TIRZ DEVELOPMENT AGREEMENT

By and Between

REINVESTMENT ZONE NUMBER ONE,
CITY OF FRIENDSWOOD

and

THE CITY OF FRIENDSWOOD, TEXAS

and

MADISON DEVELOPMENT CORP., LLC

TIRZ DEVELOPMENT AGREEMENT

This **TIRZ DEVELOPMENT AGREEMENT** ("Agreement"), effective November 13, 2024 ("Effective Date"), is made by and among **REINVESTMENT ZONE NUMBER ONE, CITY OF FRIENDSWOOD** ("Zone"), a tax increment reinvestment zone created by the City of Friendswood, Texas, pursuant to Chapter 311, Texas Tax Code, as amended ("Act"), acting by and through its governing body, the Board of Directors ("Zone Board"), **THE CITY OF FRIENDSWOOD, TEXAS**, a Texas home-rule municipal corporation ("City"), and **MADISON DEVELOPMENT CORP., LLC**, a Texas limited liability company ("Developer") (each a "Party," and together, "the Parties").

RECITALS

WHEREAS, pursuant to the Act, by Ordinance No. 2023-31, passed, approved and adopted by the City Council of the City ("City Council") on December 4, 2023, the City created the Zone, a description of which is attached hereto as Exhibit A, and approved the preliminary reinvestment zone financing plan for the Zone; and

WHEREAS, on November 4, 2024, the Zone Board adopted a project plan and reinvestment zone financing plan for the Zone (the "Project and Financing Plan") that provides for the development of certain public works and improvements in the Zone, and by Ordinance No. 2024-36, passed, approved and adopted by City Council on November 4, 2024, the Project and Financing Plan was approved by the City Council; and

WHEREAS, the Act provides that the Zone and the City may enter into agreements as the Zone Board and the City Council consider necessary or convenient to implement the Project and Financing Plan and achieve its purposes; and

WHEREAS, the Developer desires to proceed with the design, development, construction, maintenance, management, use and operation of a mixed-use commercial development within the Zone to be known as Friendswood City Center, consisting of (i) approximately 500 multi-family units; (ii) approximately 191,000 square feet of medical/office use; (iii) a maximum 150-room hotel and approximately 5,000 square foot conference facility; (iv) approximately 63,800 square feet of restaurant and retail space; (v) approximately 52 acres of public parks and approximately 5.2 miles of public trails; (vi) a maximum of 300 condominium units; and (vii) a minimum 2,188-space parking garage ("Project"), in accordance with the Planned Unit Development—Friendswood City approved by the City on November 6, 2023, as may be amended from time to time, and that certain City Center Development Agreement by and between the City and Developer effective as of January 22, 2024, as may be amended from time to time (the "PID Agreement"); and

WHEREAS, in connection with the development of the Project, Developer intends to construct and install certain Public Improvements (as hereinafter defined), which consist of both the City Center PID Projects (as hereinafter defined) and the City Center Non-PID Projects (as hereinafter defined) contemplated in the Project and Financing Plan and the PID Development Agreement; and

WHEREAS, pursuant to Section 311.010(h) of the Act, subject to the approval of City Council, the Zone Board, as necessary or convenient to implement the Project and Financing Plan and achieve their purposes, is authorized to establish and provide for the administration of one or more programs for the public purposes of developing and diversifying the economy of the Zone, eliminating unemployment and underemployment in the Zone, and developing or expanding transportation, business, and commercial activity in the Zone, including programs to make grants and loans from the Revenue Fund (as hereinafter defined) in an aggregate amount not to exceed the amount of the City Tax Increment (as hereinafter defined) paid into the Revenue Fund, for activities that benefit the Zone and stimulate business and commercial activity in the Zone; and

WHEREAS, consistent with the foregoing, the Project and Financing Plan provides that the Zone may fund an economic development program to incentivize private enterprise in the Zone and serve as a catalyst for other business developments by inducing private development paired with public investment to develop and diversify the economy of the Zone, eliminate unemployment and underemployment in the Zone and develop or expand transportation, business and commercial activity in the Zone (the "Zone 380 Program"); and

WHEREAS, Developer anticipates and recognizes that the development of the Project and the construction and installation of the Public Improvements pursuant to this Agreement will significantly contribute to the economic improvement and development of the Zone through the attraction of new businesses and the creation of temporary and permanent new jobs in the Zone; and

WHEREAS, the Zone Board and the City Council recognize the positive economic impact that the Project will bring to the Zone through the development and diversification of the economy, the elimination and reduction of unemployment and underemployment through the creation of new jobs, and the development of business and commercial activity through the attraction of new businesses pursuant to Chapter 380 of the Texas Local Government Code ("Chapter 380"); and

WHEREAS, the Act provides that the Zone and the City may enter into agreements as the Zone Board and the City Council consider necessary or convenient to implement the Project and Financing Plan and achieve its purposes; and

WHEREAS, the Zone Board and the City Council have determined that it is in the best interest of the Zone and the City to contract with the Developer, a developer of land within the Zone, in order to provide for the efficient and effective implementation of certain aspects of the Project and Financing Plan; and

WHEREAS, the Zone Board and the City Council have concluded and hereby find that the establishment of the Zone 380 Program, the development of the Project, and the construction and installation of the Public Improvements pursuant to the Agreement promote economic development within the Zone and, as such, meet the requirements of Section 311.010(h) of the Act and Chapter 380, and further, are in the best interests of the Zone, the City and the Developer; and

WHEREAS, in consideration of the Developer's intent to construct the Public Improvements in connection with the development of the Project, the Zone Board and the City

Council have determined that it is in the best interest of the Zone and the City to enter into this Agreement pursuant to Chapter 380 and other laws applicable to the development of the Public Improvements as an economic incentive for the Developer to develop the Project and construct the Public Improvements; and

WHEREAS, pursuant to the foregoing, the Zone Board and the City agree to utilize the Available Tax Increment (as hereinafter defined) to (i) reimburse the Developer for a portion of the costs of the City Center Non-PID Projects advanced on behalf of the City and (ii) make the 380 Grant (as hereinafter defined) to Developer to support the development of the Project and the completion of the Public Improvements.

AGREEMENT

NOW THEREFORE, for and in consideration of the mutual promises, covenants, obligations, and benefits of this Agreement, the sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1
GENERAL TERMS

1.1 Definitions. The terms "Act," "Agreement," "Chapter 380," "City," "City Council," "Developer," "Effective Date," "Party," "Parties," "PID Agreement," "Project," "Project and Financing Plan," "Zone," "Zone 380 Program," and "Zone Board" have the above meanings, and the following terms have the following meanings:

"380 Grant" shall mean an economic development grant made to the Developer pursuant to the Zone 380 Program in an amount not to exceed the lesser of (i) Developer's actual costs of financing the construction of the Public Improvements or (ii) the Maximum 380 Grant Amount.

"Additional Reimbursement Amount" shall mean an amount equal to the amount of Available Tax Increment, if any, remaining in the Revenue Fund, after (i) all Project Costs of the City Center Non-PID Projects and (ii) the 380 Grant have been repaid in full from the TIRZ Contribution, that may be available to reimburse the Developer for any excess Project Costs that have not been and will not be paid for or reimbursed from another funding source, either pursuant to the PID Agreement or otherwise, subject to the TIRZ Cap.

"Administrative Costs" shall mean all costs incurred by the City for the administration of the Zone, including legal, bookkeeping, auditing, and other professional and/or consulting service costs, during the Term.

"Applicable Law" shall mean any statute, law, treaty, rule, code, ordinance, regulation, permit, interpretation, certificate or order of any Governmental Authority, or any judgment, decision, decree, injunction, writ, order or like action of any court, or other Governmental Authority. Applicable Laws shall include, but not be limited to, City Regulations.

"Assessments" shall have the meaning assigned to that term in the PID Agreement.

"Available Tax Increment" shall mean the City Tax Increment deposited into the Revenue Fund other than those funds required to be used to (i) subsidize the Assessments pursuant to the PID Agreement; and (ii) pay Administrative Costs, which Available Tax Increment may not exceed the TIRZ Cap.

"Base Year Value" shall mean the value of the property in the Zone on January 1, 2023, as established and certified by the Harris Central Appraisal District.

"City Center Non-PID Projects" shall mean the Public Improvements other than the City Center PID Projects and includes the Playing Fields and the portion of the Fire Station that will not be funded by PID Bonds or Assessments, as set forth on Exhibit B.

"City Center PID Projects" shall mean the Public Improvements defined and described in the Project and Financing Plan that will be funded by PID Bonds or Assessments.

"City Regulations" shall mean the provisions of the City's Code of Ordinances, ordinances not codified, design standards, uniform and international building and construction codes, and other policies duly adopted by the City, which shall be applied to the Project and the Public Improvements.

"City Representative" shall mean the City Manager or any person or persons designated by the City Manager to act on behalf of the City.

"City Tax Increment" shall mean seventy percent (70%) of the City's ad valorem taxes levied and collected by the City above the Base Year Value on the captured appraised value of real property taxable by the City within the Zone and deposited into the Revenue Fund.

"Commence Construction" or "Commencement of Construction" shall mean, with respect to the Public Improvements (or a component thereof, including the Detention and Road Improvements) that (i) the plans have been prepared and all approvals thereof required by applicable Governmental Authorities have been obtained for construction of the applicable Public Improvements, or component thereof, as the case may be, and, with respect to the Detention and Road Improvements, the ISD License Assignment (which shall occur contemporaneously with the issuance of a notice to proceed for the Detention and Road Improvements) has occurred; (ii) all necessary permits for the initiation of construction of the applicable Public Improvements, or component thereof, as the case may be, pursuant to the respective plans therefor have been issued by all applicable Governmental Authorities; and (iii) the grading of the property on which the applicable Public Improvements, or component thereof, as the case may be, will be constructed has commenced.

"Complete Construction" or "Completion of Construction" shall mean, with respect to the Public Improvements (or a component thereof, including the Detention and Road Improvements), that the Director has determined that the Developer has completed construction thereof substantially in accordance with City Regulations and the Plans and Specifications so that the applicable Public Improvements, or component thereof, as the case may be, can be used and maintained for their intended purposes, and the City (or, with respect to the Playing Fields, the ISD) has accepted the applicable Public Improvements, or component thereof (and, with respect to the Fire Station, has issued a temporary certificate of occupancy therefor), and confirmed that Final Completion has been reached with respect to such the applicable Public Improvements, or component thereof.

"Detention and Road Improvements" shall mean the City Center PID Projects consisting of (i) the public improvements on that certain 10-acre tract that the ISD will convey to the City pursuant to the ISD Agreement, including a detention pond; and (ii) certain public road improvements adjacent to the School, including (a) a public roadway providing additional access to the School, and (b) a segment of an extension to Blackhawk Boulevard, all as depicted in Exhibit H to the Project and Financing Plan.

"Detention and Road Improvements Completion Deadline" shall have the meaning set forth in Section 3.4 of this Agreement.

"Developer Advances" shall mean any funds advanced by Developer for the City Center Non-PID Projects pursuant to Section 6.1 of this Agreement, expressly including, but not limited to, out-of-pocket expenses.

"Director" shall mean the director of the City's Engineering Department, or his or her designee.

"Final Completion" shall mean the point in the construction of the Public Improvements (or a component thereof) when the City determines that the Public Improvements, or a component thereof, as the case may be, are completed, including punch list work.

"Fire Station" shall mean the City fire station within the Zone as set forth in the Project and Financing Plan in the location depicted in Exhibit H to the Project and Financing Plan or at such other location as may be mutually agreed by the City and the Developer.

"Fire Station Completion Deadline" shall have the meaning set forth in Section 3.4 of this Agreement.

"Force Majeure" shall mean any act that (i) materially and adversely affects the affected Party's ability to perform the relevant obligations under this Agreement or delays such affected Party's ability to do so, (ii) is beyond the reasonable control of the affected Party, (iii) is not due to the affected Party's fault or negligence and (iv) could not be avoided, by the Party who suffers it, by the exercise of commercially reasonable efforts. "Force Majeure" shall include: (a) natural phenomena, such as storms, floods, lightning and earthquakes; (b) wars, civil disturbances, revolts, insurrections, terrorism, sabotage and threats of sabotage or terrorism; (c) transportation disasters, whether by ocean, rail, land or air; (d) strikes or other labor disputes that are not due to the breach of any labor agreement by the affected Party; (e) fires; (f) epidemics or pandemics where shut-down of commercial construction or the manufacturing of supplies relating thereto has been ordered by a Governmental Authority; and (g) actions or omissions of a Governmental Authority (including the actions of the City in its capacity as a Governmental Authority) that were not voluntarily induced or promoted by the affected Party, or brought about by the breach of its obligations under this Agreement or any Applicable Law or failure to comply with City Regulations; provided, however, that under no circumstances shall Force Majeure include any of the following events: (i) economic hardship; (ii) changes in market condition; (iii) any strike or labor dispute involving the employees of the Developer or any Affiliate of the Developer, other than industry or nationwide strikes or labor disputes; (iv) during construction, weather conditions which could reasonably be anticipated by experienced contractors operating the relevant location; (v) the occurrence of any manpower, material or equipment shortages except as set forth in (f)

above; or (vi) any delay, default or failure (financial or otherwise) of the general contractor or any subcontractor, vendor or supplier of the Developer, or any construction contracts for Public Improvements.

"Form 1295" shall have the meaning set forth in Section 9.13 of this Agreement.

"Governmental Authority" shall mean any Federal, state or local governmental entity (including the City and any taxing authority) or agency, court, tribunal, regulatory commission or other body, whether legislative, judicial or executive (or a combination or permutation thereof), pursuant to the terms of this Agreement or by agreement of the Parties.

"ISD" shall mean the Clear Creek Independent School District.

"ISD Agreement" shall mean that certain Agreement to Convey Property and to License Property by and between the ISD and the City dated effective as of November 13, 2024.

"ISD License" shall mean that certain license by the ISD to the City of certain real property owned by the ISD pursuant to the ISD Agreement to facilitate the installation of the Playing Fields.

"ISD License Assignment" shall mean the City's assignment of the ISD License to the Developer pursuant to the ISD Agreement.

"Maximum 380 Grant Amount" shall mean the amount of $1,250,000.

"Outside Contribution Date" shall have the meaning set forth in Section 9.11 of this Agreement.

"PID" shall mean the Friendswood City Center Public Improvement District created by the City pursuant to Resolution No. R2024-01, approved by the City Council on January 8, 2024.

"PID Bonds" shall have the meaning assigned to such term in the PID Agreement.

"Plans and Specifications" shall mean the designs, plans and specifications for the Public Improvements prepared by a consultant acceptable to the City and Developer at the direction of Developer and approved by the Director in accordance with Section 4.2 of this Agreement.

"Playing Fields" shall mean the filling in and grading of an existing detention site for use as playing fields on certain real property owned by the ISD and utilized for the School, which shall include hydromulching the site and installing thereon an irrigation system connected to the ISD's existing water system.

"Project Costs" shall mean eligible "Project Costs" as defined in Section 311.002 of the Act relating to (i) the actual costs of planning, designing, acquiring, constructing and installing the City Center Non-PID Projects incurred by the Developer, whether before or after the date of this Agreement, including, but not limited to, the engineering, planning, accounting, architectural, legal fees and expenses, survey, testing, laboratory costs, any impact or capital recovery fees, land clearing and grading costs, advertising and other bidding costs, amounts due under construction contracts, and costs of labor and material of the Playing Fields and the portion of the Fire Station that will not be funded by PID Bonds or Assessments, the total estimated costs of which are set

forth in Exhibit B attached hereto, (ii) the Developer's financing costs, in an amount not to exceed the amount of the 380 Grant, relating to the Public Improvements, as set forth in Exhibit B attached hereto; and, if applicable, (iii) the actual costs of planning, designing, acquiring, constructing and installing the Public Improvements to the extent that these costs exceed the amount of such costs that have been or will be paid for or reimbursed from another funding source, either pursuant to the PID Agreement or otherwise, in an amount not to exceed the Additional Reimbursement Amount.

"Public Improvements" shall mean the public improvements within the Zone as set forth in the Project and Financing Plan, which include the City Center PID Projects and the City Center Non-PID Projects.

"Revenue Fund" shall mean the special fund established and funded by the City with payments made by the City which are attributable to the City Tax Increment.

"School" shall mean Brookside Intermediate School, which is operated by the ISD.

"Term" shall have the meaning set forth in Section 9.11 of this Agreement.

"TIRZ Cap" shall mean the lesser of (i) the amount generated by the City Tax Increment over the life of the Zone or (ii) the amount of $100,000,000.

"TIRZ Contribution" shall mean the actual costs of the Project Costs, as defined herein, which shall be determined by adding together the following amounts: (i) an amount equal to the actual cost of the design and construction of the City Center Non-PID Projects; (ii) an amount equal to the 380 Grant; and (iii) if applicable, an amount equal to the Additional Reimbursement Amount; provided however, the TIRZ Contribution shall not exceed the lesser of (x) the amount of the Project Costs minus any amount paid for or reimbursed from another funding source, either pursuant to the PID Agreement or otherwise (as further provided in Section 6.4 of this Agreement), (y) the Available Tax Increment through the Outside Contribution Date, or (z) the TIRZ Cap.

1.2 Singular and Plural. Words used herein in the singular, where the context so permits, also include the plural and vice versa. The definitions of words in the singular herein also apply to such words when used in the plural where the context so permits and vice versa.

ARTICLE 2
REPRESENTATIONS

2.1 Representations of City. The City hereby represents to Developer that as of the Effective Date:

A. 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).

B. The City has all requisite power and authority to execute this Agreement and to carry out its obligations hereunder and the transactions contemplated hereby.

C. 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.

D. 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.

E. No litigation is pending or, to the knowledge of the City, threatened 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.

F. The Public Improvements and the Project Costs are components of or are consistent with the Project and Financing Plan.

2.2 Representations of Zone Board. The Zone Board hereby represents to Developer that as of the Effective Date:

A. The Zone is duly authorized, created, and existing under the laws of the State of Texas and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.

B. The Zone has the power, authority and legal right to enter into and perform this Agreement and the execution, delivery and performance hereof (i) have been duly authorized, (ii) to the best of its knowledge, will not violate any applicable judgment, order, law or regulation, and (iii) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the Zone under any agreement or instrument to which the Zone is a party or by which the Zone or its assets may be bound or affected.

C. The Public Improvements and the Project Costs are components of or are consistent with the Project and Financing Plan.

D. This Agreement has been duly authorized, executed and delivered by the Zone and constitutes a legal, valid and binding obligation of the Zone, enforceable in accordance with its terms.

E. The execution, delivery and performance of this Agreement by the Zone do not require the consent or approval of any person which has not been obtained.

2.3 Representations of Developer. Developer hereby represents to the City and the Zone that as of the Effective Date:

A. Developer is duly authorized, created and existing in good standing under the laws of the State of Texas and is qualified to do business in the State of Texas.

B. Developer has the power, authority and legal right to enter into and perform its obligations set forth in this Agreement, and the execution, delivery and performance hereof (i) have been duly authorized, (ii) will not, to the best of Developer's knowledge, violate any judgment, order, law or regulation applicable to Developer or any provisions of Developer's formation documents, and (iii) do not constitute a default under or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of Developer under any agreement or instrument to which Developer is a party or by which Developer or its assets may be bound or affected.

C. Developer will have sufficient capital to perform its obligations under this Agreement at the time it needs to have sufficient capital.

D. This Agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding obligation of Developer, enforceable in accordance with its terms.

E. 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.

F. 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 entity, and there is no statute, rule, regulation, or executive order promulgated or enacted by a governmental entity, that is in effect which restrains, enjoins, prohibits, or otherwise makes illegal the consummation of the transactions contemplated by this Agreement.

G. 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. For purposes of this representation, "Affiliates" means any other person directly controlling, or directly controlled by or under direct common control with the Developer. As used in this definition, the term "control," "controlling" or "controlled by" shall mean the possession, directly, of the power either to (a) vote fifty percent (50%) or more of the securities or interests having ordinary voting power for the election of directors (or other comparable controlling body) of the Developer, or (b) direct or cause the direction of management or policies of the Developer, whether through the ownership of voting securities or interests, by contract or otherwise, excluding in each case, any lender of the Developer or any affiliate of such lender.

ARTICLE 3
THE PROJECT

3.1 The Project. The Project shall be and include the design, development, construction, maintenance, management, use and operation of the Project pursuant to this Agreement and the PID Agreement.

3.2 Public Improvements. The Project will be developed simultaneously with the Public Improvements pursuant to the timing requirements agreed upon and set forth in Section 3.4 of this Agreement. The Public Improvements shall include all design, engineering, legal and other professional fees and expenses related to such Public Improvements and shall consist of the items described in the Plans and Specifications to be approved by the City Representative, Developer, and the Director. The estimated total amount of TIRZ Contribution associated with the City Center Non-PID Projects and the estimated costs of the line items comprising the City Center Non-PID Projects are set forth in Exhibit B attached hereto.

3.3 Additional Projects. This Agreement does not apply to any projects except the Project specifically defined herein unless this Agreement is amended to provide for the design and construction of additional projects.

3.4 Right to Terminate. Notwithstanding any other provision of this Agreement, the City and the Zone, in their sole and absolute discretion, shall have the right, upon thirty (30) days' prior written notice to Developer and subject to a reasonable opportunity to cure, to terminate this Agreement if: (a) Developer does not Commence Construction of the Playing Fields and the Detention and Road Improvements on or before the date that is one (1) year from the Effective Date; or (b) Developer does not Complete Construction of the Playing Fields and the Detention and Road Improvements on or before three (3) years from the Commencement of Construction of the Playing Fields and the Detention and Road Improvements (the "Detention and Road Improvements Completion Deadline"); or (c) Developer does not Commence Construction of the Fire Station on or before the date that is five (5) years from the Effective Date; or (d) Developer does not Complete Construction of the Fire Station on or before the date that is three (3) years from the Commencement of Construction of the Fire Station (the "Fire Station Completion Deadline"); or (e) Developer becomes insolvent, or all or a substantial part of Developer's assets are assigned for the benefit of its creditors, or a receiver or trustee is appointed for Developer. No change to the Detention and Road Improvements Completion Deadline may be made without the prior written approval of the City Representative and the Superintendent of the ISD. Upon the termination of this Agreement by the City and the Zone pursuant to this Section 3.4, all rights and obligations of the Parties shall terminate and be of no further force or effect, except for any provisions of this Agreement that specifically survive termination of this Agreement.

ARTICLE 4
DUTIES AND RESPONSIBILITIES OF DEVELOPER

4.1 Construction Manager. Developer will construct the Public Improvements in the course of development of the Project. Subject to and in consideration of the TIRZ Contribution, Developer agrees (a) to act as the construction manager of the Project, and as such, will construct the Public Improvements as described in the Plans and Specifications, and (b) to provide and furnish, or cause

to be provided and furnished, all materials and services as and when required in connection with the construction of the Public Improvements. Developer will obtain all necessary permits and approvals from the City and all other Governmental Authorities having jurisdiction, will provide supervision of all phases of construction of the Public Improvements, will provide periodic reports of such construction to the Director, and will cause the construction to be performed substantially in accordance with the Plans and Specifications.

4.2 Design of the Public Improvements. Developer shall prepare or cause to be prepared the Plans and Specifications for the Public Improvements and shall make appropriate recommendations to the Director. Prior to the Commencement of Construction of the Public Improvements, the Plans and Specifications must be approved by the Director and all other Governmental Authorities having jurisdiction (including, with respect to the Playing Fields and any portion of the Detention and Road Improvements located on real property owned by the ISD, the ISD), which approval(s) shall not be unreasonably withheld, conditioned or delayed.

4.3 Award of Construction Contracts. Developer shall review the Public Improvements contract documents to ensure that the contract documents are in accordance with the approved Plans and Specifications. The Director shall timely review and approve all such construction contract documents and proposed contractors prior to bidding; such approval shall not be unreasonably withheld, conditioned or delayed. If the Director proposes revisions to the construction contract, such revisions shall be reasonably acceptable to Developer. The construction of the Public Improvements (which will be funded in whole or in part from Assessments) is anticipated to be exempt from competitive bidding pursuant to Texas Local Government Code Section 252.022(a)(9) and/or Section 311.010(g) of the Act. In the event that the costs to construct the Public Improvements do not meet the parameters for exemption from the competitive bidding requirement, then either competitive bidding or an alternative delivery method may be utilized by the Developer as allowed by Applicable Law. Developer shall notify the Director of the award of the contracts and Commencement of Construction.

4.4 Construction and Implementation of the Public Improvements. Developer shall be responsible for the inspection and supervision of the construction and implementation of the Public Improvements in accordance with all applicable City Regulations and procedures. The Developer shall provide to the City copies of all change orders and pay estimates. Upon Completion of Construction of the Public Improvements, or any component thereof, as the case may be, the Developer shall provide the City with a final cost summary of all costs associated with such contract, a certificate of Completion of Construction of the Public Improvements, or component thereof, as the case may be, a maintenance bond, and evidence that all amounts owing to contractors and subcontractors have been paid in full evidenced by customary affidavits executed by such contractors.

4.5 Maintenance of the Public Improvements. Until such time as the Public Improvements, or a component thereof, as the case may be, are dedicated or conveyed to the City or other public entity responsible for maintenance thereof, Developer shall maintain or cause to be maintained the Public Improvements, including, but not limited to, maintenance of the landscaping including any existing trees; the payment of charges for water for irrigation purposes, if any; and maintaining the associated irrigation and electrical systems. Developer shall take all reasonable action required to protect trees from damage due to construction activities.

4.6 Tax Protests. During the Term, following completion of the Project, Developer shall not protest Harris Central Appraisal District's assessed taxable value of the Project or the taxable real property within the Zone. If Developer does not comply with this Section, the City, at its sole discretion, may suspend performance by the City hereunder and begin procedures to terminate this Agreement for default, and the Developer shall repay to the City all portions of the TIRZ Contribution paid to the Developer hereunder within thirty (30) days of receipt of an invoice from the City for such amount owed, and interest will accrue on any amounts not reimbursed by Developer within thirty (30) days of receipt of an invoice from the City at the rate of interest specified in Texas Government Code Section 2251.025.

4.7 Conveyance of Easements. Developer shall grant the City, at no cost, all required temporary construction and access easements necessary to maintain the Public Improvements. The City shall grant Developer, at no cost, all required temporary construction and access easements necessary to install and maintain the Public Improvements. The provisions of this Section 4.7 shall survive the expiration or termination of the Agreement.

4.8 Payment of Fees. In accordance with Section 6.01 of the PID Agreement, Developer agrees to pay to the City all fees charged pursuant to the City Regulations for development of the Project and the Public Improvements.

ARTICLE 5
DUTIES AND RESPONSIBILITIES OF THE CITY

5.1 TIRZ Contribution. The City shall pay to Developer the TIRZ Contribution in accordance with and subject to the terms and conditions of this Agreement, as more particularly described in and as provided by Article 6 hereof. The TIRZ Contribution shall be financed and funded in accordance with Article 6 hereof. In the event all or a portion of the Project Costs is determined to be ineligible under the Act or is inconsistent with the Project and Financing Plan, the TIRZ Contribution shall be reduced by the amount attributable to the ineligible component(s). If the City has already repaid the Developer for such ineligible Project Costs in accordance with this Agreement, the Parties hereby agree that (i) the amount repaid to the Developer by the City for such ineligible Project Costs shall be offset against future repayments by the City, or (ii) in the event there are not future repayments to be made by the City, or such amounts are insufficient, (x) the Developer shall reimburse the City for such amount owed within thirty (30) days of receipt of an invoice from the City, and (y) interest will accrue on any amounts not reimbursed by Developer within thirty (30) days of receipt of an invoice from the City at the rate of interest specified in Texas Government Code Section 2251.025.

ARTICLE 6
PROJECT FINANCING AND FUNDING

6.1 Developer Advances.

A. Developer, in its sole discretion, shall advance sufficient funds as such become due for all costs comprising the TIRZ Contribution including, without limitation, all costs of design, engineering, materials, labor, construction, and inspection arising in connection with the City Center Non-PID Projects, including all payments arising under any contracts entered into pursuant

to this Agreement, all costs incurred in connection with obtaining governmental approvals, certificates or permits required as a part of any contracts entered into in accordance with this Agreement, all related legal fees and out-of-pocket expenses incurred in connection therewith (each, a "Developer Advance").

B. Developer may submit a request for payment of the TIRZ Contribution with respect to the Playing Fields upon Completion of Construction of the Playing Fields and the Detention and Road Improvements, provided that Completion of Construction of the Playing Fields and the Detention and Road Improvements occurs on or before the Detention and Road Improvements Completion Deadline. Developer may submit a request for payment of the TIRZ Contribution with respect to the portion of the Fire Station that will not be funded by PID Bonds or Assessments, as set forth on Exhibit B, upon Completion of Construction of the Fire Station, provided that Completion of Construction of the Fire Station occurs on or before the Fire Station Completion Deadline. With each request for payment of the Project Costs of City Center Non-PID Projects for which Developer has achieved Completion of Construction hereunder, Developer shall deliver to the City the following items:

(a) a written request for payment;

(b) a summary of all Project Costs incurred to-date;

(c) a summary of all Developer Advances as of the date of the request for payment;

(d) evidence that all contractors, subcontractors, laborers, materialmen, architects, engineers and all other parties who have performed work on or furnished materials to-date have been paid in full, together with executed and delivered releases of lien or customary affidavits executed by such contractors;

(e) a sworn affidavit executed by an officer authorized to bind the Developer, certifying that all contractors, subcontractors, laborers, materialmen, architects, engineers and all other parties who have performed work on or furnished materials to-date have been paid in full; and

(f) a sworn affidavit executed by an officer authorized to bind the Developer, certifying that the Project Costs for which the Developer is seeking reimbursement from the TIRZ Contribution have not been paid from, and will not be reimbursed from, any funding sources other than Available Tax Increment, including but not limited to other funding sources under the PID Agreement.

C. Upon (i) Completion of Construction of the Playing Fields and the Detention and Road Improvements on or before the Detention and Road Improvements Completion Deadline, and (ii) Completion of Construction of the Fire Station on or before the Fire Station Completion Deadline, Developer may submit a request for payment of the TIRZ Contribution with respect to the 380 Grant. With the request for payment of the 380 Grant hereunder, Developer shall deliver to the City the items set forth in Section 6.1(B)(a)-(f), together with documentation evidencing the actual financing costs incurred by the Developer to construct the Public Improvements for which the Developer is seeking reimbursement from the TIRZ Contribution, and a certification that the

Developer has not sought or received reimbursement from the TIRZ Contribution for such costs pursuant to Section 6.1(B) with respect to the Playing Fields or the portion of the Fire Station that will not be funded by PID Bonds or Assessments, as set forth on Exhibit B. The Parties understand and acknowledge that payment of the TIRZ Contribution with respect to the 380 Grant may only occur in the event that all other Project Costs for which the Developer is seeking reimbursement from the TIRZ Contribution have been paid.

D. If the Developer has satisfied all requirements set forth in Section 6.1(B) and (C) to receive payment of the TIRZ Contribution with respect to the Playing Fields, the portion of the Fire Station that will not be funded by PID Bonds or Assessments, as set forth on Exhibit B, and the 380 Grant, then upon Completion of Construction of the Public Improvements, Developer may submit a request for payment of the TIRZ Contribution with respect to the Additional Reimbursement Amount. With the request for payment of the Additional Reimbursement Amount hereunder, Developer shall deliver to the City the items set forth in Section 6.1(B)(a)-(f) with respect to the excess Project Costs incurred by the Developer to construct the Public Improvements for which the Developer is seeking reimbursement from the TIRZ Contribution, together with documentation evidencing the actual excess Project Costs incurred by the Developer to construct the Public Improvements for which the Developer is seeking reimbursement from the TIRZ Contribution, and a certification that the Developer has not sought or received reimbursement from the TIRZ Contribution for such excess Project Costs under this Agreement or the PID Agreement or from any funding sources. The Parties understand and acknowledge that payment of the TIRZ Contribution with respect to the Additional Reimbursement Amount may only occur in the event that all other Project Costs for which the Developer is seeking reimbursement or payment from the TIRZ Contribution, including the 380 Grant, have been paid.

6.2 Tax Increment Revenue Bonds.

A. The City reserves the right to issue (or cause to be issued) one or more series of tax increment revenue bonds, which bonds will be secured by a pledge of all or part of the Revenue Fund, the proceeds of which may be used to repay all or part of the Developer Advances; provided that such tax increment revenue bonds shall be subordinate to the Assessments and Administrative Costs.

B. In the event that the City determines to issue tax increment revenue bonds pursuant to the foregoing section, Developer will provide such non-monetary aid and assistance to the City as may be reasonably requested by the City in order to facilitate the issuance of tax increment revenue bonds, such assistance to include providing requested documentation, entering into required agreements and executing certificates or other documentation as may be reasonably required by the City.

6.3 City Reimbursement from TIRZ Contribution.

A. Subject to the Developer's compliance with the conditions to reimbursement set forth in this Section, the City shall begin repaying the Developer Advances, and shall continue such repayment until repaid in full, on the earliest date that funds are available from the Available Tax Increment attributable to the Zone.

B. The City's obligation to pay the TIRZ Contribution is limited to the Available Tax Increment. The rights of Developer in and to the Available Tax Increment granted herein are subject only to (i) the rights of any holders of bonds, notes or other obligations that have been heretofore or are hereafter issued by the City that are payable from and secured by a general levy of ad valorem taxes throughout the taxing jurisdiction of the City, (ii) the rights of any of the holders of bonds and notes that are hereafter issued or incurred by the City and which are secured by a pledge of the Revenue Fund (including the PID Bonds), and (iii) the Administrative Costs of the City. The Developer Advances constitute a special obligation of the City payable solely from the Available Tax Increment as and to the extent provided in this Agreement. The Developer Advances do not give rise to a charge against the general credit or taxing powers of the City or any other taxing unit and is not payable except as provided in this Agreement. Developer and its successors and assigns shall not have the right to demand payment thereof out of any funds of the City other than the Available Tax Increment.

C. Beginning in the first calendar year following the calendar year in which the Developer Completes Construction of the Public Improvements, the City shall make annual payments to the Developer in the amount equal to the Available Tax Increment to reimburse outstanding Developer Advances on March 1 of each calendar year of the Term, provided that the City shall have no obligation to repay Developer Advances of (i) the Project Costs of the Playing Fields if the Developer does not Complete Construction of the Playing Fields and the Detention and Road Improvements on or before the Detention and Road Improvements Completion Deadline or (ii) the Project Costs of the portion of the Fire Station that will not be funded by PID Bonds or Assessments, as set forth on Exhibit B, if Developer does not Complete Construction of the Fire Station on or before the Fire Station Completion Deadline, (iii) the 380 Grant if the conditions in subsections (i) and (ii) hereof are not met, or (iv) the Additional Reimbursement Amount if the conditions in subsections (i) – (iii) hereof are not met.

D. Upon Completion of Construction of the Playing Fields and the Detention and Road Improvements on or before the Detention and Road Improvements Completion Deadline, delivery of a payment request from Developer in the first year following the year of Completion of Construction of the Playing Fields and the Detention and Road Improvements and the City's confirmation that the payment request meets the requirements of Section 6.1(B), at such time as funds are available to pay all or any portion of the Developer Advances made hereunder, the City, at the Developer's expense, shall hire a certified public accountant to calculate the amount due the Developer from Available Tax Increment for the Project Costs of the Playing Fields and shall prepare and submit a report to the City Representative, certifying (1) the amount due from the Available Tax Increment for the Developer Advances being repaid and (2) that funds are available from Available Tax Increment to make such payment. Upon receipt of such report, the City shall promptly authorize payment to Developer for the Project Costs of the Playing Fields.

E. Upon Completion of Construction of the Fire Station on or before the Fire Station Completion Deadline, delivery of a payment request from Developer in the first year following the year of Completion of Construction of the Fire Station, and the City's confirmation that the payment request meets the requirements of Section 6.1(B), at such time as funds are available to pay all or any portion of the Developer Advances made hereunder, the City, at the Developer's expense, shall hire a certified public accountant to calculate the amount due the Developer from Available Tax Increment for the Project Costs of the portion of the Fire Station that will not be

funded by PID Bonds or Assessments, as set forth on Exhibit B, and shall prepare and submit a report to the City Representative, certifying (1) the amount due from the Available Tax Increment for the Developer Advances being repaid and (2) that funds are available from Available Tax Increment to make such payment. Upon receipt of such report, the City shall promptly authorize payment to Developer for the Project Costs of the portion of the Fire Station that will not be funded by PID Bonds or Assessments, as set forth on Exhibit B.

F. Upon (i) Completion of Construction of the Playing Fields and the Detention and Road Improvements on or before the Detention and Road Improvements Completion Deadline, (ii) Completion of Construction of the Fire Station on or before the Fire Station Completion Deadline, and (iii) delivery of a payment request from Developer with respect to the 380 Grant and the City's confirmation that the payment request meets the requirements of Section 6.1(C), at such time as funds are available to pay all or any portion of the Developer Advances made hereunder, the City, at the Developer's expense, shall hire a certified public accountant to calculate the amount due the Developer from Available Tax Increment for payment of the 380 Grant and shall prepare and submit a report to the City Representative, certifying (1) the amount due from the Available Tax Increment for the Developer Advances being repaid, (2) that all amounts due from the Available Tax Increment under Sections 6.3(D)-(E) have been paid, and (3) that funds are available from Available Tax Increment to make such payment. Upon receipt of such report, the City shall promptly authorize payment to Developer of the 380 Grant.

G. Upon (i) Completion of Construction of the Playing Fields and the Detention and Road Improvements on or before the Detention and Road Improvements Completion Deadline, (ii) Completion of Construction of the Fire Station on or before the Fire Station Completion Deadline, (iii) delivery of a payment request from Developer with respect to the 380 Grant and the City's confirmation that the payment request meets the requirements of Section 6.1(C), and (iv) delivery of a payment request from Developer with respect to the Additional Reimbursement Amount and the City's confirmation that the payment request meets the requirements of Section 6.1(D), at such time as funds are available to pay all or any portion of the Developer Advances made hereunder, the City, at the Developer's expense, shall hire a certified public accountant to calculate the amount due the Developer from Available Tax Increment for payment of the Additional Reimbursement Amount and shall prepare and submit a report to the City Representative, certifying (1) the amount due from the Available Tax Increment for the Developer Advances being repaid, (2) that all amounts due from the Available Tax Increment under Sections 6.3(D)-(F) have been paid, and (3) that funds are available from Available Tax Increment to make such payment. Upon receipt of such report, the City shall promptly authorize payment to Developer of the Additional Reimbursement Amount.

6.4 Offsets. Developer agrees that it will seek reimbursement from the City for Project Costs eligible for payment from funding sources other than Available Tax Increment, including but not limited to other funding sources under the PID Agreement, to the maximum extent permitted by Applicable Law and/or by agreement. Project Costs reimbursable to Developer under this Agreement shall be reduced to the extent that such Project Costs are reimbursed to, or are contracted to be reimbursed to, Developer by the City from any funding sources other than Available Tax Increment, including but not limited to other funding sources under the PID Agreement, and the obligations of the City to reimburse Developer under this Agreement will be

decreased by the amount of the City's payments to the Developer from such other funding sources, including but not limited to other funding sources under the PID Agreement.

ARTICLE 7
INSURANCE, INDEMNIFICATION AND RELEASE

7.1 Insurance. With no intent to limit any contractor's liability or obligation for indemnification, Developer shall require that each contractor providing work or service on the Public Improvements provide and maintain certain insurance in full force and effect at all times during the construction of the Public Improvements and shall require that the City and the Zone are named as additional insureds under such contractor's insurance policies.

The insurance, at a minimum, must include the following coverages and limits of liability:

Coverage	Limit of Liability
Worker's Compensation	Statutory for Workers Compensation
Employer's Liability (each accident) (policy limit) (each employee)	Bodily Injury by Disease $500,000 Bodily Injury by Accident $100,000 Bodily Injury by Disease $100,000
Commercial General Liability:	Each Occurrence Limit of $1,000,000 Personal and Advertising Limit of $1,000,000 General Aggregate Limit of $2,000,000 Products - Completed Operations Aggregate Limit of $2,000,000
Automobile Liability Insurance (for automobiles used by the contractor in the course of its performance under this Agreement including employer's non-owned and hired auto coverage)	$1,000,000 combined single limit per occurrence
Professional Liability Coverage (for professional service contract only)	$500,000 per occurrence $1,000,000 aggregate

If the amount of any contract awarded by Developer to construct Public Improvements shall exceed $1,000,000, Developer shall contract with the contractor to maintain Commercial General Liability coverage for at least twice the combined minimum limits specified above.

A. Form of Policies. The City may approve the form of the insurance policies, but nothing the City does or fails to do relieves Developer of its obligation to provide the required coverage under this Agreement. The City's actions or inactions do not waive the Zone's or the City's rights under this Agreement.

B. Issuers of Policies. The issuer of each policy shall be a carrier that is licensed and admitted to do business in the State of Texas by the Texas Department of Insurance or a legally established self-insurance pool in the State of Texas and has a Best's rating of at least A and a Best's Financial Size Category of Class VII or better, according to the most current edition Best Key Rating Guide, Property-Casualty United States.

C. Insured Parties. Each policy, except those for Workers' Compensation, Employer's Liability, and Professional Liability, must name the City and the Zone (and their respective officers, agents, and employees) as additional insured parties on the original policy and all renewals or replacements.

D. Deductibles. Developer shall be responsible for and bear (or shall contract with each applicable contractor to bear and assume) any claims or losses to the extent of any deductible amounts and waives (and shall contract with each contractor to waive) any claim it may have for the same against the City or the Zone, or their respective officers, agents, or employees.

E. Cancellation. Each policy must state that it may not be canceled, materially modified, or nonrenewed unless the insurance company gives the City thirty (30) days' prior written notice. Developer shall (and shall contract with each contractor to) give written notice to the City within five (5) days of the date on which total claims by any party against such person reduce the aggregate amount of coverage below the amounts required by this Agreement. In the alternative, the policy may contain an endorsement establishing a policy aggregate for the particular project(s) or location(s) subject to this Agreement.

F. Subrogation. Each policy must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the City and the Zone, and their respective officers, agents, or employees.

G. Primary Insurance Endorsement. Each policy, except Workers' Compensation and Professional Liability (if any), must contain an endorsement that the policy is primary to any other insurance available to the additional insured with respect to claims arising under this Agreement.

H. Liability for Premium. Developer shall pay (or shall contract with contractors to pay) all insurance premiums for coverage required by this Section 7.1, and the City and the Zone shall not be obligated to pay any premiums.

I. Subcontractors. Notwithstanding the other provisions of this Section 7.1, the amount of coverage contracted to be provided by subcontractors shall be commensurate with the amount of the subcontract, but in no case less than $500,000 per occurrence.

J. Proof of Insurance. Promptly after the execution of this Agreement and from time to time during the Term at the request of the City, Developer shall furnish the City with certificates of insurance maintained by Developer in accordance with this Section 7.1, along with an affidavit from Developer confirming that the certificates accurately reflect the insurance coverage maintained. Prior to Commencement of Construction of any Public Improvements hereunder, Developer shall provide (or shall contract with its contractors or subcontractors to provide) copies of the insurance certificates to the City, and within ten (10) days before expiration of coverage, Developer shall deliver (or contract with its contractors or subcontractors to deliver) copies of

renewal policies or certificates of insurance evidencing renewal and payment of premium. Developer shall maintain all current certificates of insurance on file with the City at all times during the Term until the Completion of Construction of all Public Improvements has occurred. If requested in writing by the City, Developer shall furnish the City Representative with certified copies of Developer's actual insurance policies. If Developer does not comply with the requirements of this Section 7.1, the City, at its sole discretion, may (1) suspend performance by the City and the hereunder and begin procedures to terminate this Agreement for default or (2) purchase the required insurance with City or Zone funds and deduct the cost of the premiums from amounts due to Developer under this Agreement. The City shall never waive or be estopped to assert its right to terminate this Agreement because of its acts or omissions regarding its review of insurance documents.

K. Other Insurance. If requested by the City, Developer shall furnish adequate evidence of social security and unemployment compensation insurance, to the extent applicable to Developer's operations under this Agreement.

7.2 Indemnification and Release.

DEVELOPER AGREES TO DEFEND, INDEMNIFY AND HOLD THE ZONE BOARD AND THE CITY AND THEIR RESPECTIVE OFFICERS, AGENTS AND EMPLOYEES (EACH, AN "INDEMNIFIED PARTY," AND COLLECTIVELY, THE "INDEMNIFIED PARTIES"), HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, FINES, PENALTIES, COSTS AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM OR VIOLATIONS FOR WHICH RECOVERY OF DAMAGES, FINES, OR PENALTIES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS, THAT MAY ARISE OUT OF OR BE OCCASIONED BY DEVELOPER'S ACT OR OMISSION, INCLUDING BUT NOT LIMITED TO BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT, VIOLATIONS OF LAW, ANY ACT OR OMISSION, INCLUDING BUT NOT LIMITED TO ANY NEGLIGENT, GROSSLY NEGLIGENT, INTENTIONAL, OR STRICTLY LIABLE ACT OR OMISSION OF THE DEVELOPER, ITS OFFICERS, AGENTS, EMPLOYEES, INVITEES, CONTRACTORS OR SUBCONTRACTORS, AND THEIR RESPECTIVE OFFICERS, AGENTS, OR REPRESENTATIVES, OR ANY OTHER PERSONS OR ENTITIES FOR WHICH THE CONTRACTOR IS LEGALLY RESPONSIBLE IN THE PERFORMANCE OF THIS CONTRACT. THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OF AN INDEMNIFIED PARTY. NEITHER THE ZONE BOARD NOR THE CITY WAIVES ANY GOVERNMENTAL IMMUNITY OR OTHER DEFENSES AVAILABLE TO IT UNDER TEXAS OR FEDERAL LAW. THE PROVISIONS OF THIS PARAGRAPH ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY.

DEVELOPER AT ITS OWN EXPENSE IS EXPRESSLY REQUIRED TO DEFEND THE INDEMNIFIED PARTIES AGAINST ALL SUCH CLAIMS. EACH INDEMNIFIED PARTY RESERVES THE RIGHT TO PROVIDE A PORTION OR ALL OF ITS OWN DEFENSE; HOWEVER, THE INDEMNIFIED PARTIES ARE UNDER NO OBLIGATION TO DO SO. ANY SUCH ACTION BY AN INDEMNIFIED PARTY IS NOT TO BE CONSTRUED AS A WAIVER OF DEVELOPER'S OBLIGATION TO DEFEND THAT INDEMNIFIED PARTY OR AS A WAIVER OF DEVELOPER'S OBLIGATION TO INDEMNIFY THAT INDEMNIFIED PARTY PURSUANT TO THIS AGREEMENT. DEVELOPER SHALL RETAIN DEFENSE COUNSEL WITHIN SEVEN (7) BUSINESS DAYS OF AN INDEMNIFIED PARTY'S WRITTEN NOTICE THAT THE INDEMNIFIED PARTY IS INVOKING ITS RIGHT TO INDEMNIFICATION UNDER THIS AGREEMENT. IF DEVELOPER FAILS TO RETAIN COUNSEL WITHIN THE REQUIRED TIME PERIOD, THE INDEMNIFIED PARTY SHALL HAVE THE RIGHT TO RETAIN DEFENSE COUNSEL ON ITS OWN BEHALF AND DEVELOPER SHALL BE LIABLE FOR ALL COSTS INCURRED BY THE INDEMNIFIED PARTY.

7.3 **RELEASE. DEVELOPER SHALL ALSO REQUIRE THAT EACH OF ITS CONTRACTORS INDEMNIFY THE INDEMNIFIED PARTIES FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS AND**

LIABILITIES ARISING OUT OF SUCH CONTRACTOR'S WORK AND ACTIVITY RELATED TO THE PUBLIC IMPROVEMENTS.

7.4 Survival. The provisions of Sections 7.2 and 7.3 shall survive the expiration or termination of the Agreement.

ARTICLE 8
DEFAULT

8.1 Default.

A. Subject to notice and a reasonable opportunity to cure, in the event that Developer fails to (i) Commence Construction of the Playing Fields and the Detention and Road Improvements during the time period set forth in Section 3.4, or (ii) Complete Construction of the Playing Fields and the Detention and Road Improvements on or before the Detention and Road Improvements Completion Deadline, such failure shall be an event of default by Developer and, in addition to any other remedies available to the City or the Zone at law or in equity, the Developer shall release the City from the obligation to repay any Developer Advances with respect to the Project Costs of the Playing Fields.

B. Subject to notice and a reasonable opportunity to cure, in the event that Developer fails to (i) Commence Construction of the Fire Station during the time period set forth in Section 3.4, or (ii) Complete Construction of the Fire Station on or before the Fire Station Completion Deadline, such failure shall be an event of default by Developer and, in addition to any other remedies available to the City or the Zone at law or in equity, the Developer shall release the City from the obligation to repay any Developer Advances with respect to the Project Costs of the portion of the Fire Station that will not be funded by PID Bonds or Assessments, as set forth on Exhibit B.

C. In the event Developer completes the Project but does not otherwise perform its obligations hereunder as provided in Article 4 in substantial compliance with this Agreement, or does not perform any of its other obligations hereunder in compliance with this Agreement, in addition to the other rights given to the City and the Zone under this Agreement, and any other remedies available to the City or the Zone at law or in equity, the City and the Zone may enforce specific performance or seek actual damages incurred by the City and the Zone for any such default.

ARTICLE 9
GENERAL

9.1 Inspections, Audits. Developer agrees to keep such operating records relating to the Public Improvements as may be reasonably required by the City, or by Applicable Law. Developer shall allow the City reasonable access to documents and records in Developer's possession, custody or control that the City deems necessary to assist the City in determining Developer's compliance with this Agreement. Prior to the City's acceptance of the Public Improvements (or any component thereof), Developer shall tender such records to the City for retention in accordance with the Texas Local Government Records Act.

9.2 Developer Operations and Employees. All personnel supplied or used by Developer in the performance of this Agreement shall be deemed employees or subcontractors of Developer and

will not be considered employees, agents or subcontractors of the City for any purpose whatsoever. Developer shall be solely responsible for the compensation of all such personnel, for withholding of income, social security and other payroll taxes and for the coverage of all worker's compensation benefits.

9.3 Personal Liability of Public Officials. To the extent permitted by the laws of the State of Texas, no director, officer, employee or agent of the Zone, and no officer, employee or agent of the City, shall be personally responsible for any liability arising under or growing out of the Agreement.

9.4 Notices. Any notice sent under this Agreement (except as otherwise expressly required) shall be written and mailed, or sent by electronic transmission confirmed by mailing written confirmation at substantially the same time as such electronic transmission, or personally delivered to an officer of the receiving Party at the following addresses:

To the Zone: Reinvestment Zone Number One, City of Friendswood
c/o Director of Community Development
910 S. Friendswood Drive
Friendswood, Texas 77546
Email: citysecretary@friendswood.com

To the City: City Manager, City of Friendswood, Texas
910 S. Friendswood Drive
Friendswood, Texas 77546
Email: fwdcity@friendswood.com

To the Developer: Louis Tannos
Madison Development Corp., LLC
505 S. Friendswood Drive, Suite 119
Friendswood, Texas 77546
Email: ltannos@tannosgroup.com

With a copy to: Ross Martin
Winstead PC
2728 N. Harwood Street, Suite 500
Dallas, Texas 75201
Email: rmartin@winstead.com

Each Party may change its address by written notice in accordance with this Section 9.4. Any communication addressed and mailed in accordance with this Section 9.4 shall be deemed to be given when so mailed, any notice so sent by electronic transmission shall be deemed to be given when receipt of such transmission is acknowledged, and any communication so delivered in person shall be deemed to be given when receipted for by, or actually received by, the Zone, the City, or Developer, as the case may be.

9.5 Amendments and Waivers. Any provision of this Agreement may be amended or waived if such amendment or waiver is in writing and is signed by the Zone, the City, or Developer. No

course of dealing on the part of any Party, nor any failure or delay of any Party with respect to exercising any right, power or privilege of that Party under this Agreement shall operate as a waiver thereof, except as otherwise provided in this Section 9.5.

9.6 Invalidity. If any of the provisions contained in this Agreement shall be held unenforceable in any respect, such unenforceability shall not affect any other provision of this Agreement.

9.7 Successors and Assigns.

A. All covenants and agreements contained by or on behalf of the City and the Zone in this Agreement shall bind their successors and assigns and shall inure its rights and obligations under this Agreement or any interest herein, with the prior written consent of Developer, which consent shall not be unreasonably withheld, conditioned or delayed.

B. The Developer's obligations, requirements or covenants under this Agreement, including construction of the Public Improvements, may be assigned to any Affiliate of the Developer without the prior written consent of, but upon prior written notice to the City. The obligations, requirements or covenants of Developer under this Agreement, including construction of the Public Improvements, shall not be assigned to any non-Affiliate of the Developer without the prior written consent of the City Representative, which consent shall not be unreasonably withheld if the assignee demonstrates the financial ability to perform in the reasonable judgment of the City Representative. Each assignment shall be in writing and 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, or from any obligation of the Developer that arose prior to the effective date of the assignment, unless the City approves the release in writing. Provided, further, any such assignee must specifically assume all of the obligations of Developer hereunder. If such assignment of the obligations by Developer hereunder is effective, Developer shall be deemed released from such obligations. If any assignment of the obligations by Developer hereunder is deemed ineffective or invalid, Developer shall remain liable hereunder. Provided, however, that notwithstanding the foregoing, the City shall not be required to make partial payments to more than two parties as a result of an assignment and shall not execute any consent or make any representations with respect thereto. Developer shall maintain written records of all assignments made by Developer to the 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. For purposes of this Section, "Affiliate" shall have the meaning assigned to such term in Section 2.3(G).

C. Developer may assign its right to receive funds pursuant to this Agreement, including assignment to a lender as collateral for the purpose of financing the Project, without the consent of, but upon prior written notice to the City. Provided, however, that notwithstanding the foregoing, the City shall not be required to make partial payments to more than two parties as a result of an assignment and shall not execute any consent or make any representations with respect thereto.

D. The City shall not be required to acknowledge the receipt of any assignment by the Developer; however, to the extent the City does acknowledge receipt of any assignment pursuant to this Section, such acknowledgment does not evidence the City's agreement, acceptance or acknowledgment of the content of the assignment documents or any rights accruing thereunder; it is solely an acknowledgment of receipt of the notice via mail, express mail or electronic transmission.

E. The City does not and shall not consent to nor participate in any third-party financing based upon the Developer's assignment of its right to receive funds pursuant to this Agreement.

9.8 Exhibits Titles of Articles, Sections and Subsections. The exhibits attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail. All titles or headings are only for the convenience of the Parties and shall not be construed to have any effect or meaning as to the agreement between the Parties hereto. Any reference herein to a Section or Subsection shall be considered a reference to such Section or Subsection of this Agreement unless otherwise stated. Any reference to any exhibit shall be considered a reference to the applicable exhibit attached hereto unless otherwise stated.

9.9 Entire Agreement. THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

9.10 Term. Subject to earlier termination as provided in Section 3.4 of this Agreement, the term this Agreement (the "Term") shall be in force and effect from the Effective Date until the earlier of (i) the date that the TIRZ Contribution has been paid in full or (ii) December 31, 2053 (the "Outside Contribution Date"); provided, however, the obligation of Developer, or its successors, to maintain the Public Improvements in accordance with Section 4.5 of this Agreement and Section 4.7 of this Agreement shall survive until terminated by the City. If Developer does not Commence Construction of the Public Improvements within six (6) months of the Effective Date, then this Agreement shall terminate, and the City shall have no obligation to pay any portion of the TIRZ Contribution.

9.11 Approval by the Parties. Whenever this Agreement requires or permits approval or consent to be hereafter given by any of the Parties, the Parties agree that such approval or consent shall not be unreasonable withheld or delayed.

9.12 Notice and Cure Period.

(a) No breach of this Agreement may be found to have occurred if performance has commenced to the reasonable satisfaction of the complaining Party within thirty (30) calendar days of the receipt of such notice (or thirty (30) calendar days in the case of a monetary default), with completion of performance within ninety (90) calendar days.

(b) 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 fourteen (14) 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.

9.13 State Law Requirements.

A. Form 1295. The Developer will provide a completed and notarized Form 1295 generated by the Texas Ethics Commission's electronic filing application in accordance with the provisions of Section 2252.908, Texas Government Code, as amended, and the rules promulgated by the Texas Ethics Commission ("Form 1295"), in connection with entry into this Agreement. Upon receipt of the Developer's Form 1295, the City agrees to acknowledge the Developer's Form 1295 through its electronic filing application. The City and the Developer understand and agree that, with the exception of information identifying the Developer and the contract identification number, the City is not responsible for the information contained in the Developer's Form 1295 and the City has not verified such information.

B. Iran, Sudan and Foreign Terrorist Organizations. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf,

https://comptroller.texas.gov/purchasing/docs/iran-list.pdf, or

https://comptroller.texas.gov/purchasing/docs/fto-list.pdf.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Developer understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit. Notwithstanding anything contained herein, the representations and covenants contained in this Section 9.12(B) shall survive termination of the Agreement until the statute of limitations has run.

C. Anti-Boycott Verification. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, will not boycott Israel during the Term. The foregoing verification is made solely to comply with

Section 2271.002, Texas Government Code. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit. Notwithstanding anything contained herein, the representations and covenants contained in this Section 9.12(C) shall survive termination of the Agreement until the statute of limitations has run.

D. Petroleum. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the Term. The foregoing verification is made solely to enable the City to comply with such Section. As used in the foregoing verification, "boycott energy companies" shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 133(f), 17 C.F.R. §230.133(f), and exists to make a profit. Notwithstanding anything contained herein, the representations and covenants contained in this Section 9.12(D) shall survive termination of the Agreement until the statute of limitations has run.

E. Firearms. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the Term against a firearm entity or firearm trade association. The foregoing verification is made solely to enable the City to comply with such Section. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association": (a) means, with respect to the firearm entity or firearm trade association, to: (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association; (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association; or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (b) does not include: (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories; and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship: (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency; or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association. As used in the foregoing verification, (a) "firearm entity" means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e.,

weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code), and (b) "firearm trade association" means a person, corporation, unincorporated association, federation, business league, or business organization that: (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual); (ii) has two or more firearm entities as members; and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code. The Developer understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 133(f), 17 C.F.R. §230.133(f), and exists to make a profit. Notwithstanding anything contained herein, the representations and covenants contained in this Section 9.12(E) shall survive termination of the Agreement until the statute of limitations has run.

9.14 Governing Law. The Agreement shall be governed by the laws of the State of Texas without regard to any choice of law rules; and venue for any action concerning this Agreement shall be in the State District Court of Harris County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

9.15 No Arbitration. Notwithstanding anything to the contrary contained in this Agreement, the Parties hereby agree that no claim or dispute between the Parties arising out of or relating to this Agreement shall be decided by any arbitration proceeding including, without limitation, any proceeding under the Federal Arbitration Act (9 U.S.C. Sections 1 - 14), or any applicable State arbitration statute, including, but not limited to, the Texas General Arbitration Act, provided that in the event the City or the Zone Board is subjected to an arbitration proceeding notwithstanding this provision, the Developer consents to be joined in the arbitration proceeding if the Developer's presence is required or requested by the City or the Zone Board for complete relief to be recorded in the arbitration proceeding.

9.16 Additional Actions. The Parties agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may be necessary or appropriate, from time to time, to carry out the terms, provisions and intent of this Agreement and to aid and assist each other in carrying out said terms, provisions and intent.

[EXECUTION PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be duly executed as of the 15th day of November, 2024.

REINVESTMENT ZONE NUMBER ONE, CITY OF HOUSTON, TEXAS	**CITY OF FRIENDSWOOD, TEXAS**
By: _____ Mike Foreman Chair of the Board of Directors	By: _____ Morad Kabiri City Manager
ATTEST: By: Leticia Brysch Name: Leticia Brysch Title: Assistant Secretary	ATTEST: By: _____ Leticia Brysch City Secretary
	APPROVED AS TO FORM: By: _____ Karen L. Horner City Attorney

CITY OF FRIENDSWOOD
STATE OF TEXAS

MADISON DEVELOPMENT CORP., LLC, a Texas limited liability company

By:_____

Name: Louis Tannos

Title: Managing Member

EXHIBIT A

Description of the Zone

boundary one

METES AND BOUNDS DESCRIPTION
124.612 ACRES (5,428,103 SQ. FT.)
SARAH MCKISSICK LEAGUE, A-549
CITY OF FRIENDSWOOD
HARRIS COUNTY, TEXAS

Being a tract or parcel containing 124.612 acres (5,428,103 square feet) of land situated in the Sarah McKissick League, Abstract Number 549, Harris County, Texas; being all of Restricted Reserves "A" and "C", CLEAR CREEK COMMUNITY CHURCH FRIENDSWOOD, a subdivision plat of record at Film Code No. 691601, Harris County Map Records (H.C.M.R.); being all of a called 106.472 acre tract of land conveyed to Madison Development Corp., LLC as described by deed recorded under Harris County Clerk's File (H.C.C.F.) No. RP-2023-65754; being all of a called 10.0000 acre tract of land conveyed to Clear Creek Independent School District as described by deed recorded under H.C.C.F. No. P598262; being out of and a part of a called 28.9270 acre tract of land conveyed to Clear Creek Independent School District as described by deed recorded under H.C.C.F. No. P598260; being all of a called 1.2603 acre tract of land conveyed to City of Friendswood as described by deed recorded under H.C.C.F. No. 20120071426; being out of and a part of Townes Road (80' right-of-way (R.O.W.)); being out of and a part of Blackhawk Boulevard (100' R.O.W.); being out of and a part of F.M. 528 (120' R.O.W.); being out of and a part of West Bay Area Boulevard (100' R.O.W.); being out of and a part of Harris County Flood Control District Unit No. A114-00-00 (190' R.O.W.); said 124.612 acre tract of land being more particularly described as follows (bearings are oriented to the Texas State Plane Coordinate System of 1983, South Central Zone 4204, US Survey Feet, NAD83(NA2011):

BEGINNING at a 5/8-inch iron rod with cap stamped "GBI PARTNERS" found on the curved southerly R.O.W. line of F.M. 528 and marking the northerly common corner of said Restricted Reserves "A" and "B", CLEAR CREEK COMMUNITY CHURCH; said iron rod also for the northwest corner of the herein described tract;

THENCE, Northeasterly, an arc distance of 311.32 feet along said southerly R.O.W. line and a curve to the right, having a radius of 1,840.08 feet, a central angle of 09°41'36", and a chord which bears North 76°21'49" East, 310.94 feet to a point of tangency, from which a disturbed Texas Department of Transportation (TXDOT) aluminum disk found bears South 07°56' East, 0.69 feet;

THENCE, North 08°51'00" West, over and across said F.M. 528, a distance of 120.00 feet to the southerly end of a cutback line at the northwest corner of the intersection of said F.M. 528 and Townes Road;

THENCE, North 36°33'39" East, along said cutback line, a distance of 21.34 feet to the northerly end of said cutback line at the curved westerly R.O.W. line of said Townes Road;

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THENCE, Northerly, an arc distance of 120.00 feet along said westerly R.O.W. line and a curve to the left, having a radius of 543.00 feet, a central angle of 12°39'44", and a chord which bears North 15°12'40" West, 119.76 feet to an angle point;

THENCE, North 68°27'28" East, over and across said Townes Road, a distance of 80.00 feet to the curved easterly R.O.W. line of Townes Road;

THENCE, Southerly, an arc distance of 138.66 feet along said easterly R.O.W. line and a curve to the right, having a radius of 623.00 feet, a central angle of 12°45'09", and a chord which bears South 15°09'57" East, 138.38 feet to the northerly end of a cutback line at the northeast corner of the intersection of said F.M. 528 and Townes Road;

THENCE, South 53°47'23" East, along said cutback line, a distance of 20.00 feet to the southerly end of said cutback line at the northerly R.O.W. line of said F.M. 528;

THENCE, South 08°51'00" East, over and across said F.M. 528, a distance of 120.00 feet to the southerly R.O.W. line of F.M. 528;

THENCE, North 81°12'37" East, along said southerly R.O.W. line, a distance of 1,131.34 feet to an angle point;

THENCE, North 08°47'23" West, over and across said F.M. 528, a distance of 120.00 feet to the southerly end of a cutback line at the northwest corner of the intersection of said F.M. 528 and Blackhawk Boulevard;

THENCE, North 36°12'37" East, along said cutback line, a distance of 20.00 feet to the northerly end of said cutback line at the westerly R.O.W. line of said Blackhawk Boulevard;

THENCE, North 08°47'23" West, along said westerly R.O.W. line, a distance of 180.00 feet to an angle point;

THENCE, North 81°12'37" East, over and across said Blackhawk Boulevard, a distance of 100.00 feet to the easterly R.O.W. line of Blackhawk Boulevard;

THENCE, South 08°47'23" East, along said easterly R.O.W. line, a distance of 180.00 feet to the northerly end of a cutback line at the northeast corner of the intersection of said F.M. 528 and Blackhawk Boulevard;

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THENCE, South 53°47'23" East, along said cutback line, a distance of 20.00 feet to the southerly end of said cutback line at the northerly R.O.W. line of said F.M. 528;

THENCE, South 08°47'23" East, over and across said F.M. 528, a distance of 120.00 feet to the southerly R.O.W. line of F.M. 528;

THENCE, North 81°12'37" East, along said southerly R.O.W. line, a distance of 403.47 feet to a 5/8-inch iron rod found at the base of a concrete pad and marking the northwest corner of said 28.9270 acre tract;

THENCE, South 08°47'23" East, departing said southerly R.O.W. line and along the common line of said 28.9270 acre tract and said 106.472 acre tract, a distance of 1,109.36 feet to an angle point;

THENCE, North 81°12'37" East, over and across said 28.9270 acre tract, a distance of 917.54 feet to an angle point;

THENCE, North 00°56'05" West, continuing over and across said 28.9270 acre tract, a distance of 18.06 feet to an angle point;

THENCE, North 08°47'24" West, continuing over and across said 28.9270 acre tract, a distance of 156.86 feet to an angle point;

THENCE, North 68°47'23" West, continuing over and across said 28.9270 acre tract, a distance of 30.04 feet to an angle point;

THENCE, North 46°12'37" East, continuing over and across said 28.9270 acre tract, a distance of 105.00 feet to the westerly R.O.W. line of said Harris County Flood Control District Unit No. A114-00-00 (190' R.O.W.) as described by deeds recorded under H.C.C.F. No(s). E449568 and X384682;

THENCE, South 08°47'24" East, along said westerly R.O.W. line, a distance of 236.23 feet to an angle point;

THENCE, South 00°56'05" East, continuing along said westerly R.O.W. line, a distance of 116.17 feet to an angle point;

THENCE, South 14°46'31" West, continuing along said westerly R.O.W. line, at 85.85 feet passing the easterly common corner of said 28.9270 acre tract and said 10.0000 acre tract, continuing in all for a total distance of 116.17 feet to an angle point;

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THENCE, South 30°29'10" West, continuing along said westerly R.O.W. line, a distance of 116.17 feet to an angle point;

THENCE, South 38°20'29" West, continuing along said northwesterly R.O.W. line, a distance of 568.63 feet to an angle point;

THENCE, South 58°42'02" East, over and across said Harris County Flood Control District Unit No. A114-00-00 (190' R.O.W.), a distance of 190.71 feet to the most northerly corner of the aforesaid 1.2603 acre tract;

THENCE, South 58°44'41" East, along a northeasterly line of said 1.2603 acre tract, a distance of 308.78 feet to a 5/8-inch iron rod with cap stamped "SUN SURVEYING" found marking an angle point;

THENCE, South 70°03'17" East, along a northeasterly line of said 1.2603 acre tract, a distance of 101.98 feet to a 5/8-inch iron rod with cap stamped "SUN SURVEYING" found marking an angle point;

THENCE, South 58°44'41" East, along a northeasterly line of said 1.2603 acre tract, a distance of 200.02 feet to a 5/8-inch iron rod with cap stamped "SUN SURVEYING" found on the northwesterly R.O.W. line of said West Bay Area Boulevard (100 feet wide) and marking an angle point;

THENCE, North 22°12'52" East, along said northwesterly R.O.W. line, a distance of 30.00 feet to an angle point;

THENCE, South 67°47'08" East, over and across said West Bay Area Boulevard, a distance of 100.00 feet to the southeasterly R.O.W. line of West Bay Area Boulevard;

THENCE, South 22°12'52" West, along said southeasterly R.O.W. line, a distance of 375.00 feet to an angle point;

THENCE, North 67°47'08" West, over and across said West Bay Area Boulevard, a distance of 100.00 feet to the northwesterly R.O.W. line of West Bay Area Boulevard;

THENCE, North 22°12'52" East, along said northwesterly R.O.W. line, a distance of 243.74 feet to a 5/8-inch iron rod with cap stamped "SUN SURVEYING" found marking the most southerly corner of said 1.2603 acre tract and for the most easterly corner of Lots 10 and 11, Block 1, AUTUMN CREEK SECTION NINE, a subdivision plat of record at Film Code No. 497014, H.C.M.R.;

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THENCE, North 58°44'41" West, departing said northwesterly R.O.W. line and along the common line of said 1.2603 acre tract and Lots 9 and 10, Block 1, AUTUMN CREEK SECTION NINE, a distance of 634.66 feet to a 3/4-inch iron rod found marking the most westerly corner of said 1.2603 acre tract;

THENCE, North 58°42'02" West, over and across said Harris County Flood Control District Unit No. A114-00-00 (190' R.O.W.), a distance of 190.70 feet to the southeast line of the aforesaid 10.0000 acre tract;

THENCE, South 38°20'29" West, along said southeast line and northwesterly R.O.W. line of said Harris County Flood Control District Unit No. A114-00-00 (190' R.O.W.), at 502.52 feet passing a 5/8-inch iron rod with cap stamped "RPLS 3974" found marking the southerly common corner of said 10.000 acre tract and said 106.472 acre tract, continuing in all for a total distance of 1,380.50 feet to the call meander line of mean higher water for Clear Creek as per survey prepared by Stephen Blaskey, LSLS, dated October 9, 2015 and for the most southerly corner of the herein described tract;

THENCE, along said mean higher water line of Clear Creek, the following courses and distances:

North 21°17'29" West, a distance of 80.86 feet to an angle point;

North 04°22'12" West, a distance of 216.80 feet to an angle point;

North 32°41'57" West, a distance of 184.39 feet to an angle point;

North 51°06'03" West, a distance of 159.93 feet to an angle point;

North 74°03'08" West, a distance of 164.71 feet to an angle point;

South 48°02'49" West, a distance of 44.69 feet to an angle point;

North 73°53'13" West, a distance of 47.50 feet to an angle point;

South 49°24'27" West, a distance of 89.87 feet to an angle point;

North 75°14'40" West, a distance of 40.66 feet to an angle point;

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South 43°53'50" West, a distance of 146.10 feet to an angle point;

South 25°05'22" West, a distance of 134.50 feet to an angle point;

South 83°33'17" West, a distance of 49.30 feet to an angle point;

South 21°22'27" West, a distance of 73.69 feet to an angle point;

North 77°09'16" West, a distance of 62.96 feet to an angle point;

South 59°48'42" West, a distance of 48.72 feet to an angle point;

North 76°29'09" West, a distance of 56.65 feet to an angle point;

North 88°56'38" West, a distance of 120.31 feet to an angle point;

North 78°01'47" West, a distance of 221.29 feet to an angle point;

North 67°13'30" West, a distance of 112.00 feet to an angle point;

North 50°46'11" West, a distance of 258.04 feet to an angle point;

North 16°00'41" West, a distance of 99.00 feet to an angle point;

North 05°32'33" West, a distance of 60.42 feet to an angle point;

North 23°27'30" East, a distance of 67.18 feet to an angle point;

North 39°20'14" East, a distance of 42.52 feet to an angle point;

North 59°56'00" East, a distance of 35.59 feet to an angle point;

South 84°03'09" East, a distance of 25.53 feet to an angle point;

South 63°21'49" East, a distance of 25.66 feet to an angle point;

North 23°23'59" East, a distance of 84.42 feet to an angle point;

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North 27°29'30" East, a distance of 63.48 feet to an angle point;

North 19°02'35" East, a distance of 103.93 feet to an angle point;

North 14°38'12" East, a distance of 53.72 feet to an angle point;

North 13°22'21" West, a distance of 9.00 feet to an angle point;

North 15°04'35" East, a distance of 70.83 feet to an angle point;

North 31°32'46" West, a distance of 52.49 feet to an angle point;

North 21°40'27" West, a distance of 75.23 feet to an angle point;

North 29°57'57" West, a distance of 10.93 feet to an angle point;

North 35°55'50" West, a distance of 91.39 feet to a southerly corner of Restricted Reserve "D", CLEAR CREEK COMMUNITY CHURCH;

THENCE, North 20°09'13" East, departing said mean higher high water line of Clear Creek and along the common line of said Restricted Reserves "C" and "D", CLEAR CREEK COMMUNITY CHURCH, a distance of 208.95 feet to a 5/8-inch iron rod with cap stamped "BOUNDARY ONE-RPLS 5489" set marking the most southerly corner of said Restricted Reserve "B" and for an angle point;

THENCE, North 08°44'05" West, along the common line of said Restricted Reserves "B" and "C", CLEAR CREEK COMMUNITY CHURCH, at 608.49 feet passing the westerly common corner of said Restricted Reserves "A" and "C", continuing along a common line of said Restricted Reserves "A" and "B" for a total distance of 854.44 feet to a 5/8-inch iron rod with cap stamped "BOUNDARY ONE-RPLS 5489" set marking a common corner of said Restricted Reserves "A" and "B" and for an angle point;

THENCE, South 81°13'21" West, continuing along a common line of said Restricted Reserves "A" and "B", CLEAR CREEK COMMUNITY CHURCH, a distance of 185.80 feet to a 5/8-inch iron rod with cap stamped "BOUNDARY ONE-RPLS 5489" set marking a common corner of said Restricted Reserves "A" and "B" and for an angle point;

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boundary one

METES AND BOUNDS DESCRIPTION
124.612 ACRES (5,428,103 SQ. FT.)
PAGE 7 OF 8

THENCE, North 18°29'00" West, continuing along a common line of said Restricted Reserves "A" and "B", CLEAR CREEK COMMUNITY CHURCH, a distance of 211.51 feet to the POINT OF BEGINNING and containing 124.612 acres (5,428,103 square feet) of land. This description is based upon a Land Title Survey of 106.472 Acres of land prepared by Boundary One, LLC Project Number 6767-2209-657G

Compiled by: Christian Offenburger, R.P.L.S
Boundary One, L.L.C.
T.B.P.L.S Firm No. 10084800
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(281) 648-3131
www.boundaryone.com
November 2, 2023

STATE OF TEXAS
REGISTERED
CHRISTIAN OFFENBURGER
5489
PROFESSIONAL
LAND SURVEYOR

11-2-23

Mb124612.docx

EXHIBIT B

Project Costs

City Center Non-PID Projects

Item	Cost
Fire Station[1]	$7,268,310
Playing Fields[2]	$99,000
380 Grant	$1,250,000
Total	**$8,617,310**

In addition to the foregoing, the Developer may be eligible to receive the Additional Reimbursement Amount, in an amount not to exceed the amount of Available Tax Increment, if any, remaining in the Revenue Fund, after (i) all Project Costs of the City Center Non-PID Projects and (ii) the 380 Grant have been repaid in full from the TIRZ Contribution, for any excess Project Costs that have not been and will not be paid for or reimbursed from another funding source, either pursuant to the PID Agreement or otherwise, if the Developer satisfies the terms and conditions required to receive such Additional Reimbursement Amount, subject to the TIRZ Cap.

[1] The total estimated cost of the Fire Station is $8,300,000. Partial funding of the Fire Station in the amount of $1,031,690 will be provided through the PID.

[2] The scope of work for the Playing Fields shall consist of the filling in and grading of an existing detention site for use as playing fields on certain real property owned by the ISD, which shall include hydromulching the site and installing thereon an irrigation system connected to the ISD's existing water system.