area of any undeveloped areas on the Concept Plan or Open Space Plan by less than 25 percent for each land use area.

Section 4.03 Property Acquisition. If necessary for construction of the Public Improvements, the Developer is responsible for the acquisition of any off-site property rights and interests to allow the Public Improvements to be constructed to serve the Property. Developer shall use commercially reasonable efforts to obtain all third-party rights-of-way, consents, or easements, if any, needed to construct the off-site Public Improvements. The Developer shall provide evidence of costs, maps, locations and size of infrastructure to the City and obtain the City's consent prior to such acquisition of third-party rights-of-way, consents, or easements needed to construct the off-site Public Improvements. Notwithstanding the above, to the extent an off-site easement is required based on City-approved construction drawings for the Public Improvements, and such easement would be on City-owned land, the City shall grant, at no cost to the Developer, such easement provided that such construction drawings are submitted and approved by the City. If, however, the Developer is unable to obtain such third-party rights-of-way, consents, or easements within sixty (60) days of commencing efforts to obtain the needed rights-of-way, consents, or easements, then, as a condition to requiring the Developer to construct the off-site Public Improvements, the City shall take reasonable steps to secure same, other than for Water Improvements for a SUD, (subject to City Council authorization after a finding of public necessity) through the use of the City's power of eminent domain. The Developer shall be responsible for funding all reasonable and necessary legal proceeding/litigation costs, attorney's fees and related expenses, and appraiser and expert witness fees (collectively, "Eminent Domain Fees") paid or incurred by the City in the exercise of its eminent domain powers and shall, if requested in writing by the City, 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. Provided that the escrow fund remains appropriately funded in accordance with this Agreement, the City will use all reasonable efforts to expedite such condemnation procedures so that the Public Infrastructure can be constructed as soon as reasonably practicable. If the City's Eminent Domain Fees exceed the amount of funds escrowed in accordance with this paragraph, the Developer shall deposit additional funds as requested by the City into the escrow account within ten (10) days after written notice from the City. City is not required to continue pursuing the eminent domain unless and until the Developer deposits addition Eminent Domain Fees with the City. Any unused escrow funds will be refunded to the Developer with thirty (30) 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 The amount of Eminent Domain Fees paid by the Developer shall be reduced by the proportionate amount of City participation due to Oversized Public Improvements, if any. Non-oversized costs will be PID eligible expense(s) as allowable under the PID Act.

Section 4.04 Zoning of the Property. While the Parties expressly acknowledge that the Property (other than the In-City Property) will be annexed in Zones in accordance with this Agreement, the Parties agree that the Governing Regulations and the applicable provisions of this Agreement memorialize the plan for development of the Property as provided for in Section 212.172 of the Texas Local Government Code. The City shall consider zoning the Property with the PD Zoning consistent with the Governing Regulations, and applicable provisions of this

Agreement contemporaneously with annexation of the ETJ Property. Through this Agreement, the Developer expressly consents and agrees to the zoning of the Property consistent with and as contemplated by this Section 4.04.

Section 4.05 Annexation. The vast majority of the Property is currently in the extraterritorial jurisdiction of the City. The Parties agree that the commercial, business park, and mixed-use portions of the ETJ Property, as shown on the Concept Plan, shall be annexed into the City within sixty (60) days following the issuance of the first series of PID Bonds for the Property. As each Zone of the PID Property is ready to be developed, the Developer shall request that the City annex that particular Zone and levy assessments for a PID Phase in the Zone. This Agreement shall serve as the voluntary petition for the Property to be annexed into the city limits of the City. This Agreement constitutes the service plan agreement for providing City services to the ETJ Property. Developer acknowledges that it was offered an agreement under Section 43.016, Texas Local Government Code. Developer agrees to execute and supply any and all instruments and/or other documentation necessary for the City to annex the ETJ Property into the City's corporate limits. If the City is unable to complete the annexation of the ETJ Property for any reason, including but not limited to procedural error or legal challenge, Developer shall execute another voluntary annexation petition for the ETJ Property, within ten (10) days of being requested to do so. Upon issuance of the PID Bonds for the first PID Phase in a Zone, that Zone shall be annexed into the City.

Section 4.06 Disannexation from Utility District. Any portion of the Property in a Zone being annexed by the City that is in a utility district shall be disannexed by Developer, at its own expense, from the utility district as a condition precedent to the issuance of PID Bonds in the Zone by the City in accordance with Section 4.05.

Section 4.07 Operation and Maintenance.

(a) Upon inspection, approval, and acceptance of the Water Improvements, Bear Creek SUD or the Nevada SUD shall maintain and operate the accepted Water Improvements and provide water service to the Property.

(b) Upon inspection, approval, and acceptance of the sewer and roadway Public Improvements or any portion thereof, the City shall maintain and operate (i) the roadways and

storm water infrastructure listed in Exhibit G or any accepted portion thereof and (ii) the accepted sewer infrastructure and provide sewer service to the Property.

(c) An HOA shall maintain and operate the open spaces, common areas, right-of-way irrigation systems, trails. right-of-way landscaping, screening walls, and any other common improvements or appurtenances not maintained and operated by the City.

Section 4.08 Administration of Construction of Public Improvements. The Parties agree that the Developer will be responsible to construct the on-site and off-site storm, roadway, water and sewer Public Improvements for the Property as listed in Exhibit G.

Section 4.09 Sewer Service. The City will be the provider of sanitary sewer within the Property. If this Agreement is ever terminated, the City will still have the ongoing obligation to provide sewer capacity to the Property.

Section 4.10 Sewer Treatment Capacity. The cost to design, permit, expand or build any wastewater treatment plant ("WWTP") attributable to the development of the Property will be paid for by the City. If any sewer Oversized Public Improvements are required, the City will pay or reimburse the oversizing costs as set forth in Section 4.14. The Developer agrees to construct or cause to be constructed any trunk lines necessary to provide sewer service to the Property, which shall be a Public Improvement.

a. Bear Creek WWTP (WQ0014577001). The Bear Creek WWTP shall serve the mixed use, commercial and business park areas (180,100 gpd ADF) as shown on the Concept Plan ("Existing WWTP Service Area"). The City will be responsible for any needed expansions to the facility to serve these areas, subject to TCEQ approval. The existing facility can serve up to 450 Equivalent Residential Services (101,250 gpd) without expansion. The City must fund and start construction of the next WWTP expansion, if needed, when the 300th equivalent residential building permit is pulled within the "Existing WWTP Service Area".

b. The 450,000 Gallon WWTP (WQ0015890001). The 450,000 Gallon WWTP will serve Section 2, Phases 2A-2E area consisting of 1,389 residential lots including an elementary school as shown on the Concept Plan. The City will pay the costs to design, permit and build the WWTP, including reimbursing the Developer for costs agreed to by the City incurred prior to the execution of this Agreement, within 30 days of issuance of the first series of PID Bonds, and must start the bid process of Phase 1 ("Interim I" - 0.25 MGD) of the 450,000 gallon WWTP within 30 days of approval of the plans by the City and TCEQ. The City must start construction of the next WWTP expansion ("Final" - 0.20 MGD), when the final plat for the 800th lot within Section 2 has been approved.

c. Confirmation of Capacity and Service. The City agrees and confirms it will serve sewer to the Property consisting of up to 3,400 Equivalent Residential Services, the mixed use, west commercial, east commercial and business park properties for a total average daily flow of 945,100 gpd, subject to TCEQ approval of treatment capacity. In the event TCEQ does not approve expansions of either WWTP facility, the City will investigate other financially and technically feasible treatment alternatives. The Parties agree that the Developer may also provide

or cause to be provided a treatment alternative, and the City agrees to cooperate with the Developer on any third-party alternative.

Section 4.09 and 4.10 shall survive the termination of this Agreement and the City agrees to serve, or cause service to, the Property whether it is within the City limits or the extraterritorial jurisdiction in perpetuity, and shall enter into an agreement for wastewater services for the ETJ Property. If this Agreement is terminated prior to the issuance of the first series of PID Bonds, Section 4.09 and 4.10 of this Agreement shall also terminate.

The City has reviewed the Kimley Horn contract for the WWTP and agrees to assume the contract upon the execution of this Agreement.

The 450,000 Gallon WWTP site and the buffer zone, as shown on the Concept Plan, shall be transferred to the City within 90 days of the issuance of the first series of PID Bonds. Developer shall also transfer permit no. WQ0015890001with transfer of the WWTP site and the buffer zone.

Section 4.11 Agreements with a SUD. The Developer agrees to use its best efforts to acquire, or facilitate the execution of, any agreement between a SUD and the City necessary for the approval of the Attorney General of Texas of any PID Bond.

Section 4.12 Emergency Sirens. In consideration for the City's assistance and cooperation in connection with the issuance by the City of PID Bonds for any part of the Property, the Developer agrees to pay the City, simultaneously with the closing and funding of the first, second and third issuance of PID Bonds, a fee at each closing in the amount of $55,000, with all three fees to be used by the City to purchase and install three emergency warning sirens on the Property as shown on the Concept Plan and as the Property develops.

Section 4.13 Public Safety Site. Within 90 days after the issuance of the first series of PID Bonds, the Developer agrees to dedicate or cause to be dedicated an approximately 6.8 acre Public Safety Site to the City as shown on the Concept Plan.

Section 4.14 Oversized Public Improvements. The Developer shall not be required to construct or fund any Oversized Public Improvements (including permitting and design costs) when such oversizing provides a benefit to land outside the Property, unless, by the commencement of construction, the City has identified Public Improvements which are requested to be oversized. The City shall reimburse the Developer for the construction of Oversized Public Improvements within thirty (30) days after the City's acceptance of the Oversized Public Improvements as set forth in this Agreement.

Section 4.15 Thoroughfare Plan. The Parties acknowledge that the City's existing thoroughfare plan is inconsistent with the Concept Plan and Road Plan for the Elevon Development. As soon as practicable, the City agrees to consider a thoroughfare plan amendment consistent with the Concept Plan and Road Plan as set forth herein.

Section 4.16 PID Signage. The Developer shall place or cause to be placed a sign on the PID Property that is visible to vehicular traffic entering the PID Property, which sign shall include the phrase: "This development is located within a public improvement district," or other similar

language pre-approved by the City in writing. The location of such sign shall be determined by the Developer at the Developer's discretion.

Section 4.17 Trails. The Developer agrees to construct or cause the construction of a network of public and private trails, as identified in Exhibit C-2 the Open Space Plan, to provide connectivity throughout the Elevon Development as shown on the Open Space Plan. The trails shall be constructed in segments as required or necessary for each PID Phase or commercial, mixed/use commercial and business park portions of the Elevon Development, and upon, completion, the public trails shall be dedicated to the City and maintained by the HOA or POA, as applicable. The eight foot (8 foot) public trails within the commercial, mixed/use commercial and business park portion of the Elevon Development shall be maintained by the HOA or POA for a period of twenty (20) years after dedication to the City, and, thereafter, the City agrees to maintain the eight foot (8 foot) public trails within the commercial, mixed/use commercial and business park portion of the Elevon Development. The HOA or POA will provide ongoing maintenance for the private trails identified in Exhibit C-2.

ARTICLE V

DEVELOPMENT CHARGE

Section 5.01. Plat Review Fees. Development of the Property shall be subject to payment to the City of the reasonable fees and charges applicable to the City's preliminary and final plat review and approval process according to the fee schedule adopted by the City Council and in effect at the time of platting.

Section 5.02. Plan Review and Permit Fees. Development of the Property shall be subject to payment to the City of the reasonable fees and charges applicable to the City's review of plans and specifications and issuance of permits (including building permits) for construction of the Public Improvements according to the fee schedule adopted by the City Council at the time of plan review and permit issuance.

Section 5.03. Impact Fees. Development of this Property shall be subject to the payment of any adopted impact fees according to a fee schedule adopted by the City Council. Upon the adoption of impact fees by the City, the development shall be credited for all capital improvement projects constructed prior to the adoption of the impact fees that are not, or will not, be reimbursed using PID Bond Proceeds or be the subject of a PID Reimbursement Agreement. For any portion of the Oversized Public Improvements and offsite Public Improvements that are on the City's capital improvement plan and are constructed or caused to be constructed by Developer, and the Developer is not reimbursed through Assessment Revenue, PID Bonds, the TIRZ Agreement, or any other source of revenue, Chapter 395 shall apply ("Impact Fee Credits"). This Section 5.03 shall only apply to Oversized Public Improvements and offsite Public Improvements that have been transferred to, dedicated to, approved by or accepted by the City.

Interest shall not be added to construction costs incurred by Developer and reimbursed with Impact Fee Credits.

Section 5.04. Inspection Fees. Development of the Property shall be subject to the payment to the City of inspection fees according to the fee schedule adopted by the City Council at the time of inspection.

Section 5.05. Sewer Tap Fees. The Development of the Property shall be subject to the Sewer Tap Fees in effect, pursuant to City Regulations, at the time the Sewer Tap Fee is owed and shall be paid at the time and in the manner required by the City Regulations. No additional sewer impact fees, other than as described above, shall be required.

Section 5.06. Public Safety Fee. The Elevon Development shall incur a $500 public safety fee, due at the time of every building permit application, paid by the applicant for a permit for all properties within the Elevon Development. The proceeds of such fee shall be used to support the provision of public safety services within or benefitting the Elevon Development. The Developer agrees to include in its contracts with builders or buyers, the requirement to pay such public safety fee at the time a building permit is issued by the City; provided however, that a failure of the Developer to do so shall not constitute an Event of Default under this Agreement. Developer agrees that the City is not obligated to spend the public safety fees received pursuant to this paragraph until such time as an amount that is sufficient to cover said expenditures has been collected. All such public safety fees received by the City shall be accounted for on the City's books and records separate and apart from all other funds of the City and used only for real property or tangible personal property for public improvements or facilities for the provision of public safety services within or benefitting the Elevon Development.

Section 5.07. Traffic Impact Analysis. A Traffic Impact Analysis ("TIA") shall be required prior to the development of any PID Phase and Developer shall be required to obtain inputs and assumptions from the City. Subject to Section 4.14 with respect to Oversized Public Improvements, the Developer shall construct or cause to be constructed roadway Public Improvements and any roadways, facilities or expansions and enhancements attributable to the Elevon Development that are required under the TIA, as updated or amended from time to time.

Section 5.08. Park Fees. The park, open space and trail obligations set forth in Exhibit C-2 shall satisfy any requirement for parkland or open space dedication or park fees. No Park Fees shall be charged for development of the Property.

Section 5.09. Gas Franchise Fees: Subject to the discretion of the City Council, prior to the issuance of PID Bonds and not later than October 31, 2021, the Parties intend to enter into an economic development agreement pursuant to Chapter 380, Texas Local Government Code, as amended, to provide a 380 Grant to the Developer of eighty percent (80%) of the total 5% collected on Gas Franchise Fees collected within the Elevon Development for a term of fifty (50) years.

Section 5.10. Development Annexation Fee. Upon the City's annexation of a Zone into the City limits, the Developer shall pay to the City, an amount equal to $100 for each single-family residential lot estimated to be constructed within a Zone (the "Development Annexation Fee"). Notwithstanding anything to the contrary, as PID Phases are developed within a Zone, the Parties

agree that the Development Annexation Fee shall be a one-time fee for each Zone and shall not be increased or decreased as a result in a change to the number of single-family residential lots as set forth in a final plat or replat for property within a Zone. All Development Annexation Fees received by the City shall be accounted for on the City's books and records separate and apart from all other funds of the City and used only for real property or tangible personal property for public improvements or facilities within or benefitting the Elevon Development.

ARTICLE VI

CONSTRUCTION OF THE PUBLIC IMPROVEMENTS

Section 6.01. Project Scope Verification.

(a) The Developer will from time to time, as reasonably requested by the City Representative, verify to the City Representative that the Public Improvements are being constructed substantially in accordance with the Plans and Specifications approved by the City. To the extent the City has concerns about such verification that cannot be answered by the Developer, to the City's reasonable satisfaction, the Developer will cause the appropriate architect, engineer or general contractor to consult with the Developer and the City regarding such concerns.

Section 6.02. Joint Cooperation; Access for Planning and Development.

(a) Cooperation and Timely Response. During the planning, design, development and construction of the Public Improvements, the Parties agree to cooperate and coordinate with each other, and to assign appropriate, qualified personnel to this project. The City staff will make reasonable efforts to accommodate urgent or emergency requests during construction. In order to facilitate a timely review process, the Developer shall use its bests efforts to cause the architect, engineer and other design professionals to attend City meetings if requested by the City and to submit requests so that City staff has reasonable time to review/respond.

Section 6.03. City Not Responsible.

By performing the functions described in this Article, the City shall not, and shall not be deemed to, assume the obligations or responsibilities of the Developer, whose obligations under this Agreement and under Applicable Law shall not be affected by the City's exercise of the functions described in this Article. The City's review of any Plans and Specifications is solely for the City's own purposes, and the City does not make any representation or warranty concerning the appropriateness of any such Plans and Specifications for any purpose. The City's approval of (or failure to disapprove) any such Plans and Specifications, including the site plan, submitted with such Plans and Specifications and any revisions thereto, shall not render the City liable for same, and the Developer assumes and shall be responsible for any and all claims arising out of or from the use of such Plans and Specifications.

Section 6.04. Construction Standards and Inspection.

The Public Improvements will be installed within the public right-of-way or in easements granted to the City. Such easements may be granted at the time of final platting in the final plat or by separate instrument. The Public Improvements shall be constructed and inspected in accordance with applicable state law, City ordinances, building codes, and all others applicable development requirements, including those imposed by any other governing body or entity with jurisdiction over the Public Improvements, and this Agreement, provided, however, that if there is any conflict, the regulations of the governing body or entity with jurisdiction over the Public Improvement being constructed shall control.

Section 6.05. Public Improvements to be Owned by the City – Title Evidence.

The Developer shall furnish to the City a preliminary title report, which must reflect that there are no liens, for land with respect to the Public Improvements, including any related rights-of-way, easements, and open spaces if any, to be acquired and accepted by the City from the Developer and not previously dedicated or otherwise conveyed to the City, for review and approval at least 30 calendar days prior to the transfer of title of a Public Improvement to the City. The City Representative shall approve the preliminary title report unless it reveals a matter which, in the reasonable judgment of the City, could materially affect the City's use and enjoyment of any part of the property or easement covered by the preliminary title report. The City is not obligated to review and object to any preliminary title report showing a lien(s) on the subject land, as such reports will not be accepted by the City for review until all liens are released. In the event the City Representative does not approve the preliminary title report, the City shall not be obligated to accept title to the Public Improvement until the Developer has cured such objections to title to the satisfaction of the City Representative.

Section 6.06. Public Improvement Constructed on City Land or the Property.

If the Public Improvement is on land owned by the City, the City hereby grants to the Developer a temporary easement to enter upon such land for purposes related to construction (and maintenance pending acquisition and acceptance) of the Public Improvement. If the Public Improvement is on land owned by the Developer, the Developer shall dedicate easements by plat or shall execute and deliver to the City such access, maintenance and operation easements as the City may reasonably require in recordable form, and the Developer hereby grants to the City a permanent access, maintenance and operation easement to enter upon such land for purposes related to inspection, maintenance and operation of the Public Improvement. The grant of the permanent easement shall not relieve the Developer of any obligation to grant the City title to property and/or easements related to the Public Improvement as required by this Agreement or as should in the City's reasonable judgment be granted to provide for convenient access to and routine and emergency maintenance of such Public Improvement. The provisions for inspection and acceptance of such Public Improvement otherwise provided herein shall apply.

Section 6.07. Revisions to Scope and Cost of Public Improvements.

(a) The Public Improvement Project Costs, as set forth in Exhibit G, may be modified or amended from time to time upon the approval of the City Representative, provided that the total

cost of the Public Improvements shall not exceed such amount as set forth in the SAP plus the Developer Contribution. Should the Public Improvements be amended by the City Council in the SAP pursuant to the PID Act, the City Representative shall be authorized to make corresponding changes to the applicable Exhibits attached hereto and shall keep official record of such amendments.

(b) Should the estimated Public Improvement Project Costs exceed the amounts set forth in the SAP, the Developer must make a Developer Contribution at the time of each PID Bond issuance.

Section 6.08. Title and Mechanic's Liens.

(a) Title. The Developer agrees that the Public Improvements shall not have a lien or cloud on title upon their dedication to and acceptance by the City.

(i) Mechanic's Liens. Developer shall not create nor allow or permit any liens, encumbrances, or charges of any kind whatsoever against the Public Improvements arising from any work performed by any contractor by or on behalf of the Developer. The Developer agrees that the Developer will not permit any claim of lien made by any mechanic, materialman, laborer, or other similar liens to stand against the Public Improvements for work or materials furnished to the Developer in connection with any construction, improvements, renovation, maintenance or repair thereof made by the Developer or any contractor, agent or representative of the Developer. The Developer shall cause any such claim of lien to be fully discharged no later than thirty (30) days after the Developer's receipt of written notice of the filing thereof.

Section 6.09. City Consent.

Any consent or approval by or on behalf of the City required in connection with the design, construction, improvement or replacement of the Public Improvements or otherwise under this Agreement shall not be unreasonably withheld, delayed, or conditioned. Any review associated with any determination to give or withhold any such consent or approval shall be conducted in a timely and expeditious manner with due regard to the cost to the Developer associated with delay. This paragraph is not intended to shorten time periods established by the City Regulations.

Section 6.10. Right of the City to Make Inspection.

(a) At any time, the City shall have the right to enter the Property for the purpose of inspection of the progress of construction on the Public Improvements; provided, however, the City Representative shall comply with reasonable restrictions generally applicable to all visitors to the Elevon Development that are imposed by the Developer or its general contractor or subcontractors. The Developer shall pay the City's costs for the retention of a third-party inspector.

(b) Inspection of the construction of all Public Improvements shall be by the City Representative or his/her designee. In accordance with Section 5.04, the Developer shall pay or cause to be paid the inspection fee which may be included as a Public Improvement Project Cost.

(c) City may enter the Property in accordance with customary City procedures to make any repairs or perform any maintenance of Public Improvements which the City has accepted for maintenance. This Section 6.10 is not meant to alter or change the City's right to inspect for other reasons, including but not limited to building inspections, code inspections and construction inspections done through the permitting process.

ARTICLE VII

PAYMENT OF PUBLIC IMPROVEMENTS

Section 7.01. Overall Requirements.

(a) Subject to Section 4.14 relating to Oversized Public Improvements, the City shall not be obligated to provide funds for any Public Improvement except from (i) the proceeds of the PID Bonds and/or from Assessments pursuant to a PID Reimbursement Agreement and (ii) TIRZ Revenues pursuant to a TIRZ Reimbursement Agreement, all as set forth herein. The City makes no warranty, either express or implied, that the proceeds of the PID Bonds or Assessment Revenue available for the payment or reimbursement of the Public Improvement Project Costs or for the payment of the cost to construct or for the City to acquire a Public Improvement will be sufficient for the construction or acquisition of all of the Public Improvements. Any costs of the Public Improvements in excess of the available PID Bond Proceeds and/or Assessment Revenue pursuant to a PID Reimbursement Agreement and/or TIRZ Revenues pursuant to a TIRZ Reimbursement Agreement shall be the responsibility of the Developer, subject to the limitations set forth in Section 3.06 herein. The Developer acknowledges and agrees that any lack of availability of (i) PID Bond Proceeds, (ii) TIRZ Revenues in a TIRZ Account for reimbursement pursuant to the TIRZ Agreement, and/or (ii) Assessment Revenues available pursuant to a PID Reimbursement Agreement, to pay the costs of the Public Improvements, shall in no way diminish any obligation of the Developer with respect to the construction of or contributions for the Public Improvements required by this Agreement, or any other agreement to which the Developer is a party, or any governmental approval to which the Developer or Property is subject.

(b) Upon written acceptance of a Public Improvement, and subject to any applicable maintenance-bond period, if the Public Improvement is in an area that has been annexed the City shall be responsible for all operation and maintenance of such Public Improvement, as applicable, including all costs thereof and relating thereto.

(c) The City's obligation with respect to the reimbursement or payment of the Public Improvement Project Costs shall be limited to the lower of (i) Public Improvement Project Costs as set forth in the Service and Assessment Plan, or (ii) the sum of the following: (a) available PID Bond proceeds deposited in an applicable Project Fund under an Indenture, plus (b) available Assessment Revenues deposited pursuant to a PID Reimbursement Agreement, plus (c) available TIRZ Revenues pursuant to a TIRZ Reimbursement Agreement subject to the limitations set forth in Section 3.06 herein. Such obligation for reimbursement or payment of the Public Improvement Project Costs shall be payable solely from (i) PID Bond Proceeds as provided herein and in the Indenture, (ii) Assessment Revenues deposited pursuant to and as provided in a PID Reimbursement Agreement, and/or (iii) available TIRZ Revenues deposited pursuant to and as provided for in a TIRZ Reimbursement Agreement. The Developer agrees and acknowledges that

it is responsible for all costs and all expenses related to the Public Improvements in excess of the available revenues described above.

(d) The City shall have no responsibility whatsoever to the Developer with respect to the investment of any funds held in the Project Fund or any other account or fund by the Trustee under the provisions of the Indenture, including any loss of all or a portion of the principal invested or any penalty for liquidation of an investment. Any such loss may diminish the amounts available in the Project Fund or other account or fund to pay or reimburse the Public Improvement Project Costs in the PID. The obligation of Developer to pay the Assessments is not in any way dependent on the availability of amounts in the Project Fund to pay for all or any portion of the Public Improvements Project Costs hereunder.

Section 7.02. Remaining Funds after Completion of a Public Improvement.

If, upon the Completion of Construction of a Public Improvement (or segment or stage thereof) and payment or reimbursement for such Public Improvement, there are Cost Underruns, any remaining budgeted cost(s) will be available to pay Cost Overruns on any other Public Improvement for that PID Phase, at completion of the Public Improvements for each PID Phase and provided that all Public Improvements for such PID Phase, as set forth in the Service and Assessment Plan are undertaken at least in part. The elimination of a category of Public Improvements in a PID Phase as set forth in the Service and Assessment Plan will require an amendment to the Service and Assessment Plan. Upon receipt of all acceptance letters from the City for the Public Improvements within an improvement category as set forth in the Service and Assessment Plan, any Cost Underruns from that category may be released to pay for Cost Overruns in another improvement category, as approved by the City, such approval not to be unreasonably withheld.

Section 7.03. Payment Process for Public Improvements.

(a) The City shall authorize reimbursement of the Public Improvement Project Costs from (i) PID Bond Proceeds, (ii) Assessment Revenues pursuant to a PID Reimbursement Agreement, and/or, (iii) TIRZ Revenues pursuant to a TIRZ Reimbursement Agreement by the Developer's submittal a Payment Certificate to the City (no more frequently than monthly or less frequently than bi-annually) for Public Improvement Project Costs, as approved by the City. The form of the Payment Certificate is set forth in Exhibit F, as may be modified by an Indenture, a PID Reimbursement Agreement, and/or a TIRZ Reimbursement Agreement. The City shall review the sufficiency of each Payment Certificate with respect to compliance with this Agreement, compliance with the Applicable Law, and compliance with the Service and Assessment Plan, and Plans and Specifications. 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, a PID Reimbursement Agreement, and/or a TIRZ Reimbursement Agreement, and payment shall be made to the Developer pursuant to the terms of, as applicable (x) the Indenture, provided that funds are available under the Indenture, (y) the PID Reimbursement Agreement, provided Assessment Revenues are available, or (z), the TIRZ Reimbursement Agreement, provided TIRZ Revenues are available. Notwithstanding the foregoing, the City shall review the first Payment Certificate within thirty (30) business days of receipt thereof. 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 and/or a PID Reimbursement Agreement, provided that funds are available.

(b) 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 fifteen (15) 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.

(c) The City shall reimburse the Public Improvement Project Costs as set forth in Exhibit G and the SAP from funds available pursuant to the Indenture, the TIRZ Reimbursement Agreement or a PID Reimbursement Agreement, as applicable, in the manner set forth in the Indenture, the TIRZ Reimbursement Agreement or a PID Reimbursement Agreement.

(d) Reimbursement to the Developer and the City for costs relating to the creation of the PID, the levy of assessments and issuance of the PID Bonds may be distributed at closing of the PID Bonds pursuant to a Closing Disbursement Request, in the form attached as Exhibit B as may be modified by an Indenture and/or the PID Reimbursement Agreement. The City will be reimbursed $50,000 from the first series of PID Bonds issued for such costs incurred by the City prior to the issuance of such PID Bonds. Assessments may be used to pay administrative costs of the PID.

Section 7.04. Public Improvements Reimbursement from Assessment Fund in the Event of a Non-Issuance of PID Bonds.

(a) In the event that the City does not issue the PID Bonds by the Public Improvement Financing Date for a PID Phase, the reimbursement for Public Improvement Project Costs set forth in Exhibit G and in the Service and Assessments Plan may be made on an annual basis from Assessment Revenue pursuant to a PID Reimbursement Agreement pursuant to Chapter 372, Texas Local Government Code, as amended unless the applicable Public Improvement Financing Date has been extended by written agreement between the Developer and the City and approved by City Council. The conditions and requirements in Section 3.02(c)(ii), (iv), (v) (vi) and (vii), and the 2:1 total assessed value to lien ratio requirement in 3.02(c)(iii)(B) shall apply with the execution of any PID Reimbursement Agreement. Such PID Reimbursement Agreement shall set forth the terms of the annual reimbursement for the costs of the Public Improvement Project Costs and shall provide for the application of the funds in the applicable TIRZ Account to offset or provide a credit for the Annual Installments of the Assessments for such PID Phase. Notwithstanding the foregoing, the levy of Assessments is a governmental function by the City and is at the discretion of the City Council.

(b) Reimbursement shall be made only for the Public Improvements Project Costs as set forth in this Agreement, the Service and Assessment Plan, the PID Reimbursement Agreement, or the TIRZ Reimbursement Agreement. Any additional public improvements constructed by the Developer and dedicated to the City pursuant to this Agreement, shall not be subject to reimbursement under the terms of this Agreement.

Section 7.05. Rights to Audit.

(a) The City shall have the right, during normal business hours and upon five (5) business days' written prior to audit, notice and at the City's own expense, to audit the records of the Developer with respect to the expenditure of funds to pay Public Improvement Project Costs. Upon written request by the City, the Developer shall give the City or its agent, access to those certain records controlled by, or in the direct or indirect possession of, the Developer (other than records subject to legitimate claims of attorney-client privilege) with respect to the expenditure of Public Improvement Project Costs, and permit the City to review such records in connection with conducting a reasonable audit of such fund and account. The Developer shall make these records available to the City electronically or at a location within Collin County that is reasonably convenient for City staff.

(b) The Developer shall have the right, during normal business hours and upon five (5) business days' prior written notice and at the Developer's own expense, to review all records and accounts pertaining to the Assessments and amounts deposited or paid from the TIRZ Fund and each TIRZ Account related to the Elevon Development. The City shall provide the Developer an opportunity to inspect such books and records (other than records subject to legitimate claims of attorney-client privilege) relating to the Assessments and amounts deposited or paid from the TIRZ Fund and each TIRZ Account related to the Elevon Development during the City's regular business hours and on a mutually agreeable date no later than ten (10) business days after the City receives such written request. The City shall keep and maintain a proper and complete system of records and accounts pertaining to the Assessments and amounts deposited or paid from the TIRZ Fund and each TIRZ Account related to the Elevon Development for so long as PID Bonds remain outstanding, any reimbursement obligation under the PID Reimbursement Agreement remains unpaid, and any amount under the TIRZ Reimbursement Agreement remains unpaid.

(c) The City and the Developer shall reasonably cooperate with the assigned independent auditors (internal or external) in this regard, and shall retain and maintain all such records for at least five (5) years from the date of Completion of Construction of the Public Improvements. All audits must be diligently conducted and once begun, no records pertaining to such audit shall be destroyed until such audit is completed.

ARTICLE VIII

REPRESENTATIONS AND WARRANTIES

Section 8.01. Representations and Warranties of City.

The City makes the following representation and warranty for the benefit of the Developer:

(a) Due Authority; No Conflict. 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). The City has all requisite power and authority to execute this Agreement and to carry out its obligations hereunder and the transactions contemplated hereby. This Agreement has been, and the documents contemplated hereby will be, duly executed and delivered

by the City and constitute legal, valid and binding obligations enforceable against the City in accordance with the terms subject to principles of governmental immunity and the enforcement of equitable rights. The consummation by the City of the transactions contemplated hereby is not in violation of or in conflict with, nor does it constitute a default under, any of the terms of any agreement or instrument to which the City is a party, or by which the City is bound, or of any provision of any applicable law, ordinance, rule or regulation of any Governmental Authority or of any provision of any applicable order, judgment or decree of any court, arbitrator or Governmental Authority. In addition, and notwithstanding any provision in this Agreement, this Agreement does not control, waive, limit or supplant the City Council's legislative authority or discretion.

(b) Litigation/Proceedings. To the best knowledge of the City, after reasonable inquiry, there are no pending or, to the best knowledge of the City, threatened litigation in any court to restrain or enjoin the construction of or the Public Improvements or the City's payment and reimbursement obligations under this Agreement, or otherwise contesting the powers of the City or the authorization of this Agreement or any agreements contemplated herein.

Section 8.02. Representations and Warranties of Developer.

The Developer makes the following representations, warranties and covenants for the benefit of the City:

(a) Due Organization and Ownership. The Developer is a Texas limited liability company validly existing under the laws of the State of Texas and is duly qualified to do business in the State of Texas; and that the person executing this Agreement on behalf of it is authorized to enter into this Agreement.

(b) Due Authority: No Conflict. The Developer has all requisite power and authority to execute and deliver this Agreement and to carry out its obligations hereunder and the transactions contemplated hereby. This Agreement has been, and the documents contemplated hereby will be, duly executed and delivered by the Developer and constitute the Developer's legal, valid and binding obligations enforceable against the Developer in accordance with their terms. The consummation by the Developer of the transactions contemplated hereby is not in violation of or in conflict with, nor does it constitute a default under, any term or provision of the organizational documents of the Developer, or any of the terms of any agreement or instrument to which the Developer is a party, or by which the Developer is bound, or of any provision of any applicable law, ordinance, rule or regulation of any Governmental Authority or of any provision of any applicable order, judgment or decree of any court, arbitrator or Governmental Authority.

(c) Consents. No consent, approval, order or authorization of, or declaration or filing with any Governmental Authority is required on the part of the Developer in connection with the execution and delivery of this Agreement or for the performance of the transactions herein contemplated by the respective Parties hereto.

(d) Litigation/Proceedings. To the best knowledge of the Developer, after reasonable inquiry, there are no pending or, to the best knowledge of the Developer, threatened, judicial, municipal or administrative proceedings, consent decree or, judgments which might affect the

Developer's ability to consummate the transaction contemplated hereby, nor is there a preliminary or permanent injunction or other order, decree, or ruling issued by a Governmental Authority, and there is no statute, rule, regulation, or executive order promulgated or enacted by a Governmental Authority, that is in effect which restrains, enjoins, prohibits, or otherwise makes illegal the consummation of the transactions contemplated by this Agreement.

(e) Legal Proceedings. There is no action, proceeding, inquiry or investigation, at law or in equity, before any court, arbitrator, governmental or other board or official, pending or, to the knowledge of the Developer, threatened against or affecting the Developer, any of the principals of the Developer and any key person or their respective Affiliates and representatives which the outcome of which would (a) materially and adversely affect the validity or enforceability of, or the authority or ability of the Developer under, this Agreement to perform its obligations under this Agreement, or (b) have a material and adverse effect on the consolidated financial condition or results of operations of the Developer or on the ability of the Developer to conduct its business as presently conducted or as proposed or contemplated to be conducted.

ARTICLE IX

MAINTENANCE OF LANDSCAPE IMPROVEMENTS

Section 9.01. Mandatory Homeowners' Association.

(a) The Developer will create a mandatory homeowners' association ("HOA") over each PID Phase as acquired by the Developer, which HOA, through its conditions and restrictions filed of record in the property records of Collin County, shall be required to assess and collect from owners annual fees in an amount calculated to maintain the privately owned open spaces, common areas, right-of-way irrigation systems, raised medians and other right-of-way landscaping, entry monuments, detention areas, drainage areas, screening walls, parks, trails, lawns, and any other common improvements or appurtenances within the Development (the "HOA Maintained Improvements"). Maintenance of any Public Improvements or land owned by the City shall be pursuant to a maintenance agreement between the HOA and the City (the "HOA Maintenance Agreement"). Such HOA Maintenance Agreement shall identify standards for maintenance and the provision for water to such landscaped areas, including the provisions set forth in Section 9.03 below.

(b) While the Parties anticipate that the HOA will adequately maintain HOA maintained improvements, in the event that the City determines that the HOA is not adequately performing the duties for which it was created, which non-performance shall be evidenced by violations of the HOA Maintenance Agreement, applicable deed restrictions and/or applicable City ordinances, the City reserves the right to levy an assessment each year equal to the actual costs of operating and maintaining the HOA Maintained Improvements. The City agrees that it will not levy such assessments without first giving the HOA written notice of the deficiencies and providing the HOA with sixty (60) days in which to cure the deficiencies.

(c) Covenants, conditions and restrictions for the HOA must be filed in each PID Phase and the HOA Maintenance Agreement must be approved and executed prior to the filing of a final plat for an applicable PID Phase.

Section 9.02. Mandatory Property Owners' Association.

(a) The Developer will create a mandatory property owners' association ("POA") over portions of the Property as acquired by the Developer, which POA, through its conditions and restrictions filed of record in the property records of Collin County, shall be required to assess and collect from owners annual fees in an amount calculated to maintain the privately owned open spaces, common areas, right-of-way irrigation systems, raised medians and other right-of-way landscaping, entry monuments, detention areas, drainage areas, screening walls, parks, trails, lawns, and any other common improvements or appurtenances within the Development (the "POA Maintained Improvements"). Maintenance of any Public Improvements or land owned by the City shall be pursuant to a maintenance agreement between the POA and the City (the "POA Maintenance Agreement"). Such POA Maintenance Agreement shall identify standards for maintenance and the provision for water to such landscaped areas, including the provisions set forth in Section 9.03 below.

(b) While the Parties anticipate that the POA will adequately maintain POA maintained improvements, in the event that the City determines that the POA is not adequately performing the duties for which it was created, which non-performance shall be evidenced by violations of the POA Maintenance Agreement, applicable deed restrictions and/or applicable City ordinances, the City reserves the right to levy an assessment each year equal to the actual costs of operating and maintaining the POA Maintained Improvements. The City agrees that it will not levy such assessments without first giving the POA written notice of the deficiencies and providing the POA with sixty (60) days in which to cure the deficiencies.

(c) Covenants, conditions and restrictions for the POA must be filed and the POA Maintenance Agreement must be approved and executed prior to the filing of a final plat for an applicable portions of the Elevon Development.

Section 9.03. HOA or POA Maintenance of Public improvements.

(a) All property dedicated to the City will be maintained by the City unless otherwise stated in this section or in an HOA Maintenance Agreement or POA Maintenance Agreement.

(b) All property owned by the HOA, POA, or the Developer will be maintained or caused to be maintained by the HOA, POA, or the Developer unless otherwise stated in this section or in an HOA Maintenance Agreement or POA Maintenance Agreement. In addition, City owned rights-of-way as identified in an HOA Maintenance Agreement or POA Maintenance Agreement will be maintained by the HOA or POA, as applicable, including rights-of-ways between the curb and private property.

ARTICLE X

TERMINATION EVENTS

Section 10.01. Developer Termination Events.

The Developer may terminate this Agreement as to the remainder of the PID Property where Assessments have not already been levied if the City does not either (i) sell PID Bonds for

one or more PID Phases in compliance with the conditions in Section 3.02(c) by the applicable Public Improvement Financing Date or (ii) levy Assessments and enter into a PID Reimbursement Agreement for a PID Phase in compliance with the conditions in Section 7.04 by the applicable Public Improvement Financing Date.

The Developer may terminate this Agreement if, for the first PID Zone, the City does not (A) either (i) sell PID Bonds for one or more PID Phases in compliance with the conditions in Section 3.02(c) or (ii) levy Assessments and enter into a PID Reimbursement Agreement for a PID Phase in compliance with the conditions in Section 7.04, or (B) enter into an economic development agreement for the 380 Grant of Gas Franchise Fees as provided in Section 5.09.

Section 10.02. City Termination Events.

(a) The City may terminate this Agreement if the Developer or its Affiliates do not own fee simple title to the first Phase of the Property by December 1, 2024 or title to all Property by March 1, 2033.

(b) The City may terminate this Agreement with respect to the applicable PID Phase and any remaining PID Phase if the Developer does not satisfy the Developer Contribution pursuant to Section 3.04.

Section 10.03. Termination Procedure.

If either Party determines that it wishes to terminate this Agreement pursuant to this Article, such Party must deliver a written notice to the other Party specifying in reasonable detail the basis for such termination and electing to terminate this Agreement. Upon such a termination, the Parties hereto shall have no duty or obligation one to the other under this Agreement, with the exception of any of Developer's Public Improvement Project Costs that were previously advanced or incurred as of the date of termination, provided that a Payment Certificate for such Public Improvement Project Costs is submitted within ninety (90) days of the termination and is approved by the City pursuant to its normal and usual process for approving such Payment Certificate. The City must approve such Payment Certificate within thirty (30) days or submit to the Developer its objections/issues with such Payment Certificate and reasonably consult with the Developer to cure any insufficiencies in the Payment Certificate within an additional thirty (30) days. Termination of this Agreement does not terminate or affect a Party's obligations under any PID Reimbursement Agreement, TIRZ Reimbursement Agreement, or any other agreement of the City or the Developer.

ARTICLE XI

TERM

This Agreement shall terminate upon the earlier of: (i) the forty-five (45) years from the Effective Date, (ii) the date on which the City and the Developer discharge all of their obligations hereunder, including Completion of Construction of the Public Improvements and reimbursement for the Public Improvement Project Costs pursuant to this Agreement, the PID Reimbursement Agreement and the TIRZ Reimbursement Agreement, or (iii) the occurrence of a termination event under Article X. The Parties may extend the term by mutual agreement.

ARTICLE XII

DEFAULT AND REMEDIES

Section 12.01. Events of Default. No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given (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 determined based on the nature of the alleged failure, but in no event less than thirty (30) days after written notice of the alleged failure has been given). In addition, if a Cure Time Notice has been provided within thirty (30) days of the notice, 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 thirty (30) business days after receipt of a notice of failure to provide payment. If a Party who has received notice under this Section cannot cure an alleged failure to perform within thirty (30) days after receipt of written notice, such Party shall give written notice to the other Party within such thirty (30) day period: (a) stating that the Party cannot cure the alleged failure within thirty (30) days after receipt of written notice and explaining the reason; and (b) providing a date by which such Party can reasonably cure the alleged failure ("Cure Time Notice"). A Party who does not timely provide a Cure Time Notice shall be deemed to be able to cure the alleged failure to perform within thirty (30) days after the initial written notice of the alleged failure has been given. If the default or failure has not been cured within the applicable cure period, the applicable Party shall be in "default" hereunder. The City's failure to fulfill an obligation or intention of the City contained in this Agreement that creates a contractual obligation that controls, waives, or supplants the City Council's legislative discretion or functions shall not be considered an event of default.

Section 12.02. Force Majeure. Notwithstanding any provision in this Agreement to the contrary, if the performance of any covenant or obligation to be performed hereunder by any Party is delayed by Force Majeure, the time for such performance shall be extended by the amount of time of the delay directly caused by and relating to such uncontrolled circumstances. The Party claiming delay of performance as a result of any of the foregoing Force Majeure events shall deliver written notice of the commencement of any such delay resulting from such Force Majeure event and the length of the Force Majeure event is reasonably expected to last not later than fifteen (15) days after the claiming Party becomes aware of the same, and if the claiming Party fails to so notify the other Party of the occurrence of a Force Majeure event causing such delay, the claiming Party shall not be entitled to avail itself of the provisions for the extension of performance contained in this Article. The number of days a Force Majeure event is in effect shall be determined by the City based upon commercially reasonable standards.

Section 12.03. Remedies. Upon the occurrence of any Event of Default, the aggrieved Party may, at its option and without prejudice to any other right or remedy under this Agreement, seek any relief available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act, specific performance, mandamus, and injunctive relief. An

Event of Default by any Party shall not entitle any non-defaulting Party to seek or recover consequential, exemplary or punitive damages, or terminate or limit the term of this Agreement.

Section 12.04. Waiver. No waiver (whether express or implied and whether or not explicitly permitted by this Agreement) by any Party of any breach of, or of compliance with, any condition or provision of this Agreement by another Party will be considered a waiver of any other condition or provision of this Agreement or of the same condition or provision at another time.

Section 12.05. City Funds not Pledged. The amounts to be paid by the City hereunder shall only be paid from the TIRZ Fund, Project Funds, Assessments, PID Bond Proceeds or Reimbursement Bond proceeds pursuant to any Indenture, any PID Reimbursement Agreement, TIRZ Reimbursement Agreement, 380 Grant, Sewer Tap Fees, impact fees, or any other source or revenue provided herein or other agreement of the City or the Developer, and said obligations of the City are not secured by any other revenue, fund or taxes of the City.

ARTICLE XIII

INSURANCE, INDEMNIFICATION AND RELEASE

Section 13.01. Insurance.

With no intent to limit any contractor's liability or obligation for indemnification, the Developer shall maintain or cause to be maintained, by the persons constructing the Public Improvements, certain insurance, as provided below in full force and effect at all times during construction of the Public Improvements and shall require that the City is named as an additional insured under such contractor's insurance policies.

(a) With regard to the obligations of this Agreement, the Developer shall obtain and maintain in full force and effect at its expense, or shall cause each contractor to obtain and maintain at their expense, the following policies of insurance and coverage:

(i) Commercial general liability insurance insuring the City, contractor and the Developer against liability for injury to or death of a person or persons and for damage to property occasioned by or arising out of the activities of Developer, the contractor, the City and their respective officers, directors, agents, contractors, or employees, in the amount of $1,000,000 Per Occurrence, $2,000,000 General Aggregate Bodily Injury and Property Damage. The contractor may procure and maintain a Master or Controlled Insurance policy to satisfy the requirements of this section, which may cover other property or locations of the contractor and its affiliates, so long as the coverage required in this section is separate;

(ii) Worker's Compensation insurance as required by law;

(iii) Business automobile insurance covering all operations of the contractor pursuant to the Construction Agreement involving the use of motor vehicles, including all owned, non-owned and hired vehicles with minimum limits of not less than One Million Dollars ($1,000,000) combined single limit for bodily injury, death and property damage liability.

(iv) To the extent available, each policy shall be endorsed to provide that the insurer waives all rights of subrogation against the City;

(v) Each policy of insurance with the exception of Worker's Compensation and professional liability shall be endorsed to include the City (including its former, current, and future officers, directors, agents, and employees) as additional insureds;

(vi) Each policy, with the exception of Worker's Compensation and professional liability, shall be endorsed to provide the City sixty (60) days' written notice prior to any cancellation, termination or material change of coverage; and

(vii) The Developer shall cause each contractor to deliver to the City the policies, copies of policy endorsements, and/or certificates of insurance evidencing the required insurance coverage before the Commencement of Construction of the Public Improvements and within 10 days before expiration of coverage, or as soon as practicable, deliver renewal policies or certificates of insurance evidencing renewal and payment of premium. On every date of renewal of the required insurance policies, the contractor shall cause a Certificate of Insurance and policy endorsements to be issued evidencing the required insurance herein and delivered to the City. In addition the contractor shall within ten (10) business days after written request provide the City with the Certificates of Insurance and policy endorsements for the insurance required herein (which request may include copies of such policies).

Section 13.02. Waiver of Subrogation Rights.

The Commercial General Liability, Worker's Compensation, Business Auto and Excess Liability Insurance required pursuant to this Agreement shall provide for waivers of all rights of subrogation against the City.

Section 13.03. Additional Insured Status.

With the exception of Worker's Compensation Insurance and any Professional Liability Insurance, all insurance required pursuant to this Agreement shall include and name the City as additional insureds using Additional Insured Endorsements that provide the most comprehensive coverage to the City under Texas law including products/completed operations.

Section 13.04. Certificates of Insurance.

Certificates of Insurance and policy endorsements evidencing the required insurance herein, shall be delivered to City prior to the Commencement of Construction or commencement of any work or services on the Public Improvements. All required policies shall be endorsed to provide the City with sixty (60) days advance notice of cancellation or non-renewal of coverage. The Developer shall provide sixty (60) days written notice of any cancellation, non-renewal or material change in coverage for any of the required insurance in this Article.

On every date of renewal of the required insurance policies, the Developer shall cause (and cause its contractors) to provide a certificate of insurance and policy endorsements to be issued evidencing the required insurance herein and delivered to the City. In addition, the Developer

shall, within ten (10) business days after written request, provide the City with certificates of insurance and policy endorsements for the insurance required herein (which request may include copies of such policies). The delivery of the certificates of insurance and the policy endorsements (including copies of such insurance policies) to the City is a condition precedent to the payment of any amounts to the Developer by the City.

Section 13.05. Carriers.

All policies of insurance required to be obtained by the Developer and its contractors pursuant to this Agreement shall be maintained with insurance carriers meeting the conditions required herein, and lawfully authorized to issue insurance in the state of Texas for the types and amounts of insurance required herein. All insurance companies providing the required insurance shall be authorized to transact business in Texas and rated at least "A" by AM Best or other equivalent rating service. All policies must be written on a primary basis, non-contributory with any other insurance coverage and/or self-insurance maintained by the City. All insurance coverage required herein shall be evidenced by a certificate of insurance and policy endorsements submitted by the Developer's and its contractors' insurer or broker. Certificates of insurance and policy endorsements received from any other source will be rejected.

Section 13.06. INDEMNIFICATION.

CITY SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE, OR INJURY OF ANY KIND OR CHARACTER TO ANY PERSON OR PROPERTY ARISING FROM THE ACTS OR OMISSIONS OF THE DEVELOPER, SUCCESSORS OR PERMITTED ASSIGNEE AND/OR AFFILIATES (TOGETHER, THE "DEVELOPER PARTIES") PURSUANT TO THIS AGREEMENT. DEVELOPER HEREBY WAIVES ALL CLAIMS AGAINST CITY, ITS OFFICERS, AGENTS AND EMPLOYEES (COLLECTIVELY REFERRED TO IN THIS SECTION AS "CITY") FOR DAMAGE TO ANY PROPERTY OR INJURY TO, OR DEATH OF, ANY PERSON ARISING AT ANY TIME AND FROM ANY CAUSE OTHER THAN THE SOLE NEGLIGENCE OR WILLFUL MISCONDUCT OF CITY. THE DEVELOPER PARTIES, DO HEREBY INDEMNIFY AND SAVE HARMLESS CITY FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, CLAIMS, SUITS, COSTS (INCLUDING COURT COSTS, ATTORNEYS' FEES AND COSTS OF INVESTIGATION) AND ACTIONS OF ANY KIND BY REASON OF INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR LOSS OF PROPERTY ARISING FROM THE DEVELOPER PARTIES' BREACH OF ANY OF THE TERMS AND CONDITIONS OF THIS AGREEMENT, OR BY REASON OF ANY ACT OR OMISSION ON THE PART OF THE DEVELOPER PARTIES ITS OFFICERS, DIRECTORS, SERVANTS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, SUBCONTRACTORS, OR LICENSEES, IN THE PERFORMANCE OF THIS AGREEMENT (EXCEPT WHEN SUCH LIABILITY, CLAIMS, SUITS, COSTS, INJURIES, DEATHS OR DAMAGES ARISE FROM OR ARE ATTRIBUTED TO THE SOLE NEGLIGENCE OR WILLFUL ACT OF CITY). IN THE EVENT OF JOINT OR CONCURRENT NEGLIGENCE OF BOTH CITY AND DEVELOPER PARTIES, THE RESPONSIBILITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO CITY AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. IF ANY ACTION OR

PROCEEDING SHALL BE BROUGHT BY OR AGAINST CITY IN CONNECTION WITH ANY SUCH LIABILITY OR CLAIM, DEVELOPER PARTIES, AS APPLICABLE, SHALL BE REQUIRED, ON NOTICE FROM CITY, TO DEFEND SUCH ACTION OR PROCEEDINGS AT DEVELOPER PARTIES' EXPENSE, BY OR THROUGH ATTORNEYS REASONABLY SATISFACTORY TO CITY. THE PROVISIONS OF THIS SECTION ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY. NOTWITHSTANDING THE FOREGOING, THE DEVELOPER PARTIES SHALL BE RELEASED UPON THE ASSIGNMENT OF THIS AGREEMENT TO ANY PERMITTED THIRD-PARTY ASSIGNEE FOR CLAIMS ARISING SUBSEQUENT TO THE ASSIGNMENT TO SUCH THIRD-PARTY ASSIGNEE, AND THE CITY SHALL SEEK INDEMNIFICATION FROM THE THIRD-PARTY ASSIGNEE.

ARTICLE XIV

GENERAL PROVISIONS

Section 14.01. Notices.

Any notice, communication or disbursement required to be given or made hereunder shall be in writing and shall be given or made by hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, with a confirming copy sent by e-mail at the addresses set forth below or at such other addresses as may be specified in writing by any Party hereto to the other parties hereto. Each notice which shall be mailed or delivered in the manner described above shall be deemed sufficiently given, served, sent and received for all purpose at such time as it is received by the addressee (with return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive evidence of such receipt) at the following addresses:

To the City:
Attn: Kim Dobbs
City Administrator
City of Lavon
120 School Road
P.O. Box 340
Lavon, Texas 75166
kdobbs@lavontx.gov

With a copy to:
Attn: Julie Fort
Messer, Fort & McDonald
6371 Preston Road, STE 200
Frisco, Texas 75034
julie@txmunicipallaw.com

To the Developer: Attn: John Marlin
MA Elevon 429, LLC
15443 Knoll Trail Drive, Suite 130
Dallas, Texas 75248
jmarlin@madev.com

With a copy to: Attn: Robert Miklos
Miklos Cinclair, PLLC
1800 Valley View Lane, Suite 360
Farmers Branch, Texas 75234
Robert@m-clegal.com

To the Owners: Attn: John Blackburn
Petro-Hunt, L.L.C.;
Far East Lavon, LP;
78 Straddle, LP;
East Lavon Partners, LP; and
World Land Developers, LP
2101 Cedar Springs Road, Suite 600
Dallas, Texas 75201
jblackburn@petrohunt.com

With a copy to: Attn: David Chang
Koons Real Estate Law
1410 Robinson Road Unit 100
Corinth, Texas 76210
dchange@koonsrealestatelaw.com

Section 14.02. Make-Whole Provision. If the issuance of any series of PID Bonds in any calendar year precludes the City from issuing bank qualified debt for that calendar year, then the Developer shall pay to the City a fee (the "PID Bond Fee") to compensate the City for the interest savings the City would have achieved had the debt issued by the City been bank qualified. The City's financial advisor shall calculate the PID Bond Fee based on the planned debt issuances for the City in the year in which any PID Bonds are issued, and shall notify the Developer of the total amount due prior to the issuance of the PID Bonds. The Developer agrees to pay the PID Bond Fee to the City within ten (10) business days after receiving notice from the City of the amount of PID Bond Fee due to the City. The PID Bond Fee shall be held in a segregated account of the City and if the total amount of debt obligations sold or entered into by the City in the calendar year in which the PID Bonds are issued are less than the bank qualification limits (currently $10 million per calendar year), then the PID Bond Fee shall be returned to the Developer.

Section 14.03. Assignment.

(a) This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties. The Parties agree that with respect to portions of the Property acquired by the Developer from the Owners, from time to time, this Agreement shall be automatically assigned from the Owners to the Developer upon the Developer closing on such portions of the

Property, and the Developer and City each hereby consents to such automatic assignment. Developer may assign any right, title, interest or obligation under this Agreement in whole or in part (such rights including the obligations, requirements or covenants to develop the Property, including construction of the Public Improvements) to an Affiliate without the prior written consent of the City, but with written notice to the City. Developer may assign to any other party only upon the prior written consent of the City Representative, which consent shall not be unreasonably withheld or delayed if the assignee demonstrates the financial ability to perform in the reasonable judgment of the City Representative. 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. No assignment by Developer shall release Developer from any liability that resulted from an act or omission by Developer that occurred prior to the effective date of the assignment unless the City approves the release in writing. Developer shall maintain written records of all assignments made by Developer to an assignee, including a copy of each executed assignment and the Assignee's notice information as required by this Agreement, and, upon written request from the City, any Party or assignee, shall provide a copy of such records to the requesting person or entity, and this obligation shall survive the assigning Party's sale, assignment, transfer or other conveyance of any interest in this Agreement or the Property. Each assignee shall be considered a "Party" and the "Developer" for purposes of the right, title, interest, or obligation assigned to assignee.

(b) Developer may assign any receivables or revenues due pursuant to this Agreement, a 380 Grant, the TIRZ Reimbursement Agreement or the PID Reimbursement Agreement to a third party without the consent of, but upon written notice to the City. Provided, however, that notwithstanding the above, the City shall not be required to make partial payments to more than two parties as a result of an assignment and shall not be required to approve or consent to such assignment.

(c) The Developer and assignees have the right, from time to time, to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of their respective rights, title, or interest under this Agreement for the benefit of (a) their respective lenders without the consent of, but with prompt written notice to, the City. The collateral assignment, pledge, grant of lien or security interest, or other encumbrance shall not, however, obligate any lender to perform any obligations or incur any liability under this Agreement unless the lender agrees in writing to perform such obligations or incur such liability. Provided the City has been given a copy of the documents creating the lender's interest, including Notice information for the lender, then that lender shall have the right, but not the obligation, to cure any default under this Agreement within thirty (30) days written Notice to the lender, not to be unreasonably withheld, offered by the lender, as if offered by the defaulting Party. A lender is not a party to this Agreement unless this Agreement is amended, with the consent of the lender, to add the lender as a Party. Notwithstanding the foregoing, however, this Agreement shall continue to bind the Property and shall survive any transfer, conveyance, or assignment occasioned by the exercise of foreclosure or other rights by a lender, whether judicial or non-judicial. Any purchaser from or successor owner through a lender of any portion of the Property shall be bound by this Agreement and shall not be entitled to the rights and benefits of this Agreement with respect to the acquired portion of the Property until all defaults under this Agreement with respect to the acquired portion of the Property

have been cured. Developer shall obtain releases or partial releases of any liens of lenders over property to be dedicated, whether in fee or by easement, to the City.

(d) The City does not and shall not consent to nor participate in any third-party financing pursuant to the PID Reimbursement Agreement or the TIRZ Reimbursement Agreement; provided, however, the Developer may still sell or assign the reimbursables due under the PID Reimbursement Agreement or the TIRZ Reimbursement Agreement to a third-party so long as City participation or consent is not required.

(e) No conveyance, transfer, assignment, mortgage, pledge, grant or other encumbrance shall be made by the Developer or any successor or assignee of the Developer of this Agreement, a 380 Grant, the TIRZ Reimbursement Agreement or any PID Reimbursement Agreement that results in the City being an "obligated person" within the meaning of Rule 15c2-12 of the United States Securities and Exchange Commission without the express written consent of the City. A conveyance, transfer, assignment, mortgage, pledge, grant or other encumbrance may only be made by the Developer or any successor or assignee of the Developer of or related to payments received pursuant to this Agreement, a 380 Grant, the TIRZ Reimbursement Agreement or any PID Reimbursement Agreement as security for or the payment of bonds or other securities issued by any entity other than the City if, after a request by the Developer to the City, the City declines to issue bonds secured by such revenues.

Section 14.04. Table of Contents; Titles and Headings.

The titles of the articles, and the headings of the sections of this Agreement are solely for convenience of reference, are not a part of this Agreement, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 14.05. Entire Agreement; Amendment.

This Agreement is the entire agreement between the Parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written agreement between the Parties that in any manner relates to the subject matter of this Agreement. This Agreement may only be amended by a written agreement executed by all Parties.

Section 14.06. Time.

In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays, and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday, or legal holiday, then the final day will be deemed to be the next day that is not a Saturday, Sunday, or legal holiday.

Section 14.07. Counterparts.

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument.