement, or (b) if applications for site plans and/or building permits for not less than a total of 200,000 square feet of commercial and non-residential uses and not less than a total of 400 residential units within The Northline PUD have not been filed on or before the expiration of eight (8) years after the effective date of the future approved Developer TIRZ Agreement. In the event either of the foregoing conditions is not satisfied, Developer shall no longer be entitled to receive any further Permit Fees Payments under the terms of this Agreement, and the Permit Fees that otherwise would be paid into the Permit Fees Escrow Account shall be paid into the General Fund of the City.

Article VIII – Fee Waivers

8.01 The City hereby waives any inspection fees with respect to the City Improvements and the inspection fees with respect to the improvement of the central park included as part of the Developer Improvements.

8.02 The City hereby waives any Boundary Street Improvement Fees otherwise required with respect to San Gabriel Parkway, or any other street located within, or adjacent to, The Northline PUD.

8.03 The City will accept the parkland proposed to be dedicated and the parkland improvements proposed to be made as required by The Northline PUD and as part of the Public Improvements in satisfaction of the requirements for dedication of parkland or payment of any Parkland Dedication Fees otherwise required by City regulations.

Article IX. Expedited Plan Reviews

The City will expedite the review and action on all applications for final plats, construction plans, site plans, building permits and other permits and approvals for or with respect to the development of the lots, buildings and improvements within The Northline PUD submitted by Developer or its assignee. The City will promptly notify Developer (or its assignee) if any item or information is incomplete, or of any non-compliance or defect, in any application or plans submitted to the City for permit review and approval. The City will promptly respond and issue requested permits for which a complete and compliant application is made by Developer (or its assignee).

Article X. Off-Site Improvements

It is acknowledged that it is necessary that the drainage and utility lines within The Northline PUD will need to be connected to the City's drainage, water and wastewater systems, and that it will be necessary to extend lines within property that are not located within The Northline PUD. The City will provide use of all necessary City lands, rights-of-way and easements (as appropriate) and will provide further required easements or lands in fee simple as may be necessary for construction of such drainage, water and wastewater lines that are located outside the boundaries of The Northline PUD. It is acknowledged there is and exists a public necessity for these improvements, and the City agrees to use its power of eminent domain to acquire such lands or easements as may be necessary for the construction of such off-site improvements. The reasonable costs and expenses of the City to obtain any easements and

land required for such off-site improvements only shall be paid by Developer.

Article XI. Assignment of Commitments and Obligations

11.01. Developer's rights and obligations under this Agreement may be assigned by Developer to one (1) or more purchasers of all or part of the land within The Northline PUD; provided such purchaser(s) expressly assume the obligations of Developer under this Agreement with respect to the rights assigned and Developer provides written notice of such assignment and assumption. Prior to (but not from and after) the completion of the Public Improvements, the City Manager is authorized to approve and consent to any such assignment by the Developer of this Agreement including the assignment of any right or duty of the Developer pursuant to this Agreement, to an entity in which Developer retains an ownership interest, which consent shall not be unreasonably withheld, conditioned or delayed, except as otherwise provided in this Article. Any assignment of Developer's rights under this Agreement shall be required to be expressly made by written agreement executed by Developer, and the conveyance of all or any portion of the property within The Northline PUD by itself and without such express assignment shall not be deemed or construed to include an assignment of any of Developer's rights under this Agreement.

11.02. Notwithstanding anything contained herein to the contrary, Developer shall be entitled to assign Developer's rights to receive reimbursements under this Agreement (but not any of the obligations of Developer hereunder) without the prior consent of the City; provided, Developer provides written notice of such assignment to the City.

11.03. Notwithstanding anything contained herein to the contrary, Developer shall be entitled to assign all or any portion of Developer's rights to receive reimbursements and payments in accordance with this Agreement to any lender providing financing for the development of any portion of The Northline PUD or the construction of any building or other improvement within The Northline PUD, without such lender being required to assume the obligations of Developer under this Agreement.

Article XII. Garages and Structured Parking

It is contemplated that garages and parking structures will ultimately be constructed to provide parking for one or more buildings and uses located within The Northline PUD. Because parking garage and parking structures are expensive to construct and must be sized to accommodate a significant number of parking spaces to be feasible, it is acknowledged that it may be required that some portion of the cost to construct parking garages or parking structures in the later phases of the development of The Northline PUD may be covered by separate development agreements or that some of such parking garages or parking structures may be developed as public-private partnership arrangements.

Article XIII. Default and Related Provisions

13.01. Default. Except as otherwise provided herein, no party shall be deemed to be in default hereunder until the passage of fourteen (14) business days after receipt by such party of notice of default from the other party. Upon the passage of fourteen (14) business days without cure of the default, such party shall be deemed to have defaulted for purposes of this Agreement; provided that if the nature of the default is that it cannot reasonably be cured within the fourteen (14) business day period, the defaulting party shall have such longer period of time as may be reasonably necessary to cure the default in question so long as such party has commenced to cure such default within such fourteen (14) business day period

and diligently and continuously pursues the completion of such cure thereafter, provided that such default is cured within six months after notice of default. In the event of default, the non-defaulting party to this Agreement may pursue the remedy of specific performance or other equitable legal remedy not inconsistent with this Agreement. All remedies will be cumulative and the pursuit of one authorized remedy will not constitute an election of remedies or a waiver of the right to pursue any other authorized remedy.

13.02. If the Developer defaults under this Agreement prior to the date the City Improvements have been completed in accordance with this Agreement, the City will have the right to assume the construction contract or contracts for the City Improvements and proceed with the construction of the City Improvements. In such case, the City will have the right to utilize the proceeds of any fiscal security posted with the City and/or the proceeds of the Bonds to complete the City Improvements. The Developer will be in default under this Agreement upon the occurrence of one or more of the following events (an “**Event of Default**”):

- (a) The Developer fails to commence or complete design; commence, diligently pursue or complete construction or fails to achieve completion of the City Improvements in accordance with the timeframes set forth in the Construction Contract for any reason other than the default by the contractor(s) completing the City Improvements, the default by the City under the terms of this Agreement, or as the result of Force Majeure (herein defined); provided that nothing herein shall be construed to prevent the City from exercising its rights under the performance bond filed in connection with the Construction Contract to complete the City Improvements as a result of a default by the contractor(s) completing the City Improvements in the event the Developer fails to obtain performance under the Construction Contract in accordance with its terms; or
- (b) The Developer fails to perform any other obligation under this Agreement in the time and manner specified by this Agreement and fails to cure such failure within sixty (60) days of receipt of written notice from the City to do so; provided, that if the nature of the default is that it cannot reasonably be cured within such 60-day period, the defaulting party shall have such longer period of time as may be reasonably necessary to cure the default in question so long as such party has commenced to cure such default within such 60-day period and diligently and continuously pursues the completion of such cure thereafter.

At any time following an Event of Default, the City may notify the Developer that the City intends to assume and perform the Developer's outstanding obligations under this Agreement for construction of the City Improvements. If the City gives notice that the City intends to perform the Developer's outstanding obligations under this Agreement for the construction of the City Improvements following an Event of Default, then the City may assume the construction contract or contract(s) and draw on the fiscal security or the Bonds to pay for the costs of construction of the City Improvements (the “**Performance Rights**”). The City will further have the right to assign its Performance Rights to an owner or purchaser of land in the area that is intended to receive service through the City Improvements or the Water Improvements and the Wastewater Improvements (the “**Service Area**”). If the City does not elect to exercise its Performance Rights, the City agrees that it will, upon the request of the Developer or an assignee of the Developer that is an owner or purchaser of land in the Service Area, assign its right to do so to the assignee. In such event, the assignee may, but will not be obligated to, assume the City's Performance Rights and the Developer agrees that the assignee may assume the construction contract or contracts for and the Developer's rights with respect to the design, permitting and construction of the City Improvements and will have the right to make applications to the City for and to received funding of payment requests through any fiscal security, as appropriate and from the City as provided in Article VI above.

13.03. Attorneys Fees. In the event of any litigation between the Parties, the prevailing Party in such litigation shall be entitled to obtain recovery from the non-prevailing Party of its attorneys' fees and costs related to such action, including appeals and post judgment awards

13.04. Waiver. Any failure by a Party to insist upon strict performance by the other Party of any provision of this Agreement will not, regardless of length of time during which that failure continues, be deemed a waiver of that Party's right to insist upon strict compliance with all terms of this Agreement. In order to be effective as to a Party, any waiver of default under this Agreement must be in writing, and a written waiver will only be effective as to the specific default and as to the specific period of time set forth in the written waiver. A written waiver will not constitute a waiver of any subsequent default, or of the right to require performance of the same or any other provision of this Agreement in the future.

13.05. Waiver of Immunity. Notwithstanding anything to the contrary herein, the City and the Developer hereby agree and acknowledge that this Agreement is subject to the provisions of Subchapter I of Chapter 271, Texas Local Government Code, as amended. The City further agree that by executing this Agreement immunity from suit is waived for purposes of enforcing this Agreement or adjudicating a claim for breach of this Agreement.

13.06 Force Majeure. Whenever a period of time is herein prescribed for action to be taken by a Party, such Party shall not be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to strikes, acts of God, adverse weather, shortages of labor or material, war, governmental laws or regulations, delays in the issuance of permits or approval by any governmental agency or authority, delays in inspections by any governmental agency or authority, or any other cause of any kind whatsoever which is beyond the control of such Party.

Article XIV. Notices

Any notice to be given hereunder by any Party to another Party shall be in writing and may be effected by sending said notices by registered or certified mail, return receipt requested, or by nationally recognized delivery service to the address set forth below. Notice shall be deemed given and received two (2) business days after deposited with the United States Postal Service, or one (1) business days after deposited with such delivery service.

Any notice mailed to the City shall be addressed:

City of Leander
Attn: City Manager
200 West Willis
P.O. Box 319
Leander, Texas 78646-0319

with required copy to:

The Knight Law Firm, LLP
223 W. Anderson Lane, Suite A105
Austin, Texas 78752

Any notice mailed to the Developer shall be addressed:

AREA Leander 1, L.P.
2501 Tarryhill Place
Austin, Texas 78703
Attn: Alex Tynberg

with required copy to:

R. Alan Haywood
Graves, Dougherty, Hearon & Moody
P.O. Box 98
Austin, Texas 78767

Either Party may change the address for notice to it by giving notice of such change in accordance with the provisions of this section.

Article XV. Miscellaneous Provisions

15.01. This Agreement, together with any exhibits attached hereto, constitutes the entire agreement between Parties and may not be amended except by a writing approved by the City Council of the City that is signed by all Parties and dated subsequent to the date hereof.

15.02. The terms of this Agreement are not intended to and shall not be deemed to create any partnership or joint venture among the parties. The City, its past, present and future officers, elected officials, employees and agents, do not assume any responsibilities or liabilities to any third party in connection with the development of The Northline PUD. The City enters into this Agreement in the exercise of its public duties and authority to provide for development of property within the City pursuant to its police powers and for the benefit and protection of the public health, safety, and welfare.

15.03. This Agreement is not intended, nor will it be construed, to create any third-party beneficiary rights in any person or entity who is not a party, unless expressly provided otherwise herein, or in a written instrument executed by both the City and the third party. Absent a written agreement between the City and third party providing otherwise, if a default occurs with respect to an obligation of the City under this Agreement, any notice of default or action seeking a remedy for such default must be made by the Owner.

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

15.05. The Effective Date of this Agreement is the defined date set forth in the first paragraph.

15.06. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and shall be performable in Williamson County, Texas. Venue shall lie exclusively in Williamson County, Texas.

15.07. To the extent this Agreement constitutes a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2270 of the Texas Government Code, and subject to applicable Federal law, the Developer represents that neither the Developer nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Owner (i) boycotts Israel or (ii) will boycott Israel through the term of this Amendment or the Agreement. The terms “boycotts Israel” and “boycott Israel” as used in this paragraph have the meanings assigned to the term “boycott Israel” in Section 808.001 of the Texas Government Code, as amended.

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

[signature page follows]

EXECUTED in multiple originals this the ____ day of _____, 2018.

CITY:
CITY OF LEANDER, TEXAS
a Texas home-rule municipal corporation

Attest:

By: _____
Name: Dara Crabtree
Title: City Secretary

By: _____
Name: Christopher Fielder
Title: Mayor

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on this ____ day of _____, 2018, by, a Texas home-rule municipal corporation, on behalf of said corporation.

(SEAL)

Notary Public, State of Texas

DEVELOPER:
AREA LEANDER 1, LP,
a Texas limited partnership

By: Area One Properties, LLC
its General Partner

By: _____
Alex Tynberg, President

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on this ____ day of _____, 2018, by _____, _____ of Area Leander 1, LP, on behalf of said Texas Limited Partnership.

(SEAL)

Notary Public, State of Texas
EXHIBIT "A"

Legal Description of The Northline PUD

[to be attached]

EXHIBIT B

Description of City Improvements

1. Approximately _____ linear feet of the street, sidewalks, traffic signs and infrastructure, street lighting, street trees and landscaping, sidewalk amenities, and related improvements for the portions of the streets located within The Northline PUD reflected on **Exhibit B-1** attached hereto (“Phase 1”);
2. Approximately _____ linear feet of drainage lines and related facilities and improvements located within the streets located within Phase 1, and a water quality pond and its related facilities and improvements; and
3. Approximately \$_____ of the cost of the improvements to the central park (labeled as Civic Space P-1) located within Phase 1.

It is understood that the number of linear feet of the above-described improvements shall be determined based on the finally approved and accepted bids for the construction of such improvements so that the total cost of the City Improvements shall in no event exceed a total of \$15,000,000.00.

EXHIBIT B-1

Depiction of Phase 1 Area

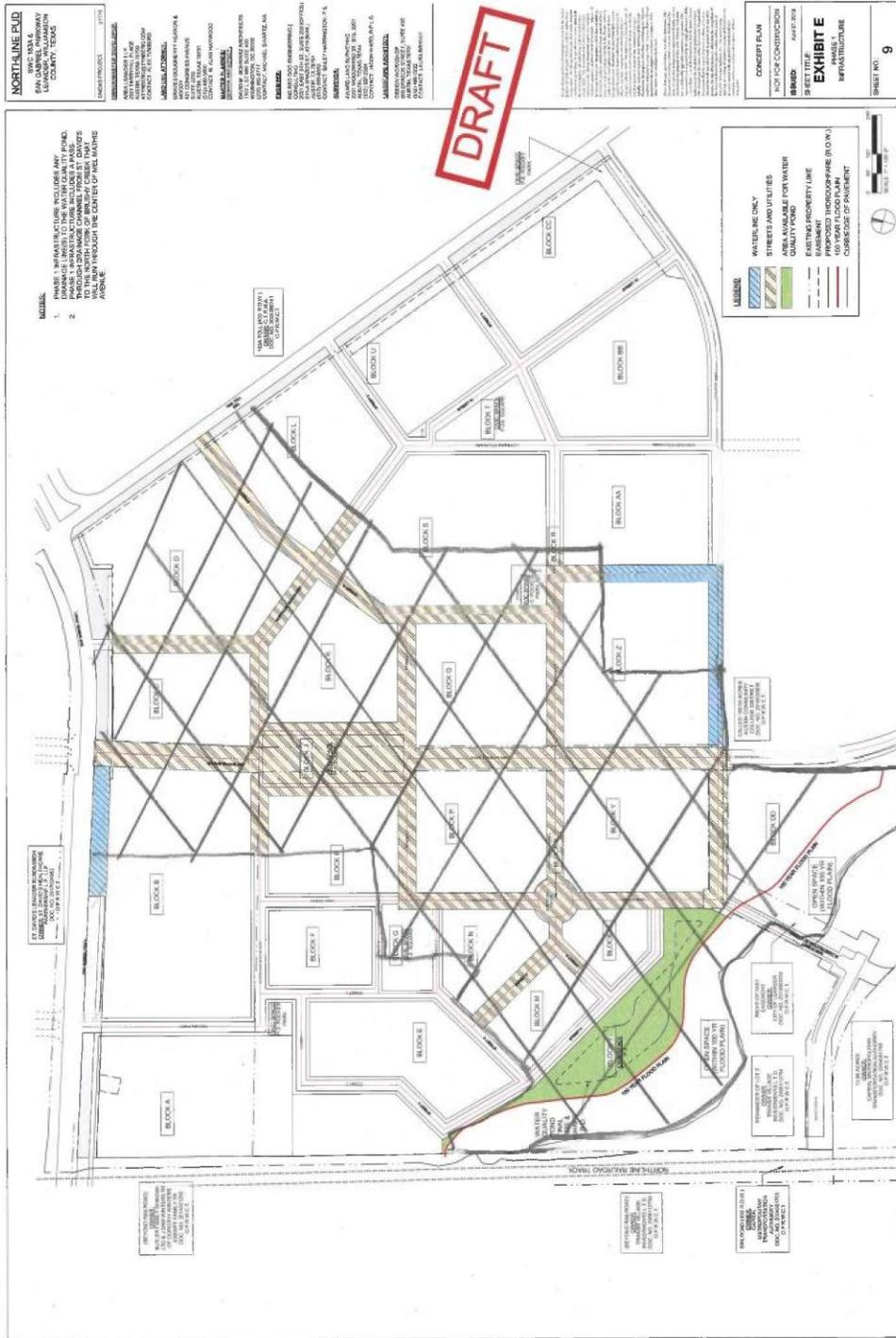


EXHIBIT C

Water Improvements and Wastewater Improvements

1. Approximately _____ linear feet of water lines and related facilities and improvements located within the streets located within Phase 1;
2. Approximately _____ linear feet of wastewater lines and related facilities and improvements located within the streets located within Phase 1.

EXHIBIT D

Description of Developer Improvements

The following is a general description of the Developer Improvements.

1. The remainder of the street, sidewalks, traffic infrastructure, street lighting, street trees and landscaping, sidewalk amenities, and related improvements for the portions of the streets located within Phase 1 that are not included within the City Improvements;
2. The remainder of the drainage lines and related facilities and improvements located within the streets located within Phase 1, and the water quality pond and its related facilities and improvements that are not included within the City Improvements;
3. The remainder of the water lines and related facilities and improvements located within the streets located within Phase 1 that are not included within the Water Improvements;
4. The remainder of the wastewater lines and related facilities and improvements located within the streets located within Phase 1 that are not included within the Wastewater Improvements;
5. The remainder of the cost of the improvements to the central park (labeled as Civic Space P-1) located within Phase 1 that are not included within the City Improvements and short-term operation and maintenance costs for such park;
6. All of the costs for the installation of natural gas and electric lines, systems, equipment and related facilities within Phase 1.

Exhibit E
Construction Contract Terms

The Construction Contract shall contain the following terms, unless approved otherwise by the City:

1. The contractor will be required to post payment and performance bonds in the full contract amount, and to carry commercial general liability insurance written on a “per-occurrence” basis in a minimum amount of \$1,000,000 combined single limit per occurrence, \$2,000,000 general aggregate, and \$2,000,000 products/completed operations aggregate, and the City will be named as an additional insured or beneficiary, as appropriate, of such insurance and bonds.
2. A minimum of five percent (5%) retainage shall be withheld from each payment made to the contractor.
3. The contractor will indemnify the City from any liability arising out of claims arising due to contractor’s activities related to installation and construction of the City Improvements.
4. In order to obtain any progress payment payable to the contractor or contractors from the City, the Developer must deliver or cause the Project Engineer to deliver to the City a copy of the certified construction draw request that includes a statement of the percentage of construction of the City Improvements completed to the date of the contractor’s draw request (the “Completion Percentage”) and has been approved by the Project Engineer and the Developer (the “Approved Draw Request”); (ii) the Project Engineer’s certification of the amount of the contract price remaining to be paid (the “Certification”); and (iii) an affidavit signed by the contractor, in the form of a conditional waiver and release of lien upon progress payment, including affirmation of that payment of all subcontractors and vendors supplying labor and or materials for the City Improvements will be made upon receipt of the amount request in the draw request (“Waiver and Release”). The City may dispute a draw request by giving written notice to the Developer and the Project Engineer of the amount of the draw request disputed and the specific basis for the dispute within 10 days of receipt of the draw request; provided that a dispute will only be permitted if the City, in good faith, alleges that the work covered by the draw request has not been completed in accordance with the Construction Contract or there is a default by the contractor under the Construction Contract, and the City shall pay any amount that is not in dispute. The parties shall cooperate to resolve any dispute permitted under this Section promptly in order to avoid a default under the construction contract or this Agreement.