STATE OF TEXAS §

COUNTY OF HAYS §

DEVELOPMENT AGREEMENT BETWEEN CITY OF KYLE, TEXAS, AND SCOTT FELDER HOMES, LLC

This Development Agreement ("Agreement") is by and between the City of Kyle, Texas, a home rule city situated in Hays County, Texas (the "City") and Scott Felder Homes, LLC (the "Developer"). The term "Parties" or "Party" means the City and the Developer collectively or singularly.

RECITALS

WHEREAS, Developer intends to purchase a parcel of real property (the "Property" or "Parcel") in Hays County, Texas, which is more particularly described in the attached Exhibit "A";

WHEREAS, on February 19, 2015, the City and KYTEX Properties, the owner of the Property, entered into that one certain Section 212.172 Texas Local Government Code Development Agreement recorded in Volume 5144, Page 393, Official Public Records of Hays County, Texas ("Prior Agreement");

WHEREAS, the City is located in a rapidly growing metropolitan area for which new construction and land development can positively or negatively impact the future character and finances of the City;

WHEREAS, the City finds development agreements to promote master-planned communities are an appropriate way of establishing land use controls, providing for the construction of appropriate and necessary utility and roadway infrastructure, encouraging orderly economic growth, protecting the environment, and promoting the welfare of present and future citizens of the area;

WHEREAS, the Parties agree that the extension of centralized utilities to new development provides superior environmental protections to those available from individual water wells and septic systems;

WHEREAS, the city council has found that the development of the Property in compliance with this Agreement will serve a public purpose and benefit the economy of the City and the best interests and welfare of the public; and,

WHEREAS, for the above stated reasons Developer and the City desire to amend and restate the Prior Agreement.

NOW, THEREFORE, for and in consideration of the above stated recitals, which are made a part of this Agreement, the benefits described below, plus the mutual promises expressed herein, the sufficiency of which is hereby acknowledged by the Parties, the Parties hereby contract, covenant and agree as follows:

ARTICLE 1 PURPOSE, AUTHORITY, TERM AND BENEFITS

- 1.01 <u>Purpose</u>. This Agreement modifies, and amends any Prior Agreement as agreed upon herein by the Parties.
- 1.02 <u>Authority</u>. Authority for Developer and the City to enter into this Agreement exists under the City Charter of the City, Article III, Section 52-a of the Texas Constitution; Chapter 212, Subchapter G, Tex. Local Government Code, ("Subchapter G"), Chapter 395 of the Tex. Local Government Code; and such other statutes as may be applicable.
- 1.03 <u>Project Defined</u>. The Project established by the Agreement includes a master-planned residential subdivision that will include single family lots, amenity area(s) with recreational facilities, and future commercial development sites along Old Stage Coach Road. The Project, includes the subdivision of the Property, the construction of off-site and on-site utility facilities and Subdivision Infrastructure (defined below) to be dedicated and conveyed to the City, and other infrastructure adequate for the development of the Project consistent with this Agreement (the "Project"). The Project may include multiple phases for platting and construction purposes.

1.04 Benefits.

- (a) The City desires to enter into this Agreement to provide additional control to the development standards for the Property, to allow potential purchasers of the Property to submit preliminary plan and final plat applications to the City for review, and to assess the development viability of the Property without requiring or causing the annexation of the Property except as provided for under ARTICLE 5 of this Agreement.
- (b) This Agreement provides: (i) for the submittal and review of preliminary plans and final plats for the Property without submitting a request for voluntary annexation of the Property; (ii) alternative standards under certain City ordinances for the benefit of the Property but only as allowed under Section 212.172 of the Tex. Local Government Code; (iii) the City's commitment to provide water and wastewater service to Property based on the Concept Plan; and (iv) alternative standards regarding perimeter streets. The City's execution of this Agreement constitutes a valid and binding obligation of the City under State Law. Developer's execution of this Agreement constitutes a valid and binding obligation of the Developer.
- 1.05 <u>Term</u>. The term of this Agreement will commence on the Effective Date and continue for 180 days, unless Developer acquires title to the Property and delivers a copy of the recorded deed to the City within said 180 day period. If Developer acquires title to the Property and delivers a copy of the recorded deed to the City within said 180 days, then the term of this Agreement shall be fifteen (15) years from the Effective date ("<u>Term</u>"). After the first Term, this Agreement may be extended for successive five-year periods upon written agreement signed by Developer and the City.
- 1.06 <u>Control of Development</u>. Developer intends to develop the Property in a manner which results in enhancing the tax base of the City. Notwithstanding any provision of the Code of Ordinances or uncodified ordinances of the City (the "Code") to the contrary, the timing and

sequencing of the development of the Property will be based on market demand and conditions and will be completed as and when Developer determines it to be economically feasible.

ARTICLE 2 DEVELOPMENT STANDARDS AND REVIEW PROCEDURES

- **2.01** Generally. Except as provided in this Agreement, all development applications and development of the Property will comply with the Code, as if the Property were inside the corporate limits of the City. The preceding sentence controls even if the Property has not been annexed by the City. If there is any conflict between the terms of this Agreement and the Code, the specific terms of this Agreement will control.
- **2.02** Residential. The Parties agree that Developer shall be temporarily granted an R-1-2 zoning classification. Except as provided in this Agreement, the Property shall be subject to use and development standards as if subject to the City's R-1-2 zoning district. Notwithstanding the requirements in Chart 1 in Chapter 53 of the Code, the maximum number of fifty-five foot (55') wide single family residential lots allowed to be subdivided on the Property will be twenty-five percent (25%) of the total number of single family residential lots shown on the preliminary plan approved for the Property. For purposes of clarifying the preceding sentence, there is no limit to the number of fifty-five foot (55') wide lots that may be contained in an individual final plat so long as the cumulative total of fifty-five foot (55') wide single family residential lots contained in all recorded final plats of the Property do not exceed twenty-five percent (25%) of all single family lots shown on the approved preliminary plan. A property owners association neighborhood park, including, an amenity center and swimming pool for the residents living on the Property, is a permitted use of the Property.
- **2.03** Commercial. Notwithstanding Section 2.02 above, approximately 2.598 acres of the Property, as described in the attached Exhibit "B," shall be subject to use and development standards as if subject to the City's RS zoning district.
- 2.04 <u>Concept Plan</u>. Developer has submitted to the City a concept plan for the subdivision and development of the Property. A copy of the concept plan is attached hereto and incorporated herein for all purposes as Exhibit "C" (the "Concept Plan"). The Concept Plan shows five (5) phases for platting. Pursuant to Section 212.172, Tex. Local Government Code, Developer hereby confirms that the Concept Plan for the subdivision of the Property complies with the City's Subdivision Ordinance requirements for concept plans, the zoning district regulations applicable to the Property as set forth in this Agreement, and the City's Comprehensive Master Plan. The Concept Plan constitutes a development plan for the Property, as provided in Subchapter G.

Subject to the allowable uses set forth in Sections 2.02 and 2.03, a) the total allowable level of development of the Property shall be limited by the number of Living Unit Equivalents ("LUEs") as measured for water and wastewater service connections, and b) the intensity and timing of development within the Property will be determined solely by Developer; provided, however, that the intensity of development of the Property shall not exceed 370 LUEs. So long as Developer does not increase the total level of allowable development, as measured by water and wastewater service connections, Developer may amend the Concept Plan and may amend the layout of lots

and on-site infrastructure to serve the Project in compliance with this Agreement. The Concept Plan will be effective for the Term of this Agreement.

- 2.05 Preliminary Plan. Developer may submit to the City an application for a preliminary plan for the Property without submitting to the City a request for the annexation of the Property and without submitting a zoning application for the Property. The preliminary plan must comply with the requirements of this Agreement and generally comply with the Concept Plan and the allowable uses set forth in Sections 2.02 and 2.03. The preliminary plan may show lot layouts and street alignments different than shown in the Concept Plan so long as the total level of development, as measured by water and wastewater service connections, does not increase above 370 LUEs. Developer may request the City, including the City's Planning and Zoning Commission, to make a written determination that the preliminary plan complies with all applicable regulations; provided, however, that such determination shall not constitute the final approval of the preliminary plan. If the preliminary plan application complies with the terms of this Agreement, the City will approve the preliminary plan upon the request of Developer.
- **2.06** <u>Subdivision Plats</u>. Subdivision plats may be approved and constructed in one or more sections. Developer may submit to the City an application for a subdivision plat for a portion of the Property without submitting to the City a request for the annexation of the Property and without submitting a zoning application for the Property. Developer may submit subdivision construction plans concurrently with a subdivision plat application.
- of preliminary plans, subdivision plats, subdivision construction plans and other approvals, variances or other municipal authorizations hereafter required or requested by Developer. In anticipation of the voluntary annexation of the Property, the City does not require Developer to submit any application to Hays County for review or approval. The City will accept and review applications for preliminary plans, final plats, subdivision construction plans and site development permits for the Property if the final plats, subdivision construction plans and site development permits for the Property comply with the requirements of this Agreement and generally comply with the Concept Plan and the allowable uses set forth herein. The City will approve applications for preliminary plans, subdivision plats and site development permits for the Property if Developer has made a request or petition for voluntary annexation pursuant to Sections 5.02(a) or (b) below, and said applications are in accordance with the requirements of this Agreement. Preliminary plans, subdivision plats, subdivision construction plans, and site development plans hereafter approved pursuant to this Agreement shall expire on the latter of the expiration of this Agreement or the date established by the Code.
- 2.08 Parkland Fees. A parkland fee in the amount of One Thousand Two Hundred Dollars (\$1,200.00) will be paid to the City for each dwelling unit in satisfaction of Section 41-147 of the Code. The City reserves the right to expend the funds as it deems appropriate, but Developer's preference is that the City will allocate and use all parkland fees collected with respect to the Property for improvements to Gregg-Clarke Park. Developer shall make this payment to the City based on the number of residential lots in the final plat of each developed phase before the City records said final plat.
- **2.09** Other Fees. Except for fees or expenses otherwise specifically provided for in this Agreement, all fees required by the Code will be paid in accordance with the Code.

- 2.10 Fencing. Developer shall construct and maintain, repair or replace a six foot (6') tall masonry fence adjacent to Cypress Road on residential lots abutting Cypress Road. Owner shall construct and maintain, repair or replace a six foot (6') tall decorative metal fence along Cypress Road on parkland, open space and drainage facilities. These fences will not be dedicated or conveyed to the City. Developer may assign to a property owners association the obligation to maintain, repair or replace said as required by the Code.
- **2.11** Additional Amenities. Developer shall provide additional amenities to the Property as follows. Such amenities shall be provided for each phase of development as it is developed. Additional amenities include:
- (a) Developer shall form a property owners association as a non-profit corporation ("POA") at the completion of the first phase of development, and the POA shall require dues and be responsible for the maintenance, repair and replacement of any and all amenities, including all common spaces, made available to occupants of the Property;
- (b) Street lighting in compliance with the street lighting plan attached hereto as Exhibit "E." The attached street lighting plan will not require approval by the Planning and Zoning Commission;
- (c) Landscaping plan for each final plat similar in style to in other planned communities such as Plum Creek or Hometown Kyle. The landscaping plan will be subject to approval by the city engineer, which approval will not be unreasonably denied, delayed or conditioned; and
- (d) Developer's compliance with the Stormwater Management Plan adopted by the City.
- 2.12 <u>Impervious Cover.</u> Notwithstanding the requirements in Chart 2 in Chapter 53 of the Code, the Maximum Lot Coverage shall not exceed 45% on each Lot for all buildings combined. There will be no separate requirements for Main Building or Accessory Buildings. For clarification purposes, a Main Building can cover up to 45% of the Lot or a Main Building plus the Accessory Building can cover up to 45% of the Lot, but in no circumstance may the combination of Main Building plus Accessory Building exceed 45% Lot Coverage. Porches and patios, whether covered or not, are not considered Buildings for Lot Coverage purposes.
- 2.13 Front Setback. Notwithstanding the requirements in Chart 1 in Chapter 53 of the Code, the Front Setback shall be a minimum of 20 feet for all Lots less than 65 feet wide, measured at 20 feet from the front property line. The Front Setback shall be a minimum of 30 feet for all Lots that are a minimum of 80 feet wide, measured at 30 feet from the front property line. All other Lots shall have a Front Setback of 25 feet if they are less than 130 feet in depth or a Front Setback of 30 feet if they are 130 feet deep or greater.

ARTICLE 3 PUBLIC STREETS AND SUBDIVISON INFRASTRUCTURE

3.01 Perimeter Streets. The requirements of Section 41-137(p) of the Code apply to the Project except as provided in this Section 3.01. In lieu of Section 41-137(p)(1)(b) and (2)(b)

of the Code, Developer will pay to the City the sum of \$1,545.00 for each residential lot subdivided on the Property. Developer shall make this payment to the City based on the number of residential lots in a final plat before the City records said subdivision plat.

- 3.02 <u>Multi-Purpose Trail</u>. Developer shall pay the City an amount as agreed upon by the parties equal to the cost of the design, engineering and construction of a concrete, ten foot (10') multi-purpose trail along Cypress Road adjacent to the Property ("Trail"). Developer will have no responsibility or obligation to construct, maintain, operate, repair or replace the Trail. The agreed-upon amount shall be paid by Developer no later than when construction of the second phase begins.
- 3.03 <u>Subdivision Infrastructure</u>. All streets, roads, sidewalks, drainage, water and wastewater lines and facilities and all other infrastructure within the Property will be constructed by Developer to meet Code standards and will be dedicated and conveyed to the City at no cost to the City.
- 3.04 Satisfactory Completion of Developer Improvements. The term "Developer Improvements" includes Subdivision Infrastructure and Utility Improvements, as defined herein. Upon completion of construction of each of Developer Improvements, Developer shall provide the City with final "record" drawings of the Developer Improvements, in both hard copy and digital (PDF or CAD, as requested by the City). Developer's engineer shall provide a certificate of completion to the City and the City shall conduct a final inspection of Developer Improvements within ten (10) business days. The City shall within ten (10) business days of conducting the final inspection provide a list of deficiencies found in the inspection so that when the deficiencies are corrected, Developer Improvements will meet the requirements for acceptance by the City for ownership, operation and maintenance. Developer shall be responsible for having those deficiencies remedied. Upon request, the City shall then re-inspect Developer Improvement within ten (10) business days, and if all deficiencies have been remedied to the City's satisfaction, the City shall furnish a Letter of Satisfactory Completion to Developer stating that Developer Improvement has been constructed in substantial compliance with the Approved Plans, meets all applicable testing requirements and otherwise complies with the requirements of the City to accept Developer Improvement for ownership, operation and maintenance.

3.05 City Acceptance of Developer Improvements:

- (a) As a precondition to the City's final acceptance of a Developer Improvement, the following shall be delivered to the City: executed all bills paid affidavits, bills of sale, assignments, or other instruments of transfer reasonably requested by the City, in a form and content reasonably acceptable to the City, to evidence the City's ownership of same. Contemporaneously therewith, all bonds, warranties, guarantees, and other assurances of performance, record drawings, easements, project manuals and all other documentation related to Developer Improvement to be accepted will also be delivered to the City. Utility easements for water and wastewater lines and other utility facilities within the Property may be conveyed by plat dedication or separate agreement and must be conveyed or dedicated to the City prior to the City's acceptance of Developer Improvement.
- (b) Upon the City issuing a Letter of Satisfactory Completion, Developer shall dedicate the Developer Improvement to the City. The City shall accept each such completed Developer Improvement for ownership, operation and maintenance within twenty-one (21) business days of

Developer's dedication of the Developer Improvement to the City. The City shall not unreasonably deny, delay, or condition its acceptance of such Developer Improvement.

3.06 <u>City to Own, Operate and Maintain Developer Improvements</u>. From and after the time of the City's final acceptance of a Developer Improvement, the City will own, operate, and maintain each Developer Improvement and shall be responsible for all costs associated with same; provided, however, decorative street lights will be maintained by Developer and then the POA. Upon the City's acceptance of all the Developer Improvements within a particular subdivision plat and the City's acceptance of water and wastewater service lines within said recorded final plat, Developer shall be allowed to connect to the accepted water and wastewater service lines in such a manner to serve lots within the recorded plat; provided that the City's applicable utility and connection fees are paid and that such connections meet the City's ordinance and technical requirements.

ARTICLE 4 WATER AND WASTEWATER SERVICE

Intent of the Parties Regarding Utility Services. As of the Effective Date, the 4.01 City has sufficient water and wastewater treatment capacity to allow service connections for 370 LUEs water and wastewater service to the Property. The City represents that it has rights to sufficient raw water to meet its overall service obligations, including providing 370 LUEs of water service to the Property in accordance with the terms of this Agreement. The Parties acknowledge that the Property will build out over a number of years and that the City may decide to incrementally construct additional utility system improvements over time. Developer acknowledges that it is the City's responsibility to determine if the City's utility system needs to be expanded and how the City will expand its utility system to enable the City to meet its utility service obligations under this Agreement. Developer further acknowledges the City's desire to retain flexibility on deciding which City utility system improvements, if any, are necessary for the City to timely meet its utility service obligations under this Agreement. The City acknowledges that Developer requires certainty regarding the City's plans for meeting the City's utility service obligations under this Agreement, including, if necessary, the expansion or enhancement of the City's water and wastewater utility systems for the purpose of the City meeting its Utility Service obligations in accordance with the terms of this Agreement. The Parties acknowledge that the design engineering and construction of an operational utility improvement can require two (2) or more years.

4.02 General Conditions For Connections to the City Utility System.

(a) The Parties acknowledge that the City cannot deliver water and wastewater services to the Property unless off-site sewer improvements are completed. The developer will be required to construct a minimum 12" off-site gravity flow line generally in the path shown in the "Off-Site Sewer Force Main," as described in the attached Exhibit "D", at developers expense. City will pay the incremental difference between the cost for the gravity line and the Off-site Sewer Force Main, currently contemplated not to exceed \$500,000. The gravity line shall be constructed in accordance with state bidding requirements, City approved plans and specifications then accepted by the City. The City acknowledges, in proceeding with the construction of the off-site sewer improvements,

that Developer is relying on the City's performance of the City's obligation to timely provide 370 LUEs of water and wastewater service to the Property in accordance with the terms of this Agreement.

Upon approval of the Developer and the City of the construction bid, and prior to the Developer awarding the construction contract for the 12" gravity main, the City and the Developer will each escrow their portion of the proposed contract amount with a title company to be approved by both Parties. The Developer will present monthly pay applications from the contractor to the City and the City will have 10 days to approve or disapprove the pay application. If the pay application is disapproved, the City will provide written notification of the cause for disapproval so the Developer and contractor can revise the pay application accordingly. Once approved, the title company will be instructed to release the funds to the contractor for the approved pay application. The final release of retained funds will not occur until the City accepts the wastewater line.

- (b) If the City modifies: (i) the definition of an LUE as compared to the LUE definition incorporated into this Agreement; (ii) water pressure requirements for a service connection to land within the Property; (iii) fire flow requirements for the issuance of building permits and certificates of occupancy without the installation of a sprinkler system; (iv) a Utility or Developer Improvement required for the City to provide water and wastewater service to any portion of the Property; or (v) any other aspect of water and wastewater service standards, the City shall be responsible for the timely design and construction of any additional utility facilities that would be necessary for the City to meet its water and wastewater service obligations under this Agreement, unless such modification by the City is in response to a request for more than 370 LUEs of water and wastewater service. If the modifications described in the preceding sentence are required by federal or state law or regulations, the Parties shall consult regarding a reasonable resolution to funding such modifications.
- **4.03** Service Commitment. Subject to the completion of the Off-Site Sewer Force Main, the City hereby commits 370 LUEs of water and wastewater service to the Property. Developer may record subdivision plats subject only to the construction of Subdivision Infrastructure for such plats and the Off-Site Sewer Force Main.
- 4.04 <u>Service Connections</u>. The City will timely provide water and wastewater service to Lots within the Project, and will connect each residential unit or structure for another permitted use to the City's water and wastewater system upon payment of applicable fees and a Certificate of Occupancy being issued for the residential unit or structure and provide water and wastewater service for the residential unit or structure on the same terms and conditions as provided to all other areas of the City.

4.05 Utility Improvement Construction Obligations.

(a) <u>Developer</u>. Developer shall be solely responsible for the engineering and construction of all water and wastewater lines and facilities within the Property and the Off-Site Sewer Force Main (collectively, the "Utility Improvements").

- (b) <u>Developer Funding</u>. Developer will pay to the City a sum in an amount of one hundred twenty-five thousand dollars (\$125,000.00) for the design and engineering of the expansion of the City's 1626 water pump station improvements. Developer will pay said amount at the time the 200th residential lot is platted.
- 4.06 <u>Service Units Defined</u>. The size of a water meter required for any particular residential or non-residential structure shall be determined according to the City's applicable construction and plumbing standards in effect at the time that the building permit for that structure is approved, and the number of LUEs per meter to be accounted for hereunder shall be based on Chapter 50 ("Utilities"), Article VI, of the Code, which is incorporated into this Agreement for the limited purposes set forth in this Agreement.
- 4.07 <u>Use of City Property and Easements</u>. The City hereby consents, at no cost to Developer, to the use of any and all appropriate and available City rights-of-way, sites or easements that may be reasonably necessary to construct an Developer Improvement, or for Developer to perform its obligations under this Agreement; provided, however, that the City's consent is subject to City approval of the location of a Utility Improvement within the rights-of-way and easements and avoidance of utility facilities existing in such rights of way and easements. The City agrees to cooperate and support Owner's acquisition of necessary easements from third parties as determined by the city council.
- **4.08** <u>Easement Acquisition</u>. The Utility Improvements and related easements are necessary and required by the City for the City to provide water and wastewater service to the Property. The City further agrees that there exists a public necessity for the construction of the Utility Improvements; therefore, the City agrees to cooperate and support Developer's acquisition of necessary easements from third parties.
- Use of Condemnation. The city council has found that the development of the Property in compliance with this Agreement will benefit the economy of the City and serve the best interests and welfare of the public. Therefore, if Developer determines that it may be necessary for the City to use its eminent domain powers to acquire property or an interest in property to install a Utility Improvement required by the City pursuant to this Agreement, Developer will make a request to the City to proceed with the acquisition of the easement in compliance with applicable law. The City will act on such a request within sixty (60) calendar days. If the city council makes a finding that such requested easement is necessary to accomplish a public purpose and is otherwise lawful, the city council may exercise its powers of eminent domain to attempt to acquire the requested easement. The Parties agree to work cooperatively toward allowing the initiation of construction of a Developer Improvement on an easement being acquired by the City at the earliest time lawfully permitted. Developer shall be responsible for all costs incurred for the acquisition of the easement or land necessary for the construction of Utility Improvements outside of the Property, whether by condemnation or conveyance in lieu thereof, including the City's attorney's fees, legally-required bonds, and deposits required by the City. If the city council seeks condemnation, it will use reasonable efforts to pursue such within the minimum time allowed under state law.

ARTICLE 5 ANNEXATION

5.01 <u>Involuntary Annexation</u>. Except as provided in this Agreement, the City agrees not to annex the Property, agrees not to involuntarily institute proceedings to annex the Property, and further agrees not to include the Property in a statutory annexation plan during the term of this Agreement.

5.02 Voluntary Annexation.

- (a) Developer may submit, at any time, a petition requesting the annexation of all or a portion of the Property.
- (b) Developer agrees that if a preliminary plan, final plat or related development document is approved by the City, such approval will constitute and be deemed a petition for voluntary annexation by the Developer, and the Property will be subject to annexation at the discretion of the city council. Developer agrees that such annexation shall be deemed voluntary and Developer hereby consents to such annexation as though a petition for such annexation had been tendered by Developer.
- (c) If the city council begins annexation proceedings pursuant to this Section 5.02, Developer acknowledges that Section 43.052, Texas Local Government Code does not apply to the City's annexation of the Property. Further, Developer agrees that a request for voluntary annexation pursuant to Section 5.02 (a) or (b) will constitute Developer's waiver of all rights Developer may have under Section 43.052, Texas Local Government Code.
- 5.03 <u>Municipal Service Plan</u>. The Parties agree to be bound and obligated to a municipal service plan ("Plan") negotiated by and between the Parties that is sufficient and adequate and hereby binds and obligates Developer, its grantees, successors, purchasers or assigns to install water, wastewater and drainage infrastructure required by this Agreement to service the Property and upon acceptance by the City, the City shall be obligated from such dedication and acceptance to maintain the infrastructure and to provide services. The Plan will be used as the municipal service plan when the City annexes the Property. The City intends to annex the Property within ninety (90) days after the date of the first reading on the ordinance annexing the Property, if such annexation is approved and adopted by the city council. If the Plan conflicts with this Agreement, this Agreement controls.
- 5.04 <u>Land Use Upon Annexation</u>. On the effective date of the annexation of the Property, the zoning jurisdiction of the City shall be extended to include the annexed area, and the use of all property therein shall be grandfathered for the uses and development standards set forth in this Agreement. Developer may make application for the zoning of the Property at any time but not later than thirty (30) days after the effective date of the annexation. Upon the adoption of permanent zoning for the Property, the applicable City Code provisions will be subject to the terms, provisions and conditions of this Agreement.

ARTICLE 6 ASSIGNMENT OF COMMITMENTS AND OBLIGATIONS; SUCCESSORS

6.01 <u>Assignment of Developer Rights</u>. Developer may assign in whole or part its rights and obligations under this Agreement to persons purchasing all of the Property or a part of the Property but not to an individual purchaser of lots within a recorded final plat. In the event

Developer assigns all of its respective rights under this Agreement in conjunction with the conveyance of any unplatted portion of the Property, a written assignment of said rights must be filed of record in the Official Public Records of Hays County, Texas in order to be effective. This Agreement may be assigned by Developer without the consent of the City to any Developer-affiliated or related entity and Developer will be released from its obligations under this Agreement upon delivery of a notice of assignment to the City. Any assignment of Developer's rights and obligations hereunder to an entity that is not affiliated with or related to Developer will not release Developer of their respective obligations under this Agreement for the assigned portion of the Property until the City has approved the written assignment; provided, however, the City shall not unreasonably deny, delay, or condition its approval of the assignment.

- 6.02 <u>Lot Conveyance Not an Assignment</u>. The mere conveyance of a lot or any portion of the Property without a written assignment of the rights of Developer shall not be sufficient to constitute an assignment of the rights or obligations of Developer hereunder, unless specifically provided herein.
- 6.03 Agreement Binding on Assigns. This Agreement shall be binding upon the Parties, their grantees, successors, assigns, or subsequent purchaser. In the event of an assignment of fee ownership, in whole or in part, of the Property by Developer, only the grantees and assignees and then current owners of any portion of the Property so assigned shall be liable under this Agreement for any subsequent default occurring after the conveyance and affecting only the portion or portions of the Property so assigned. Any reference to Developer or City shall be deemed to and will include the successors or assigns thereof, and all the covenants and agreements in this Agreement shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

ARTICLE 7 DEFAULT AND NOTICE

- 7.01 Notice and Opportunity to Cure. If either Party defaults in its obligations under this Agreement, the other Party must, prior to exercising a remedy available to that Party due to the default, give written notice to the defaulting Party, specifying the nature of the alleged default and the manner in which it can be satisfactorily cured, and extend to the defaulting Party at least thirty (30) days from receipt of the notice to cure the default. If the nature of the default is such that it cannot reasonably be cured within the thirty (30) day period, the commencement of the cure within the thirty (30) day period and the diligent prosecution of the cure to completion will be deemed a cure within the cure period.
- 7.02 Remedies for Default. Whether in contract or tort or otherwise, Developer agrees to waive all claims to damages and other remedies, including specific or strict performance, lost profits, delay damages, or for any special incidental, liquidated or consequential loss or damage of any nature arising at any time or from any cause whatsoever; provided, however, Developer may enforce this Agreement as provided under §245.006 of the Texas Local Government Code.
- 7.03 <u>Enforcement</u>. The Parties may enforce this Agreement by any proceeding at law or equity except the City is not waiving its right to sovereign immunity nor may this paragraph

7.03 be interpreted as or otherwise construed to be a waiver. Failure of either Party to enforce this Agreement shall not be deemed a waiver to enforce the provisions of this Agreement thereafter.

- 7.04 <u>Litigation</u>. In the event of any third-party lawsuit or other claim relating to the validity of this Agreement or any actions taken by the Parties hereunder, Developer and the City intend to cooperate in the defense of such suit or claim, and to use their respective best efforts to resolve the suit or claim without diminution of their respective rights and obligations under this Agreement. The City's participation in the defense of such a lawsuit is expressly conditioned on budgetary appropriations for such action by the city council. The filing of any third-party lawsuit relating to this Agreement or the development of the Project will not delay, stop or otherwise affect the development of the Project or the City's processing or issuance of any approvals for the Project, unless otherwise required by a court of competent jurisdiction.
- 7.05 Notices. Any notice required or permitted to be delivered hereunder shall be in writing and shall be deemed received on the earlier of (i) actual receipt by mail, Federal Express or other delivery service, fax, email or hand delivery; (ii) three (3) business days after being sent by United States mail, postage prepaid, certified mail, return receipt requested, addressed to Seller or Purchaser, as the case may be, at the address stated in Section 1; or (iii) one (1) business day after being sent by email.

Any notice mailed to the City shall be addressed:

City of Kyle Attn: City Manager 100 W. Center Street Kyle, Texas 78640

Any notice mailed to the Developer shall be addressed:

Scott Felder Homes ATTN: Steve Krasoff, President 6414 River Place Blvd, Ste. 100 Austin Texas 78730

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

ARTICLE 8 PROPERTY AND MORTGAGEE OBLIGATIONS

8.01 Mortgagee Acceptance. Developer shall assure that any mortgage financing obtained for the Property and the Project includes a provision that obligates the mortgagee to continue this Agreement in full force and effect subject to its terms and provisions in the event of a foreclosure or other action by such mortgagee, with a good and sufficient subordination provision, and any such mortgagee shall be deemed to have taken a security interest in the Property with notice of and subject to this Agreement. Developer shall provide the City with an executed copy of a subordination agreement that is consistent with the requirements of this Agreement.

- 8.02 Mortgagee Protection. This Agreement will not affect the right of Developer to encumber all or any portion of the Property by mortgage, deed of trust or other instrument to secure financing for the Project, subject to the terms and provisions of Section 8.01. The City understands that a lender providing financing of the development of the Property ("Lender") may require interpretations of or modifications to this Agreement and agrees to not unreasonably refuse to cooperate with Developer and its Lenders' representatives in connection with any requests for interpretations or modifications so long as such modifications are not substantially inconsistent with the terms of this Agreement. The City agrees not to unreasonably condition, withhold or delay its approval of any requested interpretation or modification if the interpretation or modification is consistent with the intent and purposes of this Agreement. The City further agrees as follows:
 - (a) Neither entering into this Agreement, nor any breach of this Agreement, will affect any lien upon all or any portion of the Property.
 - (b) The City will, upon written request of a Lender given to the City by certified mail, return receipt requested, at the addresses provided in Section 7.05, provide the Lender with a copy of any written notice of default given to Developer under this Agreement within ten (10) days of the date such notice is given to Developer.
 - (c) Upon default by Developer under this Agreement, a Lender may, but will not be obligated to, promptly cure any default during any cure period extended to Developer, either under this Agreement or under the notice of default.
 - (d) Any Lender who comes into possession of any portion of the Property by foreclosure or deed in lieu of foreclosure will take such Property subject to the terms of this Agreement. No Lender will be liable for any defaults or monetary obligations of Developer arising prior to the Lender's acquisition of title, but a Lender will not be entitled to obtain any permits or approvals with respect to that Property until all delinquent fees and other obligations of Developer under this Agreement that relate to the Property have been paid or performed.
- **8.03** Certificate of Compliance. Within thirty (30) days of written request by either Party given to the other Party requesting a statement of compliance with this Agreement, the other Party will execute and deliver to the requesting Party a statement certifying that:
 - (a) this Agreement is unmodified and in full force and effect, or if there have been modifications, that this Agreement is in full force and effect as modified and stating the date and nature of each modification;
 - (b) there are no current uncured defaults under this Agreement, or specifying the date and nature of each default; and
 - (c) any other information that may be reasonably requested. The City Manager or the Mayor will be authorized to execute any requested certificate on behalf of the City.

ARTICLE 9 MISCELLANEOUS

- 9.01 <u>Multiple Originals</u>. The Parties may execute this Agreement in one or more duplicate originals, each of equal dignity.
- **9.02** Entire Agreement. This Agreement, together with any exhibits attached hereto, constitutes the entire agreement between Parties with respect to its subject matter, and may not be amended except by a writing signed by all Parties with authority to sign and dated subsequent to the date hereof. There are no other agreements, oral or written, except as expressly set forth herein.
- **9.03** <u>Recordation</u>. A copy of this Agreement will be recorded in the Official Public Records of Hays County, Texas.
- 9.04 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. In the event of partial invalidity, the balance of the Agreement shall remain in full force and effect. This Agreement is performable in Hays County, Texas.
- 9.05 <u>Termination or Amendment By Agreement</u>. This Agreement may only be terminated or amended as to any or all of the Property at any time by mutual written consent of the City and Developer, or may be terminated or amended only as to a portion of the Property by the mutual written consent of the City and the Developer of only the portion of the Property affected by the amendment or termination.
- 9.06 No Oral or Implied Waiver. The Parties may waive any of their respective rights or conditions contained herein or any of the obligations of the other party hereunder, but unless this Agreement expressly provides that a condition, right, or obligation is deemed waived, any such waiver will be effective only if in writing and signed by the party waiving such condition, right, or obligation. The failure of either party to insist at any time upon the strict performance of any covenant or agreement in this Agreement or to exercise any right, power, or remedy contained in this Agreement will not be construed as a waiver or a relinquishment thereof for the future.
- 9.07 No Third-Party Beneficiary. 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 otherwise provided herein.
- 9.08 Effective Date. This Agreement, except Article 2 (DEVELOPMENT STANDARDS AND REVIEW PROCEDURES), 3 (PUBLIC STREETS AND SUBDIVISON INFRASTRUCTURE), 4 (WATER AND WASTEWATER SERVICE), and 5 (ANNEXATION) is legally effective and enforceable upon the execution of this Agreement by both parties. Articles 2, 3, 4 and 5 of this Agreement will become legally effective and binding on the parties only upon Developer acquiring title to the Property and Developer delivering to the City a copy of the deed recorded in the Official Public Records of Hays County, Texas that conveys title to Developer.

DEVELOPER:

Scott Felder Homes, LLC.

By:

Steve Krasoff, President

THE STATE OF TEXAS \$

COUNTY OF TRAVIS \$

KARA L. WEINSTEIN
Notary Public, State of Texas
My Commission Expires
May 07, 2016

Notary Public in and for the State of Texas

CITY OF KYLE, TEXAS

By:

R. Todd Webster, Mayor

Date:

ATTEST:

Amelia Sanchez, City \$ecretary

APPROVED AS TO FORM:

City Attorney

EXHIBIT A DESCRIPTION OF PROPERTY

DESCRIPTION OF A 132.59 ACRE TRACT, PREPARED BY DELTA SURVEY GROUP INC. IN FEBRUARY 2015, LOCATED IN THE JOHN PHARASS SURVEY, ABSTRACT NUMBER 361, HAYS COUNTY, TEXAS, SAID 132.59 ACRE TRACT BEING A REMAINDER OF A CALLED 135.78 ACRE TRACT OF LAND DESCRIBED IN VOLUME 254, PAGE 848, REAL PROPERTY RECORDS, HAYS COUNTY, TEXAS, SAID 132.59 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a ½ inch iron rod found in the north right-of-way line of Cypress Road (right-of-way varies) for the most southerly southeast corner of said 135.78 acre tract, same being the most southerly corner of the herein described 132.59 acre tract of land, for the POINT OF BEGINNING;

THENCE with the north right-of-way line of Cypress Road, same being the south line of said 135.78 acre tract, N66°47'41"W, a distance of 464.63 feet to a ½ inch iron rod with "Delta Survey" cap set for the southeast corner of a 4.78 acre tract of land described in Volume 4719, Page 166, Official Public Records, Hays County, Texas;

THENCE leaving the north right-of-way line of Cypress Road, with the east, north and west lines of said 4.78 acre tract, same being south lines of said 135.78 acre tract the following three (3) courses and distances:

- 1. N18°25'46"E a distance of 218.68 feet, to a 1/2 inch iron rod with "Delta Survey" cap set,
- 2. N76°35'41"W a distance of 683.33 feet, to a ½ inch iron rod with "Delta Survey" cap set, and
- 3. S45°04'19"W a distance of 426.01 feet, to a 20 inch Live Oak found for the southwest corner of the said 4.78 acre tract, same being a south corner of the said 135.78 acre tract, and also being in the north line of an undefined tract of land (no record ownership or deed reference found);

THENCE with the north lines of said undefined tract, same being the south lines of said 135.78 acre tract the following five (5) courses and distances:

- 1. S59°45'22"W a distance of 97.79 feet, to a nail found in a 29 inch Live Oak,
- 2. S47°28'53"W a distance of 371.25 feet, to a 1/2 inch iron rod found,
- 3. S52°39'52"W a distance of 14.33 feet, to a ½ inch iron rod found,
- 4. S59°09'02"W a distance of 164.78 feet, to a ½ inch iron rod found, and
- 5. S67°49'19"W a distance of 74.92 feet, to a ½ inch iron rod with "Delta Survey" cap set in the north ROW line of said Cypress Road, same being a south-line of said 135.78 acre tract;

THENCE with the north ROW lines of said Cypress Road, same being the south lines of said 135.78 acre tract the following nine (9) courses and distances:

- 1. N70°08'41"W a distance of 96.94 feet, to a ½ inch iron rod with "Delta Survey" cap set,
- 2. N64°30'41"W a distance of 79.56 feet, to a ½ inch iron pipe found,
- 3. N49°42'54"W a distance of 145.14 feet, to a 1/2 inch iron rod with "Delta Survey" cap set,
- 4. N47°57'54"W a distance of 437.25 feet, to a ½ inch iron rod with "Delta Survey" cap set,
- 5. N16°49'54"W a distance of 516.28 feet, to a ½ inch iron rod with "Delta Survey" cap set,
- 6. N35°14'54"W a distance of 48.31 feet, to a 1/2 inch iron rod with "Delta Survey" cap set,
- 7. N56°57'54"W a distance of 49.88 feet, to a ½ inch iron rod found,
- 8. N80°26'19"W a distance of 476.41 feet, to a 1/2 inch iron rod found, and
- 9. N41°17'19"W a distance of 155.64 feet, to a ½ inch iron rod with "Delta Survey" cap set in the east line of that 195.14 acre tract described in a deed to The State of Texas Permanent School Fund, and recorded in Volume 2965, Page 484, Official Public Records, Hays County, Texas, same being the west line of the said 135.78 acre tract;

THENCE with the east line of said 195.14 acre tract, same being the west lines of said 135.78 acre tract the following six (6) courses and distances:

- 1. N48°29'30"E a distance of 1587.53 feet, to a ½ inch iron rod found,
- 2. N48°25'30"E a distance of 428.87 feet, to a 1/2 inch iron rod with "VICKERY" cap found,
- 3. N25°26'19"E a distance of 39.38 feet, to a mag nail in fence post found,
- 4. \$49°05'26"E a distance of 34.30 feet, to a mag nail in fence post found,
- 5. N48°35'06"E a distance of 1583.28 feet, to a mag nail in fence post found, and
- 6. S61°06'30"E a distance of 48.98 feet, to a ½ inch iron rod found in the west ROW line of County Road 136 (Old Stagecoach Road) (ROW varies), same being the northeast corner of said 135.78 acre tract;

THENCE with the west ROW line of said Old Stagecoach Road, same being the east line of said 135.78 acre tract, S16°45'08"E a distance of 258.55 feet, to a ½ inch iron rod with "Delta Survey" cap set for the northeast corner of that 1.00 acre tract described in a deed to Clifton L. Oswalt and recorded in Volume 398 Page 265, Real Property Records of Hays County, Texas;

THENCE leaving said ROW and with the north and west lines of said 1.00 acre Oswalt tract, and the west and south lines of that 0.12 acre tract described in a deed to Clifton L. Oswalt and recorded in Volume 592 Page 807, Real Property Records of Hays County, Texas, the following three (3) courses and distances:

- 1. S73°14'47"W a distance of 350.00 feet, to a ½ inch iron rod with "Delta Survey" cap set,
- 2. S16°45'09"E a distance of 139.46 feet, to a ½ inch iron rod with "Delta Survey" cap set, and
- 3. N73°14'49"E a distance of 347.70 feet, to a ½ inch iron rod with "Delta Survey" cap set in the west ROW line of said Old Stagecoach Road;

THENCE with the west ROW line of said Old Stagecoach Road, same being the east line of said 135.78 acre tract, S08°02'02"E a distance of 955.72 feet, to an iron rod with "BYRN" cap found for the northeast corner of that 0.615 acre tract conveyed to Martha Prado and recorded in Volume 2257 Page 881, Official Public Records, Hays County, Texas and last described in Volume 729 Page 644, Real Property Records, Hays County, Texas;

THENCE with the perimeter of said 0.615 acre Prado tract and a 1.86 acre tract described in a deed to Audrey Oswalt and recorded in Volume 398 Page 261, Real Property Records, Hays County Texas the following six (6) courses and distances:

- 1. S81°40'28"W a distance of 232.43 feet, to a 1/2 inch iron rod with "Delta Survey" cap set
- 2. S02°39'28"E a distance of 101.12 feet, to a calculated point for the west common corner of the said Prado and Oswalt tract,
- 3. S03°12'57"E a distance of 30.41 feet, to a calculated point,
- 4. S02°06'24"E a distance of 47.02 feet, to a fence post found,
- 5. S02°47'36"E a distance of 157.50 feet, to a ½ inch iron rod found, and
- 6. N87°19'33"E a distance of 203.13 feet, to a ½ inch iron rod found for the southeast corner of said Oswalt tract, same being in the west ROW line of said Old Stagecoach Road;

THENCE with the west ROW line of said Old Stagecoach Road, same being the east line of said 135.78 acre tract the following four (4) courses and distances:

- 1. S16°08'07"W a distance of 474.58 feet, to a ½ inch iron rod with "Delta Survey" cap set,
- 2. S11°17'39"E a distance of 40.97 feet, to a ½ inch iron rod found,
- 3. S18°34'03"E a distance of 1287.66 feet, to a ½ inch iron road found, and

4. S56°24'24"W a distance of 10.77 feet, to the **POINT OF BEGINNING** and containing 132. 59 acres, more or less.

BEARING BASIS: TEXAS STATE PLANE COORDINATE SYSTEM, TEXAS CENTRAL ZONE, NAD 83/HARN

I, John E Brautigam, hereby certify that the forgoing description represents an on-the-ground survey performed under my direct supervision during February 2015, and is true and correct to the best of my knowledge and belief.

Date: 02-16-15

John E Brautigam

Registered Professional Land Surveyor

No. 5057-State of Texas

Delta Survey Group, Inc. 8213 Brodie Lane, Suite 102 Austin, Texas 78745 TBPLS Firm No. 10004700



EXHIBIT B DESCRIPTION OF COMMERCIAL PARCEL

DESCRIPTION OF A 2.598 ACRE TRACT, PREPARED BY DELTA SURVEY GROUP INC. IN JANUARY 2015, LOCATED IN THE JOHN PHARASS SURVEY, ABSTRACT NUMBER 361, HAYS COUNTY, TEXAS, SAID 2.598 ACRE TRACT BEING A PORTION OF A CALLED 135.78 ACRE TRACT OF LAND DESCRIBED IN VOLUME 254, PAGE 848, REAL PROPERTY RECORDS, HAYS COUNTY, TEXAS, SAID 2.598 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a ½ inch iron rod found in the north right-of-way line of Cypress Road (right-of-way varies) for the most southerly southeast corner of said 135.78 acre tract, same being the most southerly corner of the herein described 2.598 acre tract of land, for the POINT OF BEGINNING;

THENCE with the north right-of-way line of Cypress Road, same being the south line of said 135.78 acre tract, N66°47'41"W, a distance of 464.63 feet to a ½ inch iron rod with "Delta Survey" cap set for the southeast corner of a 4.78 acre tract of land described in Volume 4719, Page 166, Official Public Records, Hays County, Texas;

THENCE leaving the north right-of-way line of Cypress Road, with the east line of said 4.78 acre tract, same being a west line of said 135.78 acre tract, N18°25'46"E, a distance of 218.68 feet to a ½ inch iron rod with "Delta Survey" cap set for the northeast corner of said 4.78 acre tract, same being a corner in the south line of said 135.78 acre tract;

THENCE leaving said 4.78 acre tract, and crossing said 135.78 acre tract, the following two (2) courses and distances:

- 1. N08°13'19"E, a distance of 28.01 feet to a ½ inch iron rod with "Delta Survey" cap set; and,
- 2. N71°25'57"E, a distance of 212.70 feet to a ½ inch iron rod with "Delta Survey" cap set in the west right-of-way line of County Road 136 (Old Stagecoach Road) (right-of-way varies), same being the east line of said 135.78 acre tract;

THENCE with the west right-of-way line of County Road 136, same being the east line of said 135.78 acre tract, S18°34'03"E, a distance of 506.39 feet to a ½ inch iron rod found in the north right-of-way line of Cypress Road;

THENCE leaving the west right-of-way line of County Road 136, with the north right-of-way line of Cypress Road, S56°24'24"W, a distance of 10.77 feet to the **POINT OF BEGINNING** and containing 2.598 acres of land, more or less.

BEARING BASIS: TEXAS STATE PLANE COORDINATE SYSTEM, TEXAS CENTRAL ZONE, NAD 83/HARN

I, John E Brautigam, hereby certify that the forgoing description represents an on-the-ground survey performed under my direct supervision during January 2015, and is true and correct to the best of my knowledge and belief.

Date: 01-22-15

John E Brawigam

Registered Professional Land Surveyor

No. 5057-State of Texas

Delta Survey Group, Inc. 8213 Brodie Lane, Suite 102 Austin, Texas 78745 TBPLS Firm No. 10004700



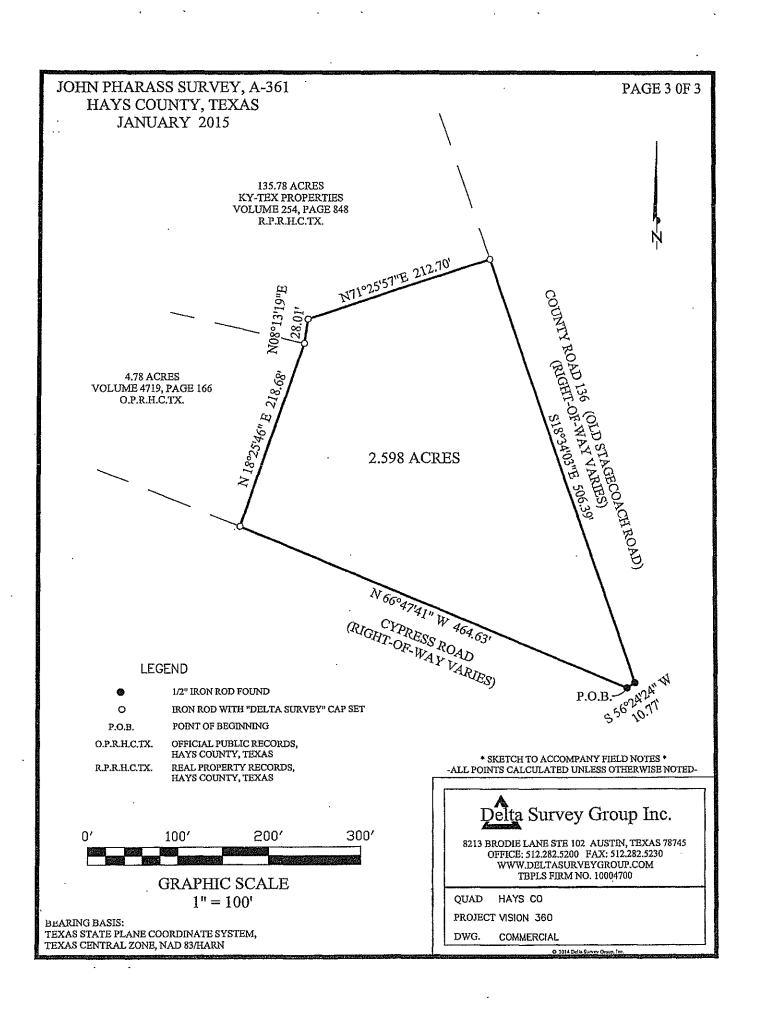


EXHIBIT C CONCEPT PLAN

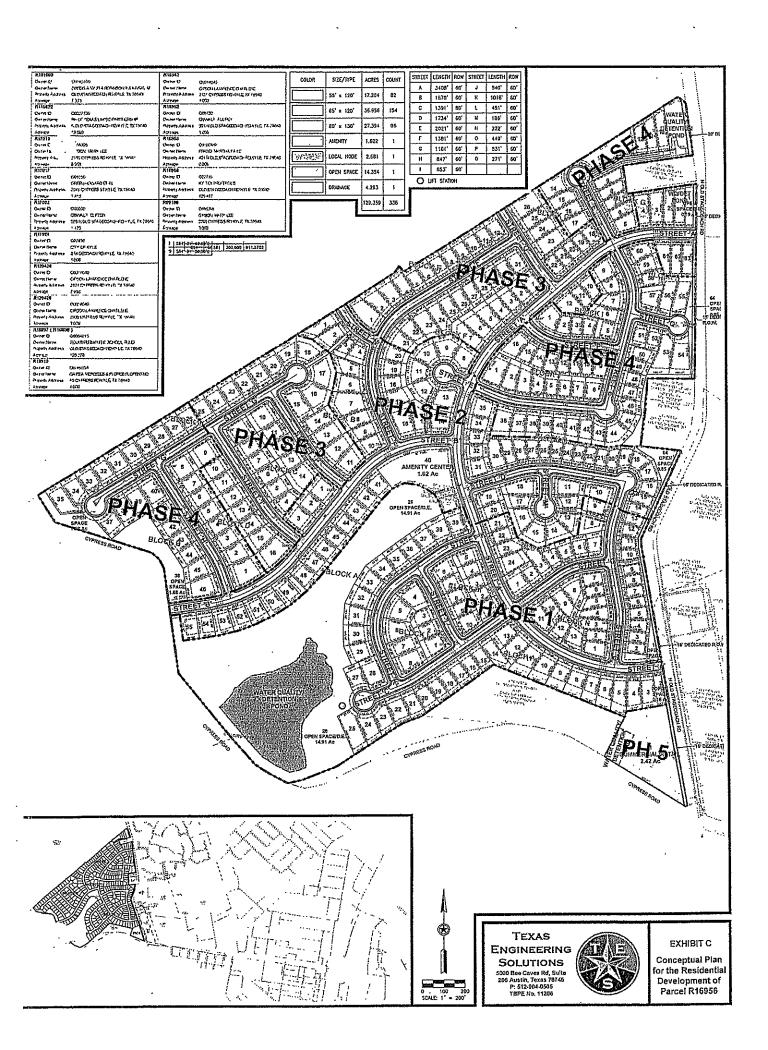


EXHIBIT D OFF-SITE SEWER FORCE MAIN DESCRIPTION

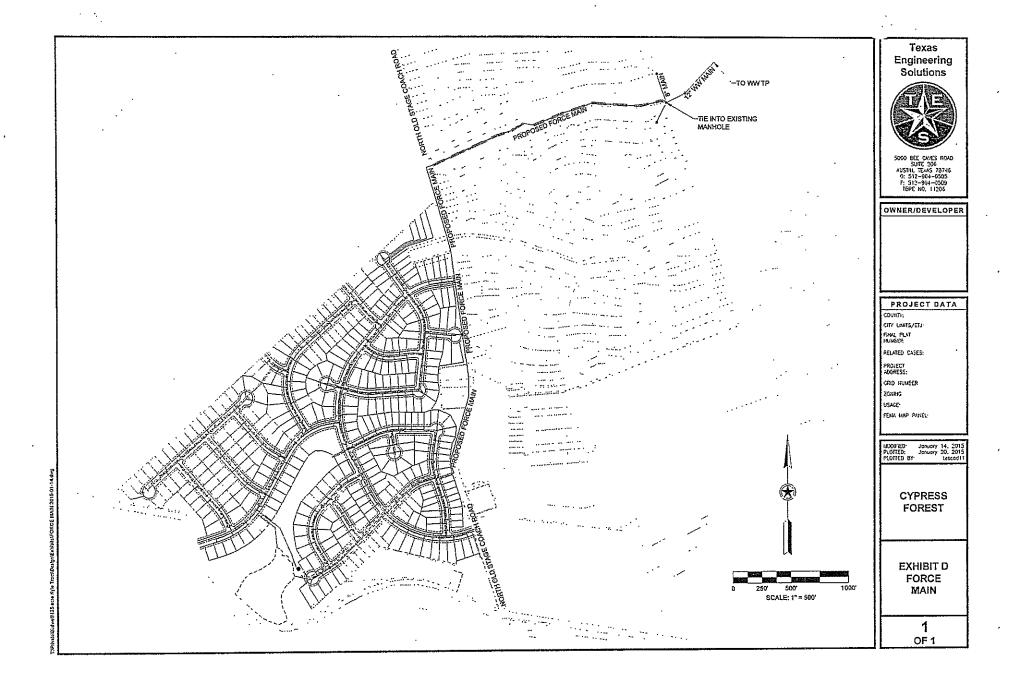


EXHIBIT E STREET LIGHTING PLAN

