



Control Number: 49235



Item Number: 1

Addendum StartPage: 0



Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)

Pursuant to 16 Texas Administrative Code (TAC) Chapter 24, Substantive Rules Applicable to Water and Sewer Service Providers, Subchapter G. Certificates of Convenience and Necessity

CCN Application Instructions

- I. **COMPLETE:** In order for the Commission to find the application sufficient for filing, you should be adhere to the following:
 - i. Answer every question and submit all required attachments.
 - ii. Use attachments or additional pages if needed to answer any question. If you use attachments or additional pages, reference their inclusion in the form.
 - iii. Provide all mapping information as detailed in Part F: Mapping & Affidavits.
 - iv. Provide any other necessary approvals from the Texas Commission on Environmental Quality (TCEQ), or evidence that a request for approval is being sought at the time of filing with the Commission.
- II. **FILE:** Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
SEND TO: Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (NOTE: Electronic documents may be sent in advance of the paper copy; however, they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records.)
- III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
 - i. **DEFICIENT (Administratively Incomplete):** Applicant will be ordered to provide information to cure the deficiencies by a certain date (usually 30 days from ALJ's order). *Application is not accepted for filing.*
 - ii. **SUFFICIENT (Administratively Complete):** Applicant will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. *Application is accepted for filing.*
- IV. Once the Applicant issues notice, a copy of the actual notice sent (including any map) and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may choose to take one of the following actions:
 - i. **HEARING ON THE MERITS:** an affected party may request a hearing on the application. The request must be made within 30 days of notice. If this occurs, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.
 - ii. **LANDOWNER OPT-OUT:** A landowner owning a qualifying tract of land (25+ acres) may request to have their land removed from the requested area. The Applicant will be requested to amend its application and file new mapping information to remove the landowner's tract of land, in conformity with this request.
- V. **PROCEDURAL SCHEDULE:** Following the issuance of notice and the filing of proof of notice in step 4, the application will be granted a procedural schedule for final processing. During this time the Applicant must respond to hearing requests, landowner opt-out requests, and requests for information (RFI). The Applicant will be requested to provide written consent to the proposed maps, certificates, and tariff (if applicable) once all other requests have been resolved.
- VI. **FINAL RECOMMENDATION:** After receiving all required documents from the Applicant, Staff will file a recommendation on the CCN request. The ALJ will issue a final order after Staff's recommendation is filed.

FAQ:

Who can use this form?

Any retail public utility that provides or intends to provide retail water or wastewater utility service in Texas.

Who is required to use this form?

A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) must use this form to obtain or amend a CCN prior to providing retail water or sewer utility service in the requested area.

What is the purpose of the application?

A CCN Applicant is required to demonstrate financial, managerial, and technical (FMT) capability to provide continuous and adequate service to any requested area. The questions in the application are structured to support an Applicant's FMT capabilities, consistent with the regulatory requirements.

2019 FEB 19 AM 10:05
PUBLIC UTILITY COMMISSION
FILING CLERK

Application Summary

Applicant: City of Fort Worth

CCN No. to be amended: 12311

or ☐ Obtain NEW CCN ☐ Water ☐ Sewer

County(ies) affected by this application: Tarrant

Dual CCN requested with: _____

CCN No.: _____

(name of retail public utility)

☐ Portion or ☐ All of requested area

Decertification of CCN for: _____

CCN No.: _____

(name of retail public utility)

☐ Portion or ☐ All of requested area

Table of Contents

CCN Application Instructions	1
Part A: Applicant Information.....	3
Part B: Requested Area Information	4
Part C: CCN Obtain or Amend Criteria Considerations	6
Part D: TCEQ Public Water System or Sewer (Wastewater) Information	7
Part E: Financial Information	9
Part F: Mapping & Affidavits.....	10
Part G: Notice Information.....	11
Appendix A: Historical Financial Information (Balance Sheet and Income Schedule).....	13
Appendix B: Projected Information.....	16

Please mark the items included in this filing

<input type="checkbox"/> Partnership Agreement	Part A: Question 4
<input type="checkbox"/> Articles of Incorporation and By-Laws (WSC)	Part A: Question 4
<input type="checkbox"/> Certificate of Account Status	Part A: Question 4
<input checked="" type="checkbox"/> Franchise, Permit, or Consent letter	Part B: Question 7
<input type="checkbox"/> Existing Infrastructure Map	Part B: Question 8
<input checked="" type="checkbox"/> Customer Requests For Service in requested area	Part B: Question 9
<input checked="" type="checkbox"/> Population Growth Report or Market Study	Part B: Question 10
<input type="checkbox"/> TCEQ Engineering Approvals	Part B: Question 11
<input type="checkbox"/> Requests & Responses For Service to ½ mile utility providers	Part B: Question 12.B
<input type="checkbox"/> Economic Feasibility (alternative provider) Statement	Part B: Question 12.C
<input type="checkbox"/> Alternative Provider Analysis	Part B: Question 12.D
<input checked="" type="checkbox"/> Enforcement Action Correspondence	Part C: Question 16
<input checked="" type="checkbox"/> TCEQ Compliance Correspondence	Part D: Question 20
<input checked="" type="checkbox"/> Purchased Water Supply or Treatment Agreement	Part D: Question 23
<input type="checkbox"/> Rate Study (new market entrant)	Part E: Question 28
<input type="checkbox"/> Tariff/Rate Schedule	Part E: Question 29
<input checked="" type="checkbox"/> Financial Audit	Part E: Question 30
<input type="checkbox"/> Application Attachment A & B	Part E: Question 30
<input type="checkbox"/> Capital Improvement Plan	Part E: Question 30
<input type="checkbox"/> Disclosure of Affiliated Interests	Part E: Question 31
<input checked="" type="checkbox"/> Detailed (large scale) Map	Part F: Question 32
<input checked="" type="checkbox"/> General Location (small scale) Map	Part F: Question 32
<input checked="" type="checkbox"/> Digital Mapping Data	Part F: Question 32
<input checked="" type="checkbox"/> Signed & Notarized Affidavit	Page 12

Part A: Applicant Information

1. A. Name: Christopher Harder, Director of Water Department
(individual, corporation, or other legal entity)
- ☒ Individual ☐ Corporation ☐ WSC ☐ Other: _____
- B. Mailing Address: 200 Texas Street
Fort Worth, TX 76102
- Phone No.: (817) 392-5020 Email: christopher.harder@fortworthtexas.gov
- C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.
- Name: Victor Gutzler Title: Sr Eng Tech
- Mailing Address: 200 Texas Street, Fort Worth, TX 76102
- Phone No.: (817) 944-0233 Email: victor.gutzler@fortworthtexas.gov

2. If the Applicant is someone other than a municipality, is the Applicant currently paid in full on the Regulatory Assessment Fees (RAF) remitted to the TCEQ?

☐ Yes ☐ No ☒ N/A

3. If the Applicant is an Investor Owned Utility (IOU), is the Applicant current on Annual Report filings with the Commission?

☐ Yes ☐ No If no, please state the last date an Annual Report was filed: _____

4. The legal status of the Applicant is:

- ☐ Individual or sole proprietorship
- ☐ Partnership or limited partnership (*attach* Partnership agreement)
- ☐ Corporation: Charter number (recorded with the Texas Secretary of State): _____
- ☐ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
Charter number (as recorded with the Texas Secretary of State): _____
- ☐ Articles of Incorporation and By-Laws established (*attach*)
- ☒ Municipally-owned utility
- ☐ District (MUD, SUD, WCID, FWSD, PUD, etc.)
- ☐ County
- ☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)
- ☐ Other (please explain): _____

5. If the Applicant operates under an assumed name (i.e., any d/b/a), provide the name below:

Name: _____

Part B: Requested Area Information

6. Provide details on the existing or expected land use in the requested area, including details on requested actions such as dual certification or decertification of service area.

Requested area of approximately 1100 acres in Denton County will have 2908 single-family residential lots and 369 multi-family units with a school, park, and commercial property in the Tradition development which is will be served by the City of Fort Worth. Decertification of Aqua Texas Water CCN 13201 and Suetrak Water CCN 11916 for the area has been approved under PUC Dockets 44666 and 44667 by SLF IV - 114 Assemblage L.P. and PUC Dockets 45244 and 45292 by City of Fort Worth.

7. The requested area (check all applicable):

- ☐ Currently receives service from the Applicant ☒ Is being developed with no current customers
☒ Overlaps or is within municipal boundaries ☐ Overlaps or is within district boundaries

Municipality: City of Fort Worth District: _____

Provide a copy of any franchise, permit, or consent granted by the city or district. If not available please explain:

Executed Development Agreement and Limited-Purpose Annexation Ordinance included in Appendices

8. Describe the circumstances (economic, environmental, etc.) driving the need for service in the requested area:

The Tradition development has requested to be served by the City of Fort Worth. The City needs its Water CCN amended to protect its investment in extending service in an orderly and environmentally safe manner to its prospective customers.

9. Has the Applicant received any requests for service within the requested area?

☒ Yes* ☐ No *Attach copies of all applicable requests for service and show locations on a map

10. Is there existing or anticipated growth in the requested area?

☒ Yes* ☐ No *Attach copies of any reports and market studies supporting growth

11. A. Will construction of any facilities be necessary to provide service to the requested area?

☒ Yes* ☐ No *Attach copies of TCEQ approval letters

B. Date Plans & Specifications or Discharge Permit App. submitted to TCEQ: waived per 30 TAC 290.39(j)

C. Summarize an estimated timeline for construction for any required facilities to serve the requested area:

Phase 2 construction plan and review should be completed by end of 1st quarter 2019. Easements should be acquired by 2nd quarter 2019. Construction should begin 4th quarter 2019 and be completed by 4th quarter 2020. Service should be available by 1st quarter 2021. Phase 1 has been postponed until after Phase 2 has been completed. See Part B Question 11 in the Appendices.

D. Describe the source and availability of funds for any required facilities to serve the requested area:

Funding for the construction project is solely by the developer SLF IV - 114 Assemblage L.P. The city will participate with a Community Facilities Agreement to reimburse the developer for any water mains being up-sized beyond the service requirements for the Tradition development using debt funds.

Note: Failure to provide applicable TCEQ construction or permit approvals, or evidence showing that the construction or permit approval has been filed with the TCEQ may result in the delay or possible dismissal of the application.

12. A. If construction of a physically separate water or sewer system is necessary, provide a list of all retail public water and/or sewer utilities within one half mile from the outer boundary of the requested area below:

B. Did the Applicant request service from each of the above water or sewer utilities?

☐ Yes*

☐ No

*Attach copies of written requests and copies of the written response

C. Attach a statement or provide documentation explaining why it is not economically feasible to obtain retail service from the water or sewer retail public utilities listed above.

D. If a neighboring retail public utility agreed to provide service to the requested area, attach documentation addressing the following information:

- (A) A description of the type of service that the neighboring retail public utility is willing to provide and comparison with service the applicant is proposing;
- (B) An analysis of all necessary costs for constructing, operating, and maintaining the new facilities for at least the first five years of operations, including such items as taxes and insurance; and
- (C) An analysis of all necessary costs for acquiring and continuing to receive service from the neighboring retail public utility for at least the first five years of operations.

13. Explain the effect of granting the CCN request on the Applicant, any retail public utility of the same kind serving in the proximate area, and any landowners in the requested area. The statement should address, but is not limited to, regionalization, compliance, and economic effects.

Certification would lead to increased land value, orderly growth, and centralized water treatment and distribution.

Part C: CCN Obtain or Amend Criteria Considerations

14. Describe the anticipated impact and changes in the quality of retail utility service for the requested area:

Increased efficiency and capacity will benefit unserved areas to regionalize by serving new connections with the Fort Worth public water system.

15. Describe the experience and qualifications of the Applicant in providing continuous and adequate retail service:

The City of Fort Worth started providing water service to its citizens in 1884. It is now the 16th largest city and has managed the fastest growing water service area in the United States. Over a million people are being served within the city and in serving 30 wholesale water customer cities, and water service has increased from 100 MGD to 145 MGD over the past 20 years. The city has 55 licensed operators and has been in compliance with permits from TCEQ. And in 2016 the Fort Worth Water Department was the TEEA Winner for Innovative Operations and Management award.

16. Has the Applicant been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes?

☒ Yes* ☐ No

*Attach copies of any correspondence with the applicable regulatory agency concerning any enforcement actions, and attach a description of any actions or efforts the Applicant has taken to comply with these requirements.

17. Explain how the environmental integrity of the land will or will not be impacted or disrupted as a result of granting the CCN as requested:

Increased maintenance and monitoring will benefit unserved areas by mitigating environmental risks of public wells as they are replaced with new connections to the public water system.

18. Has the Applicant made efforts to extend retail water or sewer utility service to any economically distressed area located within the requested area?

No.

19. List all neighboring water or sewer retail public utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service located within two (2) miles from the outer boundary of the requested area:

See list of entities and large land owners in Appendices.

Part D: TCEQ Public Water System or Sewer (Wastewater) Information

20. A. Complete the following for all Public Water Systems (PWS) associated with the Applicant's CCN:

TCEQ PWS ID:	Name of PWS:	Date of TCEQ inspection*:	Subdivisions served:
2200012	City of Fort Worth	1/10/2013	Entire city and wholesale customers
2200370	City of Fort Worth Water Haulers	7/25/2017	Entire city

*Attach evidence of compliance with TCEQ for each PWS

- B. Complete the following for all TCEQ Water Quality (WQ) discharge permits associated with the Applicant's CCN:

TCEQ Discharge Permit No:	Date Permit expires:	Date of TCEQ inspection*:	Subdivisions served:
WQ-			
WQ-			
WQ-			
WQ-			

*Attach evidence of compliance with TCEQ for each Discharge Permit

- C. The requested CCN service area will be served via: PWS ID: 2200012
WQ -

21. List the number of existing connections for the PWS & Discharge Permit indicated above (Question 20. C.):

Water				Sewer	
	Non-metered	7,515	2"		Residential
213,635	5/8" or 3/4"	405	3"		Commercial
25,717	1"	408	4"		Industrial
4240	1 1/2"	540	Other		Other
Total Water Connections:		252,460		Total Sewer Connections:	

22. List the number of additional connections projected for the requested CCN area:

Water				Sewer	
	Non-metered		2"		Residential
1,340	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:		1,340		Total Sewer Connections:	

23. A. Will the system serving the requested area purchase water or sewer treatment capacity from another source?

☒ Yes*

☐ No

*Attach a copy of purchase agreement or contract.

Capacity is purchased from:

Water: Tarrant Regional Water District

Sewer: _____

- B. Are any of the Applicants PWS's required to purchase water to meet the TCEQ's minimum capacity requirements or TCEQ's drinking water standards?

☐ Yes

☒ No

- C. What is the amount of supply or treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

	Amount in Gallons	Percent of demand
Water:	67,816,500,000	100%
Sewer:		0%

24. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

☒ Yes

☐ No

25. List the name, class, and TCEQ license number of the operators that will be responsible for the operations of the water or sewer utility service provided to the requested area:

Name (as it appears on license)	Class	License No.	Water/Sewer
see list of licensed operators in Appendices			

26. A. Are any improvements required for the existing PWS or sewer treatment plant to meet TCEQ or Commission standards?

☐ Yes

☒ No

- B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

27. Provide a map (or maps) showing all facilities for production, transmission, and distribution, and the location of existing or proposed customer connections, in the requested area. Facilities should be identified on subdivision plats, engineering planning maps, or other large scale maps. Color coding can be used, and is encouraged, to distinguish types of facilities.

Part E: Financial Information

28. If the Applicant seeking to obtain a CCN for the first time is an Investor Owned Utility (IOU) and under the original rate jurisdiction of the Commission, a proposed tariff must be attached to the application. The proposed rates must be supported by a rate study, which provides all calculations and assumptions made. Once a CCN is granted, the Applicant must submit a rate filing package with the Commission within 18 months from the date service begins. The purpose of this rate filing package is to revise a utility's tariff to adjust the rates to a historic test year and to true up the new tariff rates to the historic test year. It is the Applicant's responsibility in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service. Any dollar amount collected under the rates charged during the test year in excess of the revenue requirement established by the Commission during the rate change proceeding shall be reflected as customer contributed capital going forward as an offset to rate base for ratemaking purposes.

29. If the Applicant is an existing IOU, please attach a copy of the current tariff and indicate:

A. Effective date for most recent rates: _____

B. Was notice of this increase provided to the Commission or a predecessor regulatory authority?

☐ No

☐ Yes

Application or Docket Number: _____

C. If notice was not provided to the Commission, please explain why (ex: rates are under the jurisdiction of a municipality)

If the Applicant is a Water Supply or Sewer Service Corporation (WSC/SSC) and seeking to obtain a CCN, attach a copy of the current tariff.

30. **Financial Information**

Applicants must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Commission Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection.

Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Projected Financial Information may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

31. Attach a disclosure of any affiliated interest or affiliate. Include a description of the business relationship between all affiliated interests and the Applicant.

DO NOT INCLUDE ATTACHMENTS A OR B IF LEFT BLANK

Part F: Mapping & Affidavits

32. Provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The Applicant should adhere to the following guidance:
 - i. If the application includes an amendment for both water and sewer certificated service areas, separate maps must be provided for each.
 - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.
 - iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
2. A detailed (large scale) map identifying the requested area in reference to verifiable man-made or natural landmarks such as roads, rivers, and railroads. The Applicant should adhere to the following guidance:
 - i. The map should be clearly labeled and the outer boundary of the requested area should be marked in reference to the verifiable man-made or natural landmarks. These verifiable man-made and/or natural landmarks must be labeled and marked on the map as well.
 - ii. If the application includes an amendment for both water and sewer certificated service area, separate maps need to be provided for each.
 - iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
3. One of the following identifying the requested area:
 - i. A metes and bounds survey sealed or embossed by either a licensed state land surveyor or a registered professional land surveyor. Please refer to the mapping guidance in part 2 (above);

- ii. A recorded plat. If the plat does not provide sufficient detail, Staff may request additional mapping information. Please refer to the mapping guidance in part 2 (above); or
- iii. Digital mapping data in a shapefile (SHP) format georeferenced in either NAD 83 Texas State Plane Coordinate System (US Feet) or in NAD 83 Texas Statewide Mapping System (Meters). The digital mapping data shall include a single, continuous polygon record. The following guidance should be adhered to:
 - a. The digital mapping data must correspond to the same requested area as shown on the general location and detailed maps. The requested area must be clearly labeled as either the water or sewer requested area.
 - b. A shapefile should include six files (.dbf, .shp, .shx, .sbx, .sbn, and the projection (.prj) file).
 - c. The digital mapping data shall be filed on a data disk (CD or USB drives), clearly labeled, and filed with Central Records. Seven (7) copies of the digital mapping data is also required.

Part G: Notice Information

The following information will be used to generate the proposed notice for the application.
DO NOT provide notice until the application is deemed sufficient for filing and the Applicant is ordered to provide notice.

33. Complete the following using verifiable man-made and/or natural landmarks such as roads, rivers, or railroads to describe the requested area (to be stated in the notice documents). Measurements should be approximated from the outermost boundary of the requested area:

The total acreage of the requested area is approximately: 1,100

Number of customer connections in the requested area: 3,294

The closest city or town: Fort Worth

Approximate mileage to closest city or town center: 0

Direction to closest city or town: South

The requested area is generally bounded on the North by: Indian Trail Drive

on the East by: Foxbane Street

on the South by: SH 114

on the West by: Sam Reynolds Road and Private Road

34. A copy of the proposed map will be available at Fort Worth City Hall 2nd Level Water Planning, 200 Texas St., Fort Worth, TX 76102

Applicant's Oath

STATE OF TEXAS

COUNTY OF TARRANT

I, Jay J Chapa being duly sworn, file this application to
obtain or amend a water or sewer CCN, as Assistant City Manager

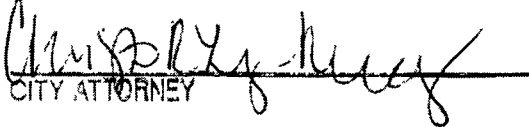
(owner, member of partnership, title as officer of corporation, or authorized representative)


I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further represent that the application form has not been changed, altered, or amended from its original form.

I further represent that the Applicant will provide continuous and adequate service to all customers and qualified applicants within its certificated service area should its request to obtain or amend its CCN be granted.

APPROVED AS TO FORM AND LEGALITY:


CITY ATTORNEY



AFFIANT

(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas

this day the 12 of February, 2019




NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

MARIA S. SANCHEZ

PRINT OR TYPE NAME OF NOTARY

My commission expires:

12-19-21

Appendix A: Historical Financial Information (Balance Sheet and Income Schedule)

(Audited financial statements may be substituted for this schedule – see item 29 of the instructions)

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) (- -)	A-1 YEAR (- -)	A-2 YEAR (- -)	A-3 YEAR (- -)	A-4 YEAR (- -)	A-5 YEAR (- -)
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories						
Other						
A. Total Current Assets						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
B. Total Fixed Assets						
C. TOTAL Assets (A + B)						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
D. Total Current Liabilities						
LONG TERM LIABILITIES						
Notes Payable, Long-term						
Other						
E. Total Long Term Liabilities						
F. TOTAL LIABILITIES (D + E)						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
G. TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES+EQUITY (F + G) = C						
WORKING CAPITAL (A – D)						
CURRENT RATIO (A / D)						
DEBT TO EQUITY RATIO (E / G)						

DO NOT INCLUDE ATTACHMENTS A OR B IF LEFT BLANK

HISTORICAL NET INCOME INFORMATION						
(ENTER DATE OF YEAR END)	CURRENT(A) (- -)	A-1 YEAR (- -)	A-2 YEAR (- -)	A-3 YEAR (- -)	A-4 YEAR (- -)	A-5 YEAR (- -)
METER NUMBER						
Existing Number of Taps						
New Taps Per Year						
Total Meters at Year End						
METER REVENUE						
Revenue per Meter (use for projections)						
Expense per Meter (use for projections)						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Revenues- Base Rate & Gallonage Fees						
Other (Tap, reconnect, transfer fees, etc.)						
Gross Income						
EXPENSES						
General & Administrative (see schedule)						
Operating (see schedule)						
Interest						
Other (list)						
NET INCOME						

[illegible]

Appendix B: Projected Information

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) (- -)	A-1 YEAR (- -)	A-2 YEAR (- -)	A-3 YEAR (- -)	A-4 YEAR (- -)	A-5 YEAR (- -)
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
A. Total Current Assets						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
B. Total Fixed Assets						
C. TOTAL Assets (A + B)						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
D. Total Current Liabilities						
LONG TERM LIABILITIES						
Notes Payable, Long-term						
Other						
E. Total Long Term Liabilities						
F. TOTAL LIABILITIES (D + E)						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
G. TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES+EQUITY (F + G) = C						
WORKING CAPITAL (A - D)						
CURRENT RATIO (A / D)						
DEBT TO EQUITY RATIO (F / G)						

PROJECTED NET INCOME INFORMATION						
(ENTER DATE OF YEAR END)	CURRENT(A) (- -)	A-1 YEAR (- -)	A-2 YEAR (- -)	A-3 YEAR (- -)	A-4 YEAR (- -)	A-5 YEAR (- -)
METER NUMBER						
Existing Number of Taps						
New Taps Per Year						
Total Meters at Year End						
METER REVENUE						
Revenue per Meter (use for projections)						
Expense per Meter (use for projections)						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Revenues- Base Rate & Gallonage Fees						
Other (Tap, reconnect, transfer fees, etc.)						
Gross Income						
EXPENSES						
General & Administrative (see schedule)						
Operating (see schedule)						
Interest						
Other (list)						
NET INCOME						

PROJECTED EXPENSE DETAIL	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office						
Computer						
Auto						
Insurance						
Telephone						
Utilities						
Depreciation						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per projected Year	0%	0%	0%	0%	0%	0%
OPERATIONAL EXPENSES						
Salaries						
Auto						
Utilities						
Depreciation						
Repair & Maintenance						
Supplies						
Other						
Total						

PROJECTED SOURCES AND USES OF CASH STATEMENTS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income						
Depreciation (If funded by revenues of system)						
Loan Proceeds						
Other						
Total Sources						
USES OF CASH						
Net Loss						
Principle Portion of Pmts.						
Fixed Asset Purchase						
Reserve						
Other						
Total Uses						
NET CASH FLOW						
DEBT SERVICE COVERAGE						
Cash Available for Debt (CADS)						
A: Net Income (Loss)						
B: Depreciation, or Reserve Interest						
C: Total CADS (A + B = C)						
D: DEBT SERVICE						
Annual Principle Plus Interest						
E: DEBT SERVICE COVERAGE RATIO						
CADS Divided by DS (E = C / D)						

List of Attachments

Part B Question 7 – Development overlaps City Limits	p2
Part B Question 9 – Request for Service.....	p94
Part B Question 10 – Anticipated Growth	p137
Part B Question 11 – Construction Necessary and TCEQ Approval	p155
Part C Question 16 – Recent Enforcement Actions	p161
Part C Question 19 – Water Utilities and Governing Entities within 2 Miles	p200
Part D Question 20A – TCEQ Public Water System Permits	p202
Part D Question 23A – Purchased Water Capacity Contracts	p209
Part D Question 25 – Licensed Operators	(separate PDF file)
Part D Question 27 – Water Facility Maps	p283
Part E Question 30 – Financial Information	(separate PDF file)
Part F Question 32 – General and Detailed CCN boundary Maps	p290

Part B Question 7 – Development overlaps City Limits

DEVELOPMENT AGREEMENT

THE STATE OF TEXAS §
 §
COUNTY OF DENTON §

This Development Agreement (this "Agreement") is entered into by the City of Fort Worth, Texas, a home-rule municipal corporation situated in Tarrant, Denton, Johnson, Wise and Parker Counties, Texas (the "City"), acting by and through its duly authorized Assistant City Manager, and SLF IV – 114 Assemblage, L.P., a Texas limited partnership ("Owner" or "Stratford").

RECITALS

A. Stratford is the owner of approximately 1,102 acres in Denton County, Texas (the "County"), in the extraterritorial jurisdiction ("ETJ") of the City of Fort Worth (the "Property").

B. The Property consists of all of the 431.303 acres (the "MUD No. 1 Property"), encompassed by Tradition Municipal Utility District No. 1 of Denton County ("Tradition MUD No. 1") all of the approximately 662.91 acres (the "MUD No. 2B Property") encompassed by Tradition Municipal Utility District No. 2B of Denton County ("Tradition MUD No. 2B") and approximately 8.707 acres along the railroad not contained within Tradition MUD No. 1 or Tradition MUD No. 2B, as shown on Exhibit A and described in Exhibit B attached to this Agreement (the "Non-District Property").

C. The Texas Legislature approved the creation of Tradition MUD No. 1 (originally known as City of Fort Worth Municipal Utility District No. 1 of Denton County) including 431.303 acres of land by Act of May 25, 2005, 79th Legislature, Regular Session, Chapter 1330, codified as Special District Local Laws Code, Chapter 8129, effective September 1, 2005.

D. The Texas Legislature approved the creation of Tradition Municipal Utility District No. 2 of Denton County ("Tradition MUD No. 2") including 1,922.237 acres of land by Act of May 23, 2007, 80th Legislature, Regular Session, Chapter 752, codified as Special District Local Laws Code, Chapter 8189, effective September 1, 2007.

E. The Fort Worth City Council approved Resolution No. 4408-02-2015 consenting to division of Tradition MUD No. 2 into Tradition Municipal Utility District No. 2A of Denton County and Tradition MUD No. 2B.

F. Tradition MUD No. 2 held an election on May 9, 2015 to divide into Tradition Municipal Utility District No. 2A of Denton County containing approximately 1,259.89 acres ("Tradition MUD No. 2A") and Tradition MUD No. 2B containing approximately 662.91 acres.

G. The Board of Directors of Tradition MUD No. 2 canvassed the votes of such division election on May 13, 2015, and determined that Tradition MUD No. 2 has been divided

into Tradition MUD No. 2A containing approximately 1,259.89 acres and Tradition MUD No. 2B containing the 662.91 acres of land defined herein as the MUD No. 2B Property.

H. The City entered into a Development Agreement for the MUD No. 1 Property with the previous owners of the MUD No. 1 Property, Aperion Communities, LLLP, Eladio Properties, LLLP, and Drooy Properties, LLLP, effective December 21, 2005 (Mayor and Council Communication C-21198, City Secretary Contract No. 32897) recorded in the Denton County real property records as document 2006-101618 (the "MUD No. 1 Development Agreement").

I. The City entered into a Development Agreement for the 1,922.237 acres within Tradition MUD No. 2 (the "MUD No. 2 Property") with the previous owners of the MUD No. 2 Property, Aperion Communities, LLLP, Eladio Properties, LLLP, Drooy Properties, LLLP, Rocksand Investments, LLLP, Justin Ranch 427, LLLP, and Justin Ranch 123, LLP, effective May 21, 2008 (Mayor and Council Communications C-22589 and C-22640, City Secretary Contract No. 37127) (the "MUD No. 2 Development Agreement"), recorded in the Denton County real property records as document 2008-89146.

J. When the MUD No. 1 Development Agreement was approved, the MUD No. 1 Property was located in an area for which Aqua Utilities, Inc., formerly known as AquaSource Utility, Inc. ("Aqua Texas"), held Certificate of Convenience and Necessity ("CCN") No. 13201 (formerly 11157) issued by the Texas Commission on Environmental Quality (the "TCEQ") to provide retail water service.

K. When the MUD No. 1 Development Agreement was approved, the MUD No. 1 Property was located in an area for which the TCEQ had not issued a CCN to provide retail sewer service. Aqua Texas subsequently expanded its wastewater CCN No. 21059 (formerly 20453) to include the MUD No. 1 Property.

L. When the MUD No. 2 Development Agreement was approved, the MUD No. 2 Property was located in an area for which Aqua Texas held CCN No. 13201 (formerly 11157) to provide retail water service, except for an approximately 97-acre tract for which Suetrak held water CCN No. 11916.

M. When the MUD No. 2 Development Agreement was approved, the 97-acre tract in Suetrak's water CCN was also included in Suetrak sewer CCN No. 20629. None of the remaining MUD No. 2 Property was included in a wastewater CCN. Aqua Texas subsequently expanded its wastewater CCN No. 21059 to include approximately 550.2 acres of the MUD No. 2 Property located north of FM 407, which is not a part of the Property.

N. Owner submitted applications to the Public Utility Commission of Texas (the "PUC") to release the Property from Aqua Texas' and Suetrak's water and sewer CCNs.

O. The PUC entered an order releasing the Property from Suetrak's water and sewer CCNs on August 21, 2015, Docket No. 44666.

P. The PUC entered orders releasing the Property from Aqua Texas' water CCN, Docket No. 44667, and Aqua Texas' sewer CCN, Docket No. 44668, on September 11, 2015.

Q. The City and Owner executed that certain Agreement for Payment of Costs in Connection with Expedited Release from Water and Sewer Certificates of Convenience and Necessity effective October 9, 2015 (City Secretary Contract No. 47125) pursuant to which Owner agreed to pay all administrative costs related to determination of compensation, if any, owed to Suetrak or Aqua Texas for property the PUC determines is rendered useless or valueless, if any, as a result of such decertification.

R. The PUC entered an order dated December 10, 2015, Docket No. 45244, determining that no compensation is owed to Aqua Texas for the Property that was covered by the Aqua Texas water and sewer CCN's.

S. The PUC entered an order dated January 7, 2016, Docket No. 45292, determining that no compensation is owed to Suetrak for the Property that was covered by the Suetrak CCN's.

T. The City will expand its water CCN to include the Property and, upon construction of water and sewer infrastructure by Owner or its successors or assigns in accordance with this Agreement and the Approved Utility Studies, as hereafter defined, will provide retail water and sewer service to the Property according to the City's standard policies for service outside its corporate limits. Owner agrees not to protest such expansion and to cooperate as reasonably necessary or requested for the granting of such expansion by the PUC.

U. The City approved the water study for the Property prepared by Half Associates, Inc. dated March 27, 2014 by letter dated April 27, 2014, and approved the sewer study for the Property prepared by Dunaway Associates, L.P. dated April 18, 2014 by letter dated April 22, 2014 (collectively, the "Approved Utility Studies"). The City approved the conceptual traffic study for the Property prepared by Dunaway Associates, L.P. dated August 12, 2014, including the supplemental memo dated October 1, 2014, by email dated October 3, 2014 (the "Approved Conceptual Traffic Study"). The Approved Utility Studies and the Approved Conceptual Traffic Study are collectively referred to as the "Approved Infrastructure Studies", copies of which are on file in the City Secretary's Office with this Agreement, as City Secretary Contract No.

V. The City's Water Department issued a "will serve" letter to Owner dated March 17, 2015, confirming that the City will provide retail water and sewer service to the Property on the conditions set out in such letter.

W. Tradition MUD No. 1 has eminent domain authority outside the boundaries of such district for pipelines only, pursuant to Section 8129.104, Special District Local Laws Code.

X. Tradition MUD No. 2 has eminent domain authority outside the boundaries of such district for pipelines, storm water and drainage facilities, pursuant to Section 8189.104, Special District Local Laws Code.

Y. Owner intends for the Property to be developed as a unified master-planned mixed use community by Owner, its assigns or successors, including any future owners and developers, to be developed in phases. The Approved Infrastructure Studies refer to three geographic areas of the Property and define these areas as "Phase 1", "Phase 2A", and "Phase 2B." The term "phase" is used in the Approved Infrastructure Studies and this Agreement to describe geographic areas of the Property and does not imply order of development of the Property. "Phase 1" consists of the MUD No. 1 Property, "Phase 2A" consists of the portion of the MUD No. 2B Property generally located south of Sam Reynolds Road, and "Phase 2B" consists of the portion of the MUD No. 2B Property generally located north of Sam Reynolds Road, as generally depicted on Exhibit A attached hereto and incorporated herein by reference.

Z. Owner has no ownership interest in the mineral rights for the Property.

AA. The Parties have the authority to enter into this Agreement pursuant to Section 212.172 of the Local Government Code.

BB. This Development Agreement supersedes and replaces the MUD No. 1 Development Agreement in its entirety and supersedes and replaces the MUD No. 2 Development Agreement solely with respect to the MUD No. 2B Property.

NOW THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions hereinafter set forth, the Parties agree as follows:

ARTICLE I **DEFINITIONS**

"Assignee" means a successor to Owner as defined in Sections 9.02 and 9.03 of this Agreement.

"CFA Policy" means the City's "Policy for the Installation of Community Facilities" as amended March 20, 2001 (M & C G-13181) and in effect on the Effective Date, including any amendments thereto that are in effect on the Effective Date.

"Development Plan" means the Master Plan attached as Exhibit C-1 to this Agreement and the Parks, Trails and Open Spaces Plan attached as Exhibit C-2 to this Agreement. Acreages on Exhibit C-1 are approximate and will vary based upon the final size and configuration of roadways, utilities, parks, open space, amenity centers, trails, schools, gas pads/buffers and flood plain based on final design of neighborhoods and these improvements.

"District" means Tradition MUD No. 1 and Tradition MUD No. 2B.

"Effective Date" means April 27, 2014, for the sole purpose of identifying the City ordinances, rules, regulations, policies and any other City requirements applicable to development of the Property in accordance with Article II. For all other purposes, "Effective Date" means January 12, 2016.

"Existing Infrastructure Cost-Sharing Fees" has the meaning set out in Section 5.04(c).

"Future Infrastructure Cost-Sharing Fees" has the meaning set out in Section 5.04(d).

"Infrastructure" means water, wastewater, road and drainage improvements (together with associated grading, landscaping, lighting and signage) constructed to serve the Property.

"Infrastructure Standards" means the following City and County regulations in effect as of the Effective Date, as amended thereafter, subject to reservation of Owner's rights under Chapter 245, Local Government Code, in accordance Sections 2.01 and 9.06:

(a) The following City regulations apply to all infrastructure to serve the Property constructed by Owner in the City's extraterritorial jurisdiction:

Road Improvements

1. "Street Development Standards Roadway Standards and Master Thoroughfare Plan"; March 10, 2009, as amended as of the Effective Date.
2. "Pavement Design Manual", Department of Transportation and Public Works; January 29, 2015.
3. "Traffic Engineering Design Standards and Policy Guidelines", Department of Transportation and Public Works; July, 1987.

Storm Drainage: Stormwater Criteria Manual, September 29, 2015

Water and Sanitary Sewer:

1. "Policies and Procedures for Processing Water and Wastewater Projects for Design and Construction"; April, 1999, as amended as of the Effective Date.
2. "Policy for the Installation of Community Facilities"; March 20, 2009, as amended as of the Effective Date and ordinances that are generally applicable within the City's corporate limits and related to application of such policy

(b) The Offsite Road Improvements, as hereafter defined, shall be constructed in accordance with the regulations of Denton County or the municipality in whose ETJ such infrastructure is constructed.

"Lot Owner" means any "end-buyer of a fully developed and improved lot" within the Property as such phrase is used in Section 212.172(f) of the Local Government Code.

"MGD" means million gallons per day.

"Mixed-Use Tract" means the Mixed-Use Tract depicted on the Development Plan, together with any area adjacent thereto which is depicted on the Development Plan as roadways, utilities, parks, open space, amenity centers, trails, schools, gas pads/buffers and flood plain.

"MUD No. 1 Property" means the 431.303 acres of land encompassed by Tradition Municipal Utility District No. 1 of Denton County, as shown on Exhibit A and described in Exhibit B.

"MUD No. 2B Property" means the 662.91 acres of land encompassed by Tradition Municipal Utility District No. 2B of Denton County, as shown on Exhibit A and described in Exhibit B.

"Non-District Property" means 8.707 acres along the railroad not contained within Tradition MUD No. 1 or Tradition MUD No. 2B, as shown on Exhibit A and described in Exhibit B.

"Party" means, individually, the City, Owner, or Owner's successors and assigns (including any Assignee) as permitted by this Agreement.

"Property" means approximately 1,102 acres of land located in Denton County, Texas as depicted in Exhibit A and described in Exhibit B, consisting of the MUD No. 1 Property, the MUD No. 2B Property and the Non-District Property.

"Residential Tracts" means the Residential Tracts depicted on the Development Plan, together with any area adjacent thereto which is depicted on the Development Plan as roadways, utilities, parks, open space, amenity centers, trails, schools, gas pads/buffers and flood plain.

"Residential Unit" means (i) a building designed for residential occupancy by not more than one family; and (ii) a portion of a multifamily dwelling containing a complete set of independent living facilities for occupancy and use by one family.

"Road Improvements" has the meaning set out in Section 4.06.

"Sewer Infrastructure Improvements" has the meaning set out in Section 4.05.

"Structure" means a building designed for human occupancy.

"Term" of this Agreement means (a) for the MUD No. 1 Property, a 20-year period commencing on the Effective Date and terminating January 12, 2036; and (b) for the MUD No. 2B Property and the Non-District Property, a 20-year period commencing on approval by the City of the first preliminary plat for land within Tradition MUD No. 2B, excluding preliminary plats that include a portion of the north/south roadway depicted as Community Parkway in Exhibit G within the boundaries of Tradition MUD No. 2B that will be constructed as a condition of developing the MUD No. 1 Property and do not include any other platted lots in Tradition MUD No. 2B.

"Water Infrastructure Improvements" has the meaning set out in Section 4.05.

"Zoning Ordinance" means Ordinance No. 13896, together with any amendments thereto that are in effect on the Effective Date, codified as Appendix "A" to the City Code.

ARTICLE II
PERMITTED USES; DEVELOPMENT REGULATIONS

2.01 Applicable Regulations. Development of the Property shall be governed solely by the following regulations in effect as of the Effective Date and by amendments to the regulations described in subsections (a), (b) and (c) that are adopted or approved after the Effective Date (collectively, the "Governing Regulations"), provided, however, Owner does not waive any claims pursuant to Chapter 245, Texas Local Government Code, that amendments to the regulations described in subsections (a), (b) and (c) adopted after the Effective Date do not apply to development of the Property:

- (a) Subdivision Ordinance, codified as Chapter 31 of the City Code, as amended after the Effective Date;
- (b) Building, plumbing, electrical, mechanical, and fire codes adopted by the City and uniformly enforced within the City's corporate boundaries, as may be amended from time to time, and any subsequently adopted local amendments to uniform building, fire, electrical, plumbing, or mechanical codes that are uniformly applicable to similarly situated development within the City's corporate boundaries, as amended after the Effective Date (the "Building Codes");
- (c) Infrastructure Standards, as amended after the Effective Date;
- (d) Sections 6.200-6.203 (Off-Street Parking and Loading) of the Zoning Ordinance in effect as of the Effective Date;
- (e) Sections 6.300-6.301 (Landscaping and Buffers) of the Zoning Ordinance in effect as of the Effective Date;
- (f) Sections 6.400 – 6.415 (Signs) of the Zoning Ordinance in effect as of the Effective Date;
- (g) Section 6.507 (Single Family Residential Design Standards) of the Zoning Ordinance in effect as of the Effective Date, except for Section 6.507(d), which does not apply;
- (h) Regulations set forth in Section 2.02 in effect as of the Effective Date; and
- (i) Final plats for portions of the Property that are approved, from time to time, by the City in accordance with this Agreement.

2.02 Permitted Uses and Development Regulations. The Property will be developed in accordance with the following requirements:

- (a) The Residential Tracts depicted on the Development Plan may be developed in accordance with the following sections of the Zoning Ordinance:
 - (i) Section 4.703 ("A-10" One-Family);

- (ii) Section 4.704 ("A-7.5" One-Family);
 - (iii) Section 4.705 ("A-5" One-Family);
 - (iv) Section 4.708 ("R1" Zero Lot Line)
 - (v) Section 4.709 ("R2" Townhome/Cluster);
 - (vi) Section 4.712 ("D" Multifamily), except that the maximum number of units per acre is 40; and
 - (vii) Section 4.600 (Residential Use Table)
- (b) The Property may be developed with a combination of the uses permitted in Sections 2.02(a)(i) through 2.02(a)(vi) as set out in the Residential Use Table described in Section 2.02(vii), to be determined at Owner's discretion, provided, however, a maximum of 3,284 Residential Units, including the Residential Units constructed on the Mixed-Use Tract pursuant to Section 2.02(d), may be constructed on the Property.
- (c) Notwithstanding Section 4.708 of the Zoning Ordinance or any other City regulation to the contrary, a 10-foot front yard setback is permitted for any residential product with a side-entry or rear-entry garage.
- (d) The Mixed-Use Tract depicted on the Development Plan may be developed with the uses permitted in the "E" Neighborhood Commercial District and the "D" Multifamily District as set out in the Nonresidential Use Table contained in Section 4.800 of the Zoning Ordinance, or any combination thereof, to be determined at Owner's discretion. Such uses shall be developed in accordance with Section 4.901 ("E" Neighborhood Commercial) and/or Section 4.712 ("D" Multifamily) of the Zoning Ordinance, provided, however, a maximum of 40 multifamily dwelling units per acre is permitted. Residential Units constructed on the Mixed-Use Tract shall be counted toward the maximum number of Residential Units described in Section 2.02(b) above.
- (e) Owner shall maintain a cumulative count of Residential Units to be constructed on the Property on each preliminary plat submitted to the City for the Property. Preliminary plats for the Mixed-Use Tract shall specify commercial or multifamily uses and the number of proposed multifamily dwelling units. The number of Residential Units to be constructed shall be adjusted on each final plat.
- (f) Limited local streets shall be permitted in accordance with the Subdivision Ordinance.

2.03 Variances to Regulations. The Director of the Planning and Development Department of the City may administratively approve the following minor revisions to the regulations in Section 2.02 upon Owner's request: (a) an increase in the height of structures of five (5) percent or less; (b) a setback reduction of ten (10) percent or less; (c) an increase in ground coverage by a structure of five (5) percent or less; (d) a reduction in off-street parking of five (5) percent or less; (e) an increase in the number, height or area of signs of five (5) percent or less; and (f) an increase in outdoor storage or display area of five (5) percent or less. All

other requests for variances to the regulations in Section 2.02 shall be submitted to the City's Board of Adjustment in accordance with Sections 3.400-3.406 of the City's zoning ordinance, as amended, as if the affected property were in the City's corporate limits.

2.04 Parks Requirements.

(a) Owner shall dedicate land to a District, homeowners association or property owners association in accordance with the Parks, Trails and Open Space Plan set forth on Exhibit C-2, which areas Owner shall improve or cause to be improved upon development of the adjacent property. Parks, open space and amenities shall be maintained by a District, homeowners association or property owners association. The final location of parks, open space, trails and amenities depicted on Exhibit C-2 is subject to change based on final design of neighborhoods and reconfiguration of gas pads, easements and flood plain. Dedication by Owner of 90% of the acreage amounts shown in the table in Exhibit C-2 shall constitute compliance with Owner's park dedication requirements.

(b) All park and recreational facilities constructed on the Property shall remain the property of a District or a homeowners or property owners association.

(c) No other parks requirements or fees shall apply to development of the Property.

2.05 Water Wells. As of the Effective Date, two water wells have been drilled on the Property for the purpose of providing potable water (the "Existing Wells"). Owner may continue to use the Existing Wells to produce potable water after the Effective Date, provided that Owner shall install backflow prevention devices in accordance with City standards. Drilling of additional wells on the Property after the Effective Date for the purpose of providing potable water is prohibited, except however, one additional well shall be allowed on the Property north of Sam Reynolds Road to provide potable water to serve a single residence. Wells may be drilled on the Property after the Effective Date for non-potable uses.

2.06 Setbacks from Gas Wells. Construction of the following structures is prohibited within 300 feet of the center of a gas well: residences, religious institutions, hospitals, schools, bleachers, grandstands and playground equipment. Distance shall be calculated from the well bore, in a straight line without regard to intervening structures or objects, to the closest exterior point of any structure.

2.07 Special Regulations. The Special Regulations set forth in the Tradition Project Special Regulations Agreement (City Secretary Contract No. 32898) recorded as document 2006-101619 in the Real Property Records of Denton County do not apply to the Property.

ARTICLE III **DEVELOPMENT PROCESS**

3.01 Jurisdiction. Pursuant to this Agreement and Section 242.001(a)(3) of the Texas Local Government Code, the City shall have and exercise exclusive jurisdiction over the review

and approval of preliminary and final plats, amending plats, replats and minor replats, and approval of plans for certain Infrastructure, for the Property in accordance with this Agreement.

3.02 Plat Approval. Subdivision of the Property or any portion thereof shall require approval of plats by the City's Plan Commission in accordance with the Subdivision Ordinance; provided, however, conveyance by metes and bounds of any portion of the Property to any person for the purpose of qualifying such person to be a member of the board of directors of a District shall not be considered a subdivision of land requiring a plat or otherwise requiring City approval. Owner shall submit a concept plan to the City Plan Commission if required by the Subdivision Ordinance. The concept plan shall be consistent with the Development Plan attached hereto as Exhibit C. Approval of such concept plan shall not be unreasonably delayed or denied.

3.03 Pre-Development Conference. Owner and City staff from the Planning and Development Department, Water Department, Transportation and Public Works Department, and other affected departments shall conduct a pre-development conference prior to submittal of each preliminary plat by Owner to the City. Such conference shall include discussion of the project schedule. The City shall administer the development process for the Property on the same terms as development projects within the City's corporate limits and shall use its best efforts to comply with scheduled review periods.

3.04 Building Permits; Inspections. All Structures constructed on the Property shall be subject to City building permit, permit fee and inspection requirements as if such Structures were constructed within the City's corporate limits.

3.05 Zoning. In the event of any conflict between this Agreement and any zoning ordinance adopted by the City Council relating to the Property, this Agreement will prevail except as expressly agreed in writing by the Owner of such Property.

ARTICLE IV

WATER AND SEWER SERVICE TO THE PROPERTY; CONSTRUCTION, INSPECTION AND MAINTENANCE OF INFRASTRUCTURE

4.01 Compensation for Release from Certificates of Convenience and Necessity. Owner shall pay compensation, if any, for property the PUC determines is rendered useless or valueless, if any, as a result of release of the Property from Suetrak's and Aqua Texas' water and sewer certificates of convenience and necessity.

4.02 Expansion of City's Water Certificate of Convenience and Necessity. Upon payment by Owner of compensation, if any, owed to Aqua Texas and Suetrak, in accordance with Section 4.01, the City shall take all actions necessary to expand its water CCN service area to include the Property.

4.03 Retail Water and Sewer Service. Upon (a) Owner's compliance with Section 4.01 and (b) construction of Water Infrastructure Improvements and Sewer Infrastructure Improvements, as hereafter defined, by Owner and/or the Districts in accordance with this

Article IV and acceptance of such infrastructure by the City, the City shall provide retail water service and retail wastewater treatment services to the Property at the City's generally applicable rates charged to comparable classes of customers outside the City's corporate limits.

4.04 General.

(a) Infrastructure Standards. All Infrastructure shall be designed and constructed in compliance with the applicable Infrastructure Standards.

(b) Plan Review; Payment of Fees; and Pre-Construction Conference. Construction of Infrastructure shall not commence until the plans and specifications have been reviewed and accepted for compliance with the Governing Regulations; the applicable Plan Review Fees have been paid; and in the case of Water Infrastructure Improvements, Sewer Infrastructure Improvements, and Road Improvements to be constructed in the City's ETJ, a pre-construction conference has been held by the contractor hired to construct such infrastructure, the District's engineer and representatives of the City's Water Department.

(c) Community Facilities Agreements. Construction of Road Improvements and associated drainage improvements in the City's extraterritorial jurisdiction, Water Infrastructure Improvements and Sewer Infrastructure Improvements shall not commence until a Communities Facilities Agreement ("CFA") has been executed in accordance with the CFA Policy; provided, however, in no event will Owner be required to post security for construction of the same infrastructure with more than one governmental entity. Grading, landscaping, and construction of Road Improvements and drainage improvements outside the City's extraterritorial jurisdiction shall not require a CFA.

(d) Oversizing of Infrastructure. The City shall not require Owner or the Districts to design or construct at their expense (or pay for designing or constructing) Infrastructure that exceeds the capacity needed to serve the Property except in accordance with this Section 4.04(d). Owner and the Districts shall oversize Infrastructure to exceed the capacity needed to serve the Property at the City's request, provided the City Council approves the oversizing and allocates funds to pay the City's pro rata portion of all costs of such Infrastructure as monthly contractor pay requests are processed. Owner acknowledges that the Water Infrastructure Improvements, Sewer Infrastructure Improvements and Road Improvements, as defined herein, do not exceed the capacity needed to serve the Property.

(e) Easements. Acquisition of easements by the Districts shall be subject to limitations on the eminent domain authority of the Districts pursuant to by Section 8129.104, Special District Local Laws Code, for Tradition MUD No. 1 and Section 8189.104, Special District Local Laws Code, for Tradition MUD No. 2.

4.05 Plan Review; Inspection; and Dedication of Water and Sewer Infrastructure;

(a) Description of Infrastructure. The Districts and Owner shall, jointly or severally, construct, or cause to be constructed, at no cost to the City, the water and sanitary sewer infrastructure improvements identified in the Approved Utility Studies, which are summarized in Exhibit D, as may be amended from time to time pursuant to Section 4.07 (the "Water

Infrastructure Improvements" and the "Sewer Infrastructure Improvements"). The Water Infrastructure Improvements consist of the offsite Water Infrastructure Improvements described in Exhibit E (the "Offsite Water Infrastructure Improvements") and the onsite Water Infrastructure Improvements described in Exhibit E-1 (the "Onsite Water Infrastructure Improvements"). The Sewer Infrastructure Improvements consist of the offsite Sewer Infrastructure Improvements described in Exhibit F (the "Offsite Sanitary Sewer Infrastructure Improvements") and the onsite Sewer Infrastructure Improvements described in Exhibit F-1 (the "Onsite Sanitary Sewer Infrastructure Improvements").

(b) Easements. Owner shall dedicate all easements required for the installation of the Onsite Water Infrastructure Improvements and the Onsite Sanitary Sewer Infrastructure Improvements to the City at no cost to the City. Subject to Section 4.04(e), Owner and the Districts shall use good faith efforts to acquire all easements required for the installation of the Offsite Water Infrastructure Improvements and the Offsite Sanitary Sewer Infrastructure Improvements necessary to serve the Property and shall cause such easements to be granted to the City at no cost to the City.

(c) Plan Review. Owner shall submit plans and specifications for Water Infrastructure Improvements and Sewer Infrastructure Improvements to serve the Property to the City for review and approval.

(d) Inspections. City employees or third party inspectors retained in accordance with generally applicable City policies ("City Inspectors") shall perform all inspections and testing of the Water Infrastructure Improvements and Sewer Infrastructure Improvements as such infrastructure is constructed. The City Inspectors shall notify Owner and the District(s) in which such Infrastructure is constructed at least 24 hours before each inspection to enable the Districts' engineers to be present during the inspections. The Districts' engineers may observe City inspections for the purpose of gathering the information required to complete and submit all TCEQ required reports. The City Inspectors shall cooperate with the Districts to provide inspection reports that satisfy TCEQ requirements for issuance of bonds by the Districts.

(e) Final Inspections. Owner or the District, or their agent, shall notify the City Inspector when the Water Infrastructure Improvements and Sewer Infrastructure Improvements, or any portion thereof, are ready for final inspection. If the City Inspector concurs that construction of such Infrastructure is substantially complete, the City Inspector will schedule a final inspection by the City within 30 days. Upon such final inspection and correction of any punch list items and final documentation related to completion of such infrastructure, written certification by the City Inspector that the Water Infrastructure Improvements or Sewer Infrastructure Improvements have been constructed in compliance with the City Infrastructure Standards shall constitute compliance with all inspection requirements. The City shall issue a letter to Owner and the Districts approving Water Infrastructure Improvements or Sewer Infrastructure Improvements within fifteen (15) days after all requirements are met.

(f) Access by City Employees. Any duly authorized employee of the City bearing proper credentials and identification shall be granted access to any property within the Property as the City may determine necessary for the purpose of inspection and testing of water Infrastructure or sewer Infrastructure.

(g) Dedication to the City. Within thirty (30) days after Owner and the District receive a letter from the City approving Water Infrastructure Improvements or Sewer Infrastructure Improvements in accordance with Section 4.05(e), Owner shall dedicate such Infrastructure to the City along with all appurtenant easements and rights-of-way. Following dedication of any portion of the Water Infrastructure Improvements or Sewer Infrastructure Improvements to the City, the City shall have full ownership and control of such Infrastructure.

(h) As-Built Drawings. Owner and Contractor shall deliver as-built drawings for all Water Infrastructure Improvements and Sewer Infrastructure Improvements to the City within 30 days after final inspection.

4.06 Plan Review; Inspection and Dedication of Drainage Infrastructure and Road Improvements.

(a) Description of Infrastructure. The Districts and Owner shall, jointly or severally, construct, or cause to be constructed, at no cost to the City, the road improvements identified in the Approved Conceptual Traffic Study, which are summarized in Exhibit G, as may be amended from time to time pursuant to Section 4.07 (collectively, the "Road Improvements"). The Road Improvements shall be constructed in phases in accordance with Exhibit G-1. The Road Improvements consist of the Road Improvements constructed on the Property described in Exhibit G-2 (the "Onsite Road Improvements") and the Road Improvements constructed outside the boundaries of the Property, consisting of reconstruction of two lanes of Sam Reynolds Road from the easternmost boundary line of the Property to FM 156, described in Exhibit G-3 (the "Offsite Road Improvements").

(b) Easements. Owner shall dedicate all right-of-way necessary for construction of the Onsite Road Improvements to the County or the Districts at no expense to the County. Subject to Section 4.04(c), Owner and the Districts shall use all commercially reasonable efforts to obtain all right-of-way necessary for construction of the Offsite Road Improvements and to cause the dedication of such right-of-way to the County at no expense to the County. In the event Owner is unable to obtain the right-of-way required for the Offsite Road Improvements, Owner shall ask the County to exercise its eminent domain authority to obtain such right-of-way, at Owner's sole expense. If the County fails to exercise its eminent domain authority to obtain such right-of-way within a reasonable time period, the City may use its eminent domain authority to obtain such right-of-way, at Owner's sole expense.

(c) Plan Review Owner shall submit plans and specifications for Road Improvements and associated drainage infrastructure to be constructed within the City's ETJ to the City for review and approval in accordance with City Infrastructure Standards. Owner shall submit plans and specifications for Road Improvements and associated drainage to be constructed outside the City's ETJ to the County or to the municipality in whose ETJ such facilities are located for review and approval.

(d) Inspections. City Inspectors or the Districts' inspectors, at the City's option, shall perform all inspections and testing of onsite drainage infrastructure and Onsite Road Improvements as such infrastructure is constructed. The City Inspectors shall notify Owner and the District(s) in which such Infrastructure is constructed at least 48 hours before each inspection

to enable the Districts' engineers to be present during the inspections. The Districts' engineers may observe City inspections for the purpose of gathering the information required to complete and submit all TCEQ required reports. The City Inspectors shall cooperate with the Districts to provide inspection reports that satisfy TCEQ requirements for issuance of bonds by the Districts. Inspections and testing of offsite drainage infrastructure and Offsite Road Improvements shall be performed by the County or other municipality in whose ETJ such facilities are located.

(e) FEMA Flood Plain Administrator. The City shall serve as the Flood Plain Administrator for all portions of the Property within the City's ETJ and shall enforce the City's Infrastructure Standards, plan review, permitting, fees and inspections for drainage improvements associated with FEMA regulated floodplain.

(f) Dedication. Within thirty (30) days after the District and the City and/or the County approve drainage infrastructure or Road Improvements to serve the Property, Owner shall dedicate such Infrastructure to the County or the District along with all appurtenant easements and rights-of-way.

4.07 Updates to Approved Infrastructure Studies. The Approved Infrastructure Studies may be updated from time to time, in order to reflect changes in the Development Plan which are not consistent with the Approved Infrastructure Studies. The City acknowledges that Owner may submit amended infrastructure studies to the City with alternate solutions for water, sewer and traffic issues. The City shall review such amended infrastructure studies in a timely manner.

ARTICLE V FEES

5.01 Development Fees. Development of the Property shall be subject to payment to the City of the following fees and charges for services performed by the City in accordance with this Agreement according to the fee schedule adopted by the City Council and uniformly applicable to all development within the corporate limits of the City:

(a) Fees and charges applicable to the City's preliminary and final plat review and approval process ("Plat Review Fees");

(b) Fees and charges for review of Infrastructure plans ("Plan Review Fees");

(c) Fees and charges for inspections of Road Improvements and drainage improvements constructed in the City's ETJ, Water Infrastructure Improvements and Sewer Infrastructure Improvements ("Infrastructure Inspection Fees");

(d) Fees and charges for issuance of building permits and inspections of Structures ("Building Permit and Inspection Fees");

(e) Fees assessed for Community Facilities Agreements ("Community Facilities Agreements Fees"); and

(f) Fees assessed for encroachment agreements ("Encroachment Agreement Fees").

5.02 Impact Fees. The City may assess and collect water and sewer capital recovery fees and charges adopted by the City in accordance with Chapter 395 of the Texas Local Government Code on the same terms as if the Property were located within the City's corporate limits ("Water and Sewer Impact Fees"). No other capital recovery fees for water and sewer infrastructure or roadway impact fees or roadway capital recovery fees shall be applicable to the Property.

5.03 Tap Fees. Tap or service connection fees for water or wastewater service provided within the Property by the City ("Tap Fees"), shall be the same as if the services are provided within the City's corporate limits.

5.04 Front Footage, Water Main Capacity and Per Acre Charges.

(a) Owner shall be subject to water main capacity charges for only those water connections principally served by the NS III pressure plane system, in accordance with Section 35-87 of the City Code, et seq., equivalent to one of the following:

(i) If the Water Infrastructure Improvements are connected directly to the Sendera Ranch Pump Station, capacity charges for NS II 42-inch water transmission main supplying the Sendera Pump Station shall be \$180,932.00 per maximum day MGD of demand; or

(ii) If the Water Infrastructure Improvements are connected to the NS III 36-inch water transmission main at Rancho Canyon and John Day Road, capacity charges for the NS II 42-inch and NS III 36-inch transmission mains shall be \$206,224.00 per maximum day MGD of demand.

Such charges shall be calculated based on maximum day MGD of water demand for each final plat and shall be paid as a condition of recording each final plat.

(b) Owner shall be subject to sewer per acre charges in accordance with Section 35-81 of the City Code, et seq., for 18-inch Harriet Creek sewer main constructed prior to the Effective Date. Such charge shall be \$50.19 per final platted lot served by said 18-inch sewer main, up to a maximum of \$99,776 and shall be paid as a condition of recording each final plat.

(c) The water main capacity charges and sewer per acre charges described in Sections 5.04(a) and (b) are hereafter referred to collectively as the "Existing Infrastructure Cost-Sharing Fees". Owner shall not be responsible for any other charges, including without limitation front footage charges (Sections 35-58 of the City Code, et. seq), water main capacity charges (Sections 35-87 of the City Code, et. seq) or sewer per acre charges (Section 35-81 of the City Code, et seq.), for any water or sewer infrastructure for which construction has been commenced or completed before the Effective Date.

(d) In the event that water or sewer infrastructure is constructed by another landowner or developer after the Effective Date and such infrastructure serves the Property in lieu of the Water Infrastructure Improvements or the Sewer Infrastructure Improvements, front footage

charges (Sections 35-58 of the City Code, et. seq), water main capacity charges (Sections 35-87 of the City Code, et. seq) and sewer per acre charges (Section 35-81 of the City Code, et seq.) shall apply to Owner on the same terms that such fees would apply to landowners within the City's corporate limits (the "Future Infrastructure Cost-Sharing Fees").

5.05 Exclusive Fees. Except for Plat Review Fees, Plan Review Fees, Infrastructure Inspection Fees, Building Permit and Inspection Fees, Community Facilities Agreements Fees, Encroachment Agreement Fees, Water and Sewer Impact Fees, Tap Fees, Existing Infrastructure Cost-Sharing Fees and Future Infrastructure Cost-Sharing Fees, no other fees or charges of any kind are due and payable to the City in connection with the development of the Property.

ARTICLE VI **ANNEXATION**

6.01 Continuation of ETJ Status. Except as provided in Section 6.03 and 6.06 of this Agreement, the Property shall remain in the City's ETJ during the Term of this Agreement, and the City guarantees the continuation of the ETJ status of the Property during the Term.

6.02 Immunity from Annexation. Except as provided in Sections 6.03 and 6.06 of this Agreement, the Property shall be immune from annexation during the Term of this Agreement, and the City guarantees immunity from annexation during the Term in accordance with Section 212.172(b) of the Local Government Code.

6.03 Full Purpose Annexation.

(a) The City shall have the right, but not the obligation, to annex the MUD No. 1 Property for full purposes on or after the earlier to occur of: (i) the date that construction of water, sanitary sewer, drainage and road facilities to serve 90% of the MUD No. 1 Property is complete; or (ii) dissolution of Tradition MUD No. 1 (other than as the result of annexation by the City); or (c) expiration of the Term of the Agreement for the MUD No. 1 Property. If the City elects to annex the MUD No. 1 Property, the City must annex all of the MUD No. 1 Property simultaneously. The City may not annex the MUD No. 1 Property in phases.

(b) The City shall have the right, but not the obligation, to annex the MUD No. 2B Property and the Non-District Property for full purposes on or after the earlier to occur of: (i) the date that construction of water, sanitary sewer, drainage and road facilities to serve 90% of the MUD No. 2B Property is complete; or (ii) the dissolution of Tradition MUD No. 2B (other than as the result of annexation by the City); or (c) expiration of the Term of the Agreement for the MUD No. 2B Property and the Non-District Property. If the City elects to annex the MUD No. 2B Property, the City must annex all of the MUD No. 2B Property simultaneously. The City may not annex the MUD No. 2B Property in phases.

(c) Owner shall provide an annexation notice in the form attached as **Exhibit H** in connection with the first sale of each lot to a Lot Owner, as hereafter defined, and shall record the signed notice in the Real Property Records of Denton County, Texas.

6.04 Limited Purpose Annexation. The City and Tradition MUD No. 1 entered into a Strategic Partnership Agreement dated July 26, 2007 (Mayor and Council Communication No. C-22258, City Secretary Contract No. 35626) (the "Original Strategic Partnership Agreement") authorizing the City to annex approximately 108.19 acres of property defined in such agreement as the Original Commercial Property for the sole and limited purpose of assessing and collecting sales and use tax pursuant to Section 43.0751 of the Local Government Code. Pursuant to the Original Strategic Partnership Agreement, the City Council approved Ordinance No. 17735-08-2007 annexing approximately 108.19 acres of land within Tradition MUD No. 1 which were then designated for commercial development pursuant to the MUD No. 1 Development Agreement, including the Mixed-Use Tract depicted on the Development Plan which is allowed to be used for commercial uses pursuant to this Agreement. The City shall cooperate with Tradition MUD No. 1 to approve an amended strategic partnership agreement superseding the Original Strategic Partnership Agreement.

6.05 Incorporation. In furtherance of the purposes of this Agreement, Owner, on behalf of itself and its successors and Assignees, covenants and agrees to the extent allowed by law that, except upon written consent of the City Council, which approval may be withheld or conditioned by the City Council at its sole discretion, they will not: (a) seek or support any effort to incorporate the Property, or any part thereof; or (b) sign, join in, associate with, or direct to be signed any petition seeking to incorporate any of the Property or to include any of the Property within the boundaries of any other incorporated entity.

6.06 Annexation of Portions of Property. Owner agrees to cooperate with and assist the City in annexing one or more areas in the manner prescribed by law which does not result in the dissolution of the District, each of which may not exceed 525 feet in width at its widest point or such other width limitation subsequently imposed by law, as reasonably necessary for the City to connect areas to the City that are outside the Districts and that the City intends to annex. Notwithstanding the zoning designation approved for the annexed area, such area can be developed and used in accordance with this Agreement.

ARTICLE VII

TERM OF AGREEMENT

This Agreement is a development agreement authorized by Section 212.172 of the Local Government Code. The Term of this Agreement, as defined in Article I, is twenty (20) years. Upon annexation for full purposes of all land within Tradition MUD No. 1 or Tradition MUD No. 2B, the Agreement will terminate as to all of such annexed land, but shall remain in effect for the remainder of the Property. The Term of this Agreement shall not be affected by the annexations permitted by Section 6.06 of this Agreement or by the limited purpose annexation of any commercial property pursuant to the Original Strategic Partnership Agreement, as amended.

ARTICLE VIII

BREACH, NOTICE AND REMEDIES

8.01 Notification of Breach. If a Party commits a breach of this Agreement, the non-breaching Party shall give Notice to the breaching Party that describes the breach in reasonable detail.

8.02 Cure of Breach. The breaching Party shall commence curing such breach within fourteen (14) calendar days after receipt of such Notice and shall complete the cure within fourteen (14) calendar days from the date of commencement of the cure; however, if the breach is not reasonably susceptible to cure by the breaching Party within such fourteen (14) day period, the non-breaching Party shall not bring any action so long as the breaching Party has commenced to cure the default within such fourteen (14) day period and diligently completes the work within a reasonable time (not to exceed an additional thirty (30) days) without unreasonable cessation of the work.

8.03 Remedies for Breach. If the breaching Party does not substantially cure such breach within the stated period of time, the non-breaching Party may, in its sole discretion, and without prejudice to any other right under this Agreement, law, or equity, seek any relief available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act, specific performance, mandamus and injunctive relief; provided, however, that the non-breaching Party shall not be entitled to monetary damages or to terminate this Agreement, and each Party specifically waives any right such Party has or in the future may have to terminate this Agreement. It is understood and agreed that no Party will seek or recover actual, consequential or any other type of monetary damages or awards, including but not limited to attorney's fees, in the event that any Party brings suit under or related to this Agreement.

8.04 Governmental Powers; Waiver of Immunity. It is understood that by execution of this Agreement the City does not waive or surrender any of its governmental powers, immunities or rights, except as specifically waived pursuant to this Section 8.04. The City waives its governmental immunity from suit and liability only as to any action brought by a Party to pursue the remedies available under this Agreement and only to the extent necessary to pursue such remedies. Nothing in this Section 8.04 shall waive any claims, defenses or immunities that the City has with respect to suits against the City by persons or entities not a party to this Agreement.

ARTICLE IX

ADDITIONAL PROVISIONS

9.01 Notice. Any notices, certifications, approvals, or other communications required to be given by one Party to another under this Agreement (a "Notice") shall be given in writing addressed to the Party to be notified at the address set forth below and shall be deemed given: (i) when the Notice is delivered in person to the person to whose attention the Notice is addressed; (ii) when received if the Notice is deposited in the United States Mail, certified or registered mail, return receipt requested, postage prepaid; (iii) when the Notice is delivered by Federal Express, UPS, or another nationally recognized courier service with evidence of delivery signed by any person at the delivery address; and (iv) five business days after the Notice is sent by FAX

(with electronic confirmation by the sending FAX machine) with a confirming copy sent by United States mail within 48 hours after the FAX is sent. If any date or period provided in this Agreement ends on a Saturday, Sunday, or legal holiday, the applicable period for calculating the notice shall be extended to the first business day following the Saturday, Sunday, or legal holiday. For the purpose of giving any Notice, the addresses of the Parties are set forth below. The Parties may change the information set forth below by sending Notice of such changes to the other Party as provided in this Section 9.01.

To the City:

City of Fort Worth, Texas
1000 Throckmorton Street
Fort Worth, Texas 76102
Attn: City Manager
FAX: (817) 392-6134

City of Fort Worth, Texas
1000 Throckmorton Street
Fort Worth, Texas 76102
Attn: Planning and Development Director
FAX: (817) 392-7985

To Owner:

SLF IV – 114 Assemblage, L.P
c/o Stratford Land
5949 Sherry Lane
Suite 1750
Dallas, Texas 75225
Attn: Asset Manager
FAX: (214) 368-9192

With a copy to :

Marcella Olson
Shupe Ventura Lindelow & Olson PLLC
500 Main Street
Suite 800
Fort Worth, Texas 76102
FAX: (800) 519-3768

9.02 Assignment.

(a) By Owner to the District. Owner has the right, from time to time, to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of Owner under this Agreement to a District. Each assignment shall be in writing in substantially the form attached hereto as **Exhibit I**, shall be executed by Owner and the District and shall

obligate the District to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. Owner shall record each assignment in the Real Property Records of Denton County and provide a copy of such assignment to all Parties within 15 days after execution. From and after such assignment, the City agrees to look solely to the District for the performance of all obligations assigned to the District and agrees that Owner shall be released from subsequently performing the assigned obligations and from any liability that results from the District's failure to perform the assigned obligations; provided, however, if a copy of the assignment is not received by the City within 15 days after execution, Owner shall not be released until the City receives such assignment. No assignment by Owner shall release Owner from any liability resulting from an act or omission by Owner that occurred prior to the effective date of the assignment unless the City approves the release in writing. Owner shall maintain written records of all assignments made by Owner to the District, including a copy of each executed assignment, and, upon written request from any Party or Assignee, shall provide a copy of such records to the requesting person or entity. The District shall be considered an "Assignee" for purposes of this Agreement.

(b) By Owner to Successor Owners. Owner has the right (from time to time without the consent of the City, but upon written Notice to the City) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of Owner under this Agreement, to an Assignee that is an owner of any portion of the Property or will become an owner of any portion of the Property within 15 days after the assignment (an "Assignee"). Each assignment shall be in writing in substantially the form attached hereto as Exhibit I, shall be executed by Owner 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. Owner shall record each assignment in the Real Property Records of Denton County and provide a copy of each assignment to all Parties within 15 days after execution. From and after such assignment, the City agrees to look solely to the Assignee for the performance of all obligations assigned to the Assignee and agrees that Owner shall be released from subsequently performing the assigned obligations and from any liability that results from the Assignee's failure to perform the assigned obligations; provided, however, if a copy of the assignment is not received by the City within 15 days after execution, Owner shall not be released until the City receives such assignment. No assignment by Owner shall release Owner from any liability resulting from an act or omission by Owner that occurred prior to the effective date of the assignment unless the City approves the release in writing. Owner shall maintain written records of all assignments made by Owner to Assignees, including a copy of each executed assignment and the Assignee's Notice information as required by this Agreement, and, upon written request from any Party or Assignee, shall provide a copy of such records to the requesting person or entity.

(c) By the City. The City shall not assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of the City under this Agreement, to any person, entity, or political subdivision without the prior written approval of Owner, which approval shall not be unreasonably withheld or delayed.

9.03 Encumbrance by Owner and Assignees. Owner and Assignees have the right, from time to time, to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of their respective rights, title, or interest under this Agreement for the benefit of

their respective Lenders without the consent of, but with written Notice to, the City within fourteen (14) days after the effective date of such encumbrance. The collateral assignment, pledge, grant of lien or security interest, or other encumbrance shall not, however, obligate any Lender to perform any obligations or incur any liability under this Agreement: (a) unless the Lender agrees in writing to perform such obligations or incur such liability; or (b) unless the Lender becomes an Assignee pursuant to this Section 9.03. A Lender becomes an Assignee with respect to any portion of the Property only when: (a) the Lender holds fee simple title to such portion of the Property for more than one year; or (b) holds fee simple title to such portion of the Property and takes any action to develop such portion of the Property (excluding action ordinarily and customarily taken by lenders to protect the value of unimproved land and to prepare such unimproved land for sale to prospective purchasers). Notwithstanding the foregoing, however, this Agreement shall continue to bind the Property and shall survive any transfer, conveyance, or assignment occasioned by the exercise of foreclosure or other rights by a Lender, whether judicial or non-judicial. Any purchaser from or successor owner through a Lender of any portion of the Property shall be bound by this Agreement and shall not be entitled to the rights and benefits of this Agreement with respect to the acquired portion of the Property until all defaults under this Agreement with respect to the acquired portion of the Property have been cured.

9.04 Recordation and Applicability to Lot Owners. Pursuant to the requirements of Section 212.172(c) of the Local Government Code, Owner shall record this Agreement, all amendments to this Agreement, and all assignments pursuant to Section 9.02 in the Real Property Records of Denton County, Texas, and shall provide a file-marked copy of the recorded Agreement to the Planning and Development Director within ten (10) days after its execution. **This Agreement shall be binding upon the Property, the City, Owner, any Lender that has become an Assignee, and any other Assignee, and their respective successors and assigns.** The Parties agree that this Agreement benefits and burdens the Property and touches and concerns the Property. The rights and obligations under this Agreement are intended to be covenants running with the Property. Notwithstanding the foregoing, this Agreement is not binding upon, and shall not constitute any encumbrance to title as to any Lot Owner except each Lot Owner is bound by Sections 2.01, 2.02 and 6.05 during the term of this Agreement.

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

9.06 Reservation of Rights and Claims. This Agreement constitutes a "permit" as defined in Chapter 245, Texas Local Government Code, as amended, that is deemed filed with the City on the Effective Date. Owner does not, by entering into this Agreement, waive any rights arising under Chapter 245, as amended, under Chapter 43 of the Local Government Code, as amended, or under any other provision of law.

9.07 Governing Law and Venue. THIS AGREEMENT MUST BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AS THEY APPLY TO CONTRACTS PERFORMED WITHIN THE STATE OF TEXAS AND WITHOUT REGARD TO ANY CHOICE OF LAW RULES OR PRINCIPLES TO THE CONTRARY. THE PARTIES ACKNOWLEDGE THAT THIS AGREEMENT IS PERFORMABLE IN TARRANT COUNTY, TEXAS, AND HEREBY SUBMIT TO THE JURISDICTION OF THE COURTS OF TARRANT COUNTY, TEXAS, AND HEREBY AGREE THAT ANY SUCH COURT SHALL BE A PROPER FORUM FOR THE DETERMINATION OF ANY DISPUTE ARISING HEREUNDER.

9.08 Performance Requirements; Force Majeure. Time is of the essence in the performance by the Parties of their respective obligations under this Agreement. Whenever performance is required, the Party must use good faith and due diligence to perform and take all necessary measures to perform, but if completion of performance is delayed by reason of acts of God, civil commotion, terrorism, strikes, picketing, casualty, or other similar matter beyond the reasonable control of the Party, then the time for performance will be appropriately extended by the amount of delay so caused, and the Party so delayed shall resume full performance at the earliest possible time.

9.09 Severability. The provisions of this Agreement are severable and, in the event any word, phrase, clause, sentence, paragraph, section, or other provision of this Agreement, or the application thereof to any person or circumstance, shall ever be held or determined to be invalid, illegal, or unenforceable for any reason, and the extent of such invalidity or unenforceability does not cause substantial deviation from the underlying intent of the parties as expressed in this Agreement, then such provision shall be deemed severed from this Agreement with respect to such person, entity or circumstance, without invalidating the remainder of this Agreement or the application of such provision to other persons, entities or circumstances, and a new provision shall be deemed substituted in lieu of the provision so severed which new provision shall, to the extent possible, accomplish the intent of the Parties evidenced by the provision so severed.

9.10 Changes in State or Federal Laws. If any state or federal law changes so as to make it impossible for a Party to perform its obligations under this Agreement, the Parties will cooperate to amend this Agreement in such a manner that is most consistent with the original intent of this Agreement as legally possible.

9.11 Additional Documents and Acts. The Parties agree that at any time after execution of this Agreement, they will, upon request of the other Party, execute and/or exchange any other documents necessary to effectuate the terms of this Agreement and perform any further acts or things as the other Party may reasonably request to effectuate the terms of this Agreement.

9.12 Captions. Captions and headings used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

9.13 Amendment. This Agreement may be amended only with the approval of the City Council and the written consent of all Owners of at least 10 acres within the Property. Without

limiting the foregoing, consent of any homeowners association or property owners association shall not be required for amendment of this Agreement.

9.14 Interpretation. The Parties acknowledge that each party and, if it so chooses, its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto. As used in this Agreement, the term "including" means "including without limitation" and the term "days" means calendar days, not business days. Wherever required by the context, the singular shall include the plural, and the plural shall include the singular. Each defined term herein may be used in its singular or plural form whether or not so defined.

9.15 No Third Party Beneficiaries. This Agreement is solely for the benefit of the City and Owner, and neither the City nor Owner intends by any provision of this Agreement to create any rights in any third-party beneficiaries or to confer any benefit or enforceable rights under this Agreement or otherwise upon anyone other than the City and Owner. Notwithstanding the foregoing, the City and Owner intend that the District shall be a third-party beneficiary of this Agreement.

9.16 Authority to Execute. The City warrants that this Agreement has been approved by the City Council in accordance with all applicable public meeting and public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been authorized to do so. Owner warrants that the execution of this Agreement is duly authorized in conformity with the articles of incorporation, bylaws, partnership agreement or other applicable organizational documents of Owner and that the individual executing this Agreement on behalf of Owner has been authorized to do so.

9.17 Temporary Manufactured Housing. Notwithstanding any other provision of this Agreement to the contrary, from time to time, a maximum of five temporary manufactured homes shall be permitted within a District on the Property at any given time for occupancy by qualified voters that are necessary for the creation, division, confirmation or administration of the District. Owner will notify the City of the make, model, HUD number, and 911 address of each home within 15 days after it is occupied. Manufactured homes permitted by this Agreement (a) are not required to be located on a platted lot; (b) do not require a building permit pursuant to Section 3.04; (c) are not subject to the Governing Regulations; (d) not require any permit or other approval by the City; and (e) will be removed within sixty (60) days when no longer needed for the creation, division, confirmation or administration of a District.

9.18 Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) contribute to the basis upon which the Parties negotiated and entered into this Agreement; and (c) reflect the final intent of the Parties as stated therein. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

9.19 Exhibits. All exhibits attached to this Agreement are incorporated as part of this Agreement for the purposes set forth herein, as follows:

Exhibit A	Map of the Property
Exhibit B	Legal Description of the Property
Exhibit C-1	Development Plan (Master Plan)
Exhibit C-2	Development Plan (Parks, Trails and Open Space Plan)
Exhibit D	Water and Sewer Infrastructure Improvements Summary
Exhibit E	Offsite Water Infrastructure Improvements
Exhibit E-1	Onsite Water Infrastructure Improvements
Exhibit F	Offsite Sanitary Sewer Infrastructure Improvements
Exhibit F-1	Onsite Sanitary Sewer Infrastructure Improvements
Exhibit G	Traditions Transportation Improvements Summary
Exhibit G-1	Transportation Improvement Triggers
Exhibit G-2	Onsite Road Improvements
Exhibit G-3	Offsite Road Improvements
Exhibit H	Annexation Notice
Exhibit I	Form of Assignment and Assumption Agreement

9.20 Takings Impact Assessment. Owner expressly and unconditionally waives and releases the City from any obligation to perform a takings impact assessment under the Texas Private Real Property Rights Act, Texas Government Code Chapter 2007, as it may apply to this Agreement or the Property.

9.21 Conspicuous Provisions. The Parties acknowledge that the provisions of this Agreement set out in **bold**, **CAPITALS** (or any combination thereof) satisfy the requirements for the express negligence rule and/or are conspicuous.

9.22 Counterpart Originals. This Agreement may be executed in counterparts, each of which shall be deemed to be an original.

SIGNATURES APPEAR ON FOLLOWING PAGE

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

SLF IV - 114 Assemblage, L.P.
Dallas, TX United States

Certificate Number:
2016-1428

Date Filed:
01/06/2016

Date Acknowledged:

2/3/16

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

City of Forth Worth

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the goods or services to be provided under the contract.

0

Development Agreement pursuant to local government code sec. 212.172 governing development of 1,102 acres of land.

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Bernie, Hietbrink	Dallas, TX United States		X
	Stratford Land Fund IV, L.P.	Dallas, TX United States	X	
	SLF IV Property GP, LLC	Dallas, TX United States	X	
	Ocie, Vest	Dallas, TX United States		X
	Olson, Marcella	Fort Worth, TX United States		X

5 Check only if there is NO interested Party.

☐

6 AFFIDAVIT

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct.

Manic Westenburg
Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said MANIC WESTENBURG, this the 6th day of JANUARY, 2016, to certify which, witness my hand and seal of office.

Susan C. Evans
Signature of officer administering oath

SUSAN C. EVANS
Printed name of officer administering oath



Susan C. Evans
Notary Public,
State of Texas
Expires: 03-15-2018

Title of officer administering oath

ATTEST:

Mary J. Kayser
Mary J. Kayser, City Secretary
Manager

CITY OF FORT WORTH

By:

Fernando Costa
Fernando Costa, Assistant City

Date:

1/27/16

APPROVED AS TO FORM AND
LEGALITY:

Melinda Rums
Assistant City Attorney

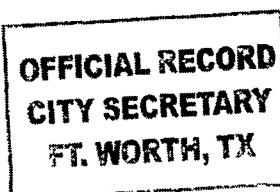
STATE OF TEXAS §
 §
COUNTY OF TARRANT §

This instrument was acknowledged before me, on the 27th day of January, 2016,
by Fernando Costa, Assistant City Manager of the City of Fort Worth, Texas on behalf of said
City.

Trish Johnson
Notary Public, State of Texas

Printed Name: Trish Johnson

My Commission Expires: April 12, 2018



SLF IV – 114 ASSEMBLAGE, L.P.,
a Texas limited partnership

By: SLF IV Property GP, LLC,
a Texas limited liability company,
its General Partner

By: Stratford Land Fund IV, L.P.,
a Delaware limited partnership,
its Co-Managing Member

By: Stratford Fund IV GP, LLC,
a Texas limited liability company,
its General Partner

By: *Mark Westerburg*
Name: Mark Westerburg
Title: Vice President

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 20th day of January, 2016, by Mark Westerburg, Vice President of Stratford Fund IV GP, LLC, a Texas limited liability company, General Partner of Stratford Land Fund IV, L.P., a Delaware limited partnership, co-managing member of SLF IV Property GP, LLC, a Texas limited liability company, General Partner of SLF IV – 114 ASSEMBLAGE, L.P., a Texas limited partnership, on behalf of said limited partnership.



Leslie Reid Hudson
Notary Public

Printed Name: Leslie Reid Hudson

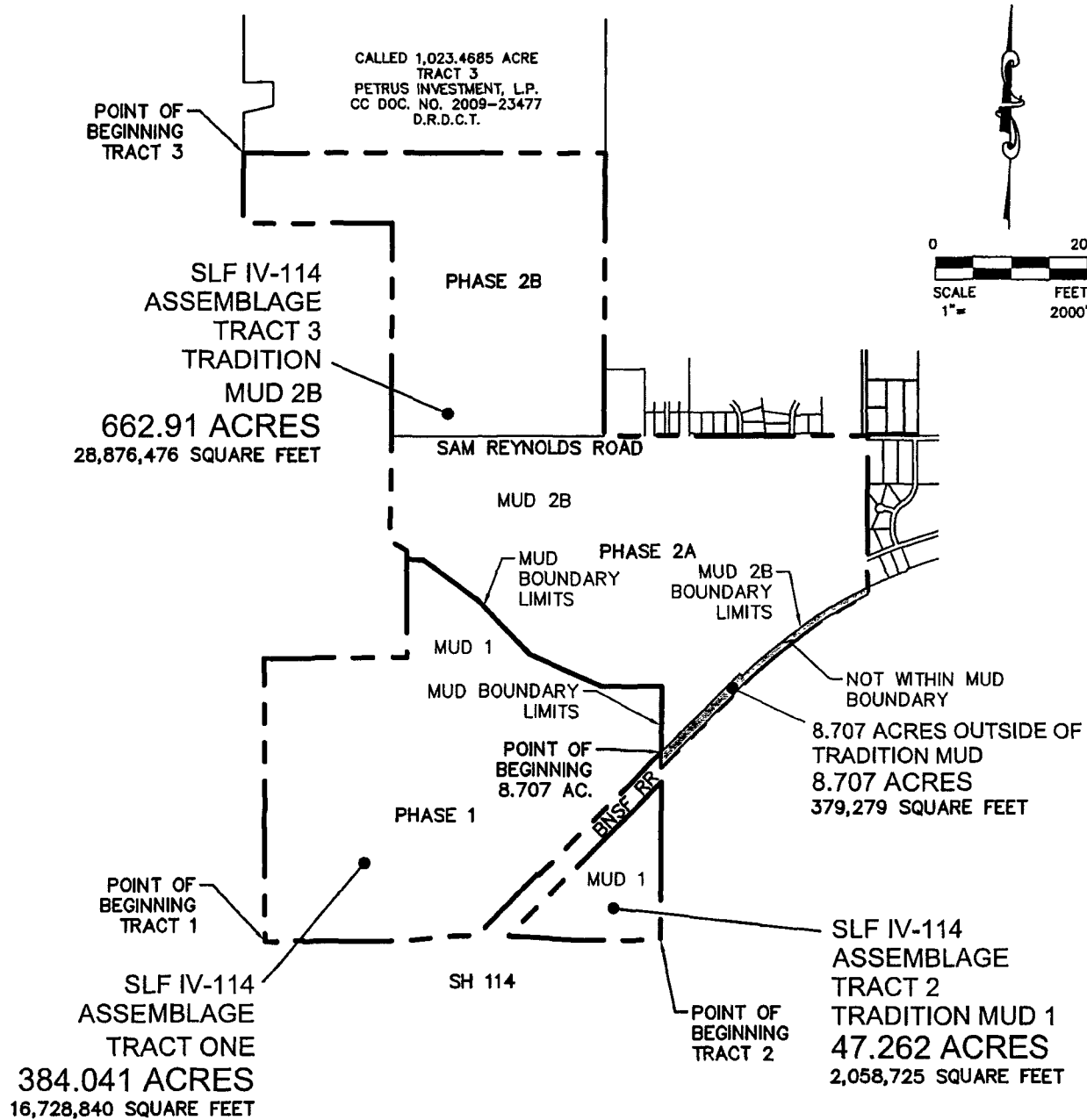
My Commission Expires: 12-19-2018

Exhibit A
Map of the Property

Exhibit A to Development Agreement Between City of Fort Worth
and SLF IV-114 Assemblage, L.P

PLOTTED BY: Bullard, Brandon ON: Wednesday, May 27, 2015 AT: 3:29 PM FILEPATH: G:\Productions\000700\8000788\Survey-DA\003\Drawings\EXHIBIT'S\8000788 003 SLF Overall Property Exhibit A - DUNAWAY ORIGINAL SURVEY.dwg

EXHIBIT 'A'



B000788.003

PAGE 1 OF 1

A metes and bounds description of even date accompanies this drawing.

APRIL 23, 2015



550 Bailey Avenue • Suite 400 • Fort Worth, Texas 76107
Tel: 817.335.1121 • Fax: 817.335.7437
FIRM REGISTRATION 10098100

TRADITION
EXHIBIT OF
SLF IV-114 ASSEMBLAGE, L.P.
PROPERTY WITHIN
TRADITION MUD 1 AND MUD 2B,
AND OUTSIDE OF MUD 2B
BOUNDARIES
DENTON COUNTY, TEXAS

Exhibit B
Legal Description of the Property

EXHIBIT 'B'

SLF IV-114 ASSEMBLAGE, L.P., PROPERTY WITHIN TRADITION MUD 1

METES & BOUNDS

SLF IV-114 ASSEMBLAGE TRACT 1

BEING a 384.11 acre tract of land situated in the Guadalupe Cardinas Survey, Abstract No. 214, Denton County, Texas, said tract being all of a called 310.43 acre (Tract 1) tract of land described in deed to SLF IV - 114 Assemblage, L.P., as recorded in County Clerk Document No. 2014-47796, Deed Records Denton County, Texas (D.R.D.C.T.); all of a called 0.6807 acre (Tract 1A) tract of land described in deed to SLF IV - 114 Assemblage, L.P., as recorded in County Clerk Document No. 2014-47856, D.R.D.C.T.; all of a called 31.01 acre (Tract 1) tract of land described in deed to SLF IV - 114 Assemblage, L.P., as recorded in County Clerk Document No. 2014-47855, D.R.D.C.T.; all of a called 30.00 acre (Tract 2) tract of land described in deed to SLF IV - 114 Assemblage, L.P., as recorded in County Clerk Document No. 2014-47855, D.R.D.C.T.; all of a called 0.0944 acre (Tract 1) tract of land described in deed to SLF IV - 114 Assemblage, L.P., as recorded in County Clerk Document No. 2014-47854, D.R.D.C.T.; all of a called 5.814 acre (Tract 2) tract of land described in deed to SLF IV - 114 Assemblage, L.P., as recorded in County Clerk Document No. 2014-47854, D.R.D.C.T.; and all of a called 6.090 acre (Tract 3) tract of land described in deed to SLF IV - 114 Assemblage, L.P., as recorded in County Clerk Document No. 2014-47854, D.R.D.C.T., said 384.11 acre tract being more particularly described as follows:

BEGINNING at a found 5/8-inch iron rod with cap stamped "DUNAWAY ASSOC. LP" for the northwest corner of said 310.43 acre tract, and being on the east line of a called 15.22 acre tract of land described in deed to The 1990 Betty Marie McIntyre Irrevocable Trust, Et Al, as recorded in Volume 2906, Page 363, D.R.D.C.T., said point also being the southwest corner of a called 330.21 acre (Tract 3) tract of land described in deed to SLF IV - 114 Assemblage, LP, as recorded in Document No. 2014-47856, D.R.D.C.T., said point being within Harriet Creek;

THENCE South 86 degrees 14 minutes 27 seconds East, along the common north line of said 310.43 acre tract and the south line of said 330.21 acre tract, a distance of 222.13 feet to a found 1/2 inch iron rod with a plastic cap stamped "GOODWIN & MARSHALL" for corner near the south bank of a Harriet Creek;

THENCE South 52 degrees 34 minutes 22 seconds East, continuing along said common line, a distance of 867.86 feet to a point for corner within said Harriet Creek;

THENCE South 44 degrees 08 minutes 03 seconds East, continuing along said common line, a distance of 999.83 feet to a found 5/8 inch iron rod with a plastic cap stamped "DUNAWAY ASSOC. LP" for corner within said Harriet Creek;

THENCE South 65 degrees 58 minutes 36 seconds East, continuing along said common line, a distance of 1029.91 feet to a point for corner within said Harriet Creek;

THENCE North 90 degrees 00 minutes 00 seconds East, continuing along said common line, a distance of 773.30 feet to a found 1/2 inch iron rod with a plastic cap stamped "GOODWIN & MARSHALL" for the northeast corner of said 310.43 acre tract and the most southerly southeast corner of said 330.21 acre tract, said corner being on the west line of a called 97.41 acre (Tract 1) tract of land described in deed to SLF IV - 114 Assemblage, L.P., as recorded in County Clerk Document No. 2014-47857, D.R.D.C.T.;

THENCE South 00 degrees 07 minutes 11 seconds East, along the east line of said 310.43 acre tract and the west line of said 97.41 acre tract, a distance of 860.88 feet to a found 5/8 inch iron rod with a plastic cap stamped "DUNAWAY ASSOC. LP" for the most easterly southeast corner of said 310.43 acre tract, said corner being the northeast line of a tract of land described in deed to The Atchison, Topeka and Santa Fe Railway Company, as recorded in County Clerk Document No. 93-20408, D.R.D.C.T., said corner also being the northwest line of a tract of land described in deed to The Atchison, Topeka and Santa Fe Railway Company, Notice of Lis Pendens, as recorded in Volume 3450, Page 59, D.R.D.C.T.;

continued next page...

B000788.003

PAGE 1 OF 8

A drawing of even date accompanies
this metes and bounds description.

APRIL 15, 2015



550 Bailey Avenue • Suite 400 • Fort Worth, Texas 76107
Tel: 817.335.1121 • Fax: 817.335.7437
FIRM REGISTRATION 10098100

TRADITION
EXHIBIT OF
SLF IV-114 ASSEMBLAGE, L.P.
PROPERTY WITHIN
TRADITION MUD 1 AND MUD 2,
AND OUTSIDE OF MUD
BOUNDARIES
DENTON COUNTY, TEXAS

EXHIBIT 'B'

SLF IV-114 ASSEMBLAGE, L.P., PROPERTY WITHIN TRADITION MUD 1

METES & BOUNDS

SLF IV-114 ASSEMBLAGE TRACT 1 continued...

THENCE South 44 degrees 26 minutes 33 seconds West, along said 310.43 acre tract and the northwest line of said Atchison, Topeka and Santa Fe Railway Company tract, a distance of 2253.73 feet to a found 5/8 inch iron rod for corner;

THENCE North 47 degrees 17 minutes 20 seconds West, along said 310.43 acre tract and said Atchison, Topeka and Santa Fe Railway Company tract, a distance of 24.73 feet to a found 5/8 inch iron rod for corner;

THENCE South 44 degrees 27 minutes 42 seconds West, along said 310.43 acre tract and the northwest line of said Atchison, Topeka and Santa Fe Railway Company tract, a distance of 1121.43 feet to a found TXDOT monument for the southeast corner of said 310.43 acre tract and an ell corner of said Atchison, Topeka and Santa Fe Railway Company tract;

THENCE South 89 degrees 47 minutes 35 seconds West, along the south line of said 310.43 acre tract and the north line of said Atchison, Topeka and Santa Fe Railway Company tract, a distance of 286.33 feet to a found TXDOT monument for the corner of said Atchison, Topeka and Santa Fe Railway Company tract, said point also being on the north right-of-way line of State Highway 114 (variable width);

THENCE South 84 degrees 30 minutes 06 seconds West, along the north right-of-way line of said State Highway 114, a distance of 620.10 feet to a point for a southwest corner of said 310.43 acre tract and the southeast corner of said 30.00 acre tract;

THENCE South 84 degrees 37 minutes 24 seconds West, continuing along the north right-of-way line of said State Highway 114, a distance of 82.91 feet to a found TXDOT monument for an angle point;

THENCE South 89 degrees 49 minutes 00 seconds West, continuing along the north right-of-way line of said State Highway 114, passing at a distance of 667.40 feet a found 5/8-inch iron rod with cap stamped "DUNAWAY ASSOC. LP" for the southwest corner of said 30.00 acre tract and the southeast corner of said 6.090 acre tract, continuing to pass at a cumulative distance of 938.24 feet a found 5/8-inch iron rod with cap stamped "DUNAWAY ASSOC. LP" for the southwest corner of said 6.090 acre tract and a southeast corner of said 310.43 acre tract, continuing to pass at a cumulative distance of 1108.24 feet a found 5/8-inch iron rod with cap stamped "DUNAWAY ASSOC. LP" for a southwest corner of said 310.43 acre tract and the southeast corner of said 5.814 acre tract, continuing in all a total distance of 1248.76 feet to a found TXDOT monument for a jog in the north right-of-way line of said State Highway 114;

THENCE North 00 degrees 31 minutes 37 seconds West, along said jog in the north right-of-way line of said State Highway 114, a distance of 14.98 feet to a found TXDOT monument for the end of said jog;

THENCE South 89 degrees 49 minutes 58 seconds West, along the north right-of-way line of said State Highway 114, passing at a distance of 124.67 feet a found 1/2-inch iron rod for the southwest corner of said 5.814 acre tract and the southeast corner of said 31.01 acre tract, and continuing a total distance of 250.07 feet to a found TXDOT monument for a jog in the north right-of-way line of said State Highway 114;

THENCE South 00 degrees 15 minutes 07 seconds East, along said jog in the north right-of-way line of said State Highway 114, a distance of 14.73 feet to the end of said jog;

THENCE South 89 degrees 47 minutes 07 seconds West, along the north right-of-way line of said State Highway 114, a distance of 240.13 feet to a found TXDOT monument for the southwest corner of said 31.01 acre tract and the southeast corner of a called 435.5 acre tract of land described in deed to The 1990 Betty Marie McIntyre Irrevocable Trust, Et Al, as recorded in Volume 2906, Page 363, D.R.D.C.T.;

continued next page...

B000788.003

PAGE 2 OF 8

A drawing of even date accompanies
this metes and bounds description.

APRIL 15, 2015



550 Bailey Avenue • Suite 400 • Fort Worth, Texas 76107
Tel: 817.335.1121 • Fax: 817.335.7437
FIRM REGISTRATION 10098100

TRADITION
EXHIBIT OF
SLF IV-114 ASSEMBLAGE, L.P.
PROPERTY WITHIN
TRADITION MUD 1 AND MUD 2,
AND OUTSIDE OF MUD
BOUNDARIES
DENTON COUNTY, TEXAS

EXHIBIT 'B'

SLF IV-114 ASSEMBLAGE, L.P., PROPERTY WITHIN TRADITION MUD 1

METES & BOUNDS

SLF IV-114 ASSEMBLAGE TRACT 1 continued...

THENCE North 00 degrees 31 minutes 57 seconds West, along the west line of said 31.01 acre tract and the east line of said 435.5 acre tract, a distance of 3700.81 feet to a found 1/2-inch iron rod for the northwest corner of said 31.01 acre tract, said point being on the south line of a called 78 acre tract of land described in deed to The 1990 Betty Marie McIntyre Irrevocable Trust, Et Al, as recorded in Volume 2906, Page 363, D.R.D.C.T.;

THENCE North 89 degrees 40 minutes 18 seconds East, along a north line of said 31.01 acre tract and the south line of said 78 acre McIntyre tract, passing at a distance of 365.46 feet a found 1/2-inch iron rod with cap stamped "SENTCORP RPLS 4001" for the northeast corner of said 31.01 acre tract and a northwest corner of said 310.43 acre tract, and continuing along the north line of said 310.43 acre tract a total distance of 1826.63 feet to a found 1/2 inch iron rod for an ell corner of said 310.43 acre tract and the southeast corner of said 78 acre tract;

THENCE North 00 degrees 22 minutes 14 seconds West, along the west line of said 310.43 acre tract, the east lines of said 78 acre McIntyre tract and a called 15.22 acre tract of land described in deed to The 1990 Betty Marie McIntyre Irrevocable Trust, Et al, as recorded in Volume 2906, Page 363, D.R.D.C.T., a distance of 1294.93 feet to the POINT OF BEGINNING and containing 384.11 acres (16,732,018 square feet) of land, more or less.

SLF IV-114 ASSEMBLAGE TRACT 2

BEING a 47.26 acre tract of land situated in the Guadalupe Cardinas Survey, Abstract No. 214, Denton County, Texas, said tract being all of a called 47.26 acre tract of land described in deed to SLF IV - 114 Assemblage, L.P., as recorded in County Clerk Document No. 2014-47853, Deed Records Denton County, Texas (D.R.D.C.T.), said 47.26 acre tract being more particularly described as follows:

BEGINNING at a found TXDOT monument for the southeast corner of said 47.26 acre tract, said corner being on the apparent north right-of-way line of State Highway 114 (variable width);

THENCE South 89 degrees 48 minutes 35 seconds West, along the apparent north right-of-way line of said State Highway 114, a distance of 1072.86 feet to a found TXDOT monument for an angle point;

THENCE North 86 degrees 30 minutes 01 second West, along the apparent north right-of-way line of said State Highway 114, a distance of 900.15 feet to a found TXDOT monument for the intersection of the apparent north right-of-way line of said State Highway 114 with the east line of a tract of land described in deed to The Atchison, Topeka and Santa Fe Railway Company, as recorded in County Clerk Document No. 93-20408, D.R.D.C.T.;

THENCE North 44 degrees 26 minutes 33 seconds East, along the west line of said 47.26 acre tract, a distance of 2809.66 feet to a found 5/8 inch iron rod for the north corner of said 47.26 acre tract, said corner being on the west line of a called 222.4838 acre tract of land described in deed to MAW River's Edge L.P., as recorded in County Clerk Document No. 2005-11599, D.R.D.C.T.;

THENCE South 00 degrees 06 minutes 43 seconds East, along the east line of said 47.26 acre tract and the west line of said 222.4838 acre tract, the west line of River's Edge, an addition to the City of Fort Worth, as recorded in Cabinet Y, Slide 465, Plat Records Denton County, Texas (P.R.D.C.T.), the west line of River's Edge, Phase 2, an addition to the City of Fort Worth, as recorded in County Clerk Document No. 2009-32, P.R.D.C.T., and the west line of a called 4.4365 acre tract of land described in deed to MAW River's Edge L.P., as recorded in County Clerk Document No. 2005-11599, D.R.D.C.T., a distance of 2057.36 feet to the POINT OF BEGINNING and containing 47.26 acres (2,058,827 square feet) of land, more or less.

B000788.003

PAGE 3 OF 8

A drawing of even date accompanies
this metes and bounds description.

APRIL 15, 2015



550 Bailey Avenue • Suite 400 • Fort Worth, Texas 76107
Tel: 817.335.1121 • Fax: 817.335.7437
FIRM REGISTRATION 10098100

**TRADITION
EXHIBIT OF
SLF IV-114 ASSEMBLAGE, L.P.
PROPERTY WITHIN
TRADITION MUD 1 AND MUD 2,
AND OUTSIDE OF MUD
BOUNDARIES
DENTON COUNTY, TEXAS**

EXHIBIT 'B'

SLF IV-114 ASSEMBLAGE, L.P., PROPERTY WITHIN TRADITION MUD 2

METES & BOUNDS

SLF IV-114 ASSEMBLAGE TRACT 3

BEING a 662.91 acre tract of land situated in the William D. Redd Survey, Abstract No. 1125, the James Cheshier Survey, Abstract No. 225, and the Guadalupe Cardinas Survey, Abstract No. 214, Denton County, Texas, said tract being all of a called 50.00 acre tract of land described as "Tract 2" in deed to SLF IV-114 Assemblage, L.P., as recorded in County Clerk Document No. 2014-53143, Deed Records of Denton County, Texas (D.R.D.C.T.), and also being all of a called 46.00 acre tract of land described as "Tract 2" in deed to SLF IV-114 Assemblage, L.P., as recorded in County Clerk Document No. 2014-47857, D.R.D.C.T., and also being all of a called 148.00 acre tract of land described as "Tract 1" in said deed to SLF IV-114 Assemblage, L.P., as recorded in County Clerk Document No. 2014-53143, D.R.D.C.T., also being all of a called 330.21 acre tract of land described as "Tract 3" in said deed to SLF IV-114 Assemblage, L.P., as recorded in County Clerk Document No. 2014-47856, D.R.D.C.T., and also being a part of a called 97.41 acre tract of land described as "Tract 1" in said deed to SLF IV-114 Assemblage, L.P., as recorded in County Clerk Document No. 2014-47857, D.R.D.C.T., said 662.91 acre tract being more particularly described as follows:

BEGINNING at a found P.K. Nail in asphalt within Sam Reynolds Road (variable width) for the northwest corner of said 50.00 acre tract;

THENCE North 89 degrees 56 minutes 13 seconds East, along the north line of said 50.00 acre tract, a distance of 4,660.47 feet to a found 1/2-inch iron rod with plastic cap stamped "RPLS 5439" (herein referred to as "with cap") for the northeast corner of said 50.00 acre tract;

THENCE South 00 degrees 02 minutes 37 seconds East, along the east line of said 50.00 acre tract, a distance of 27.00 feet to a found 1/2-inch iron rod for an angle point;

THENCE South 00 degrees 11 minutes 59 seconds West, continuing along the east line of said 50.00 acre tract, a distance of 185.95 feet to a 60D nail for an angle point;

THENCE South 01 degree 01 minute 11 seconds East, continuing along the east line of said 50.00 acre tract, a distance of 186.02 feet to a found 1/2-inch iron rod with red cap stamped "ALLIANCE" for an angle point;

THENCE South 00 degrees 18 minutes 15 seconds East, continuing along the east line of said 50.00 acre tract, a distance of 68.40 feet to a found 1/2-inch iron rod with yellow cap stamped "RPLS 5439" for the southeast corner of said 50.00 acre Johnson Bank tract and the northeast corner of said 46.00 acre tract;

THENCE South 00 degrees 19 minutes 44 seconds East, along the east line of said 46.00 acre tract, a distance of 117.99 feet to a found 1/2-inch iron rod with cap for an angle point;

THENCE South 00 degrees 16 minutes 02 seconds East, continuing along the east line of said 46.00 acre tract, a distance of 185.64 feet to a found 1/2-inch iron rod for an angle point;

THENCE South 00 degrees 14 minutes 59 seconds East, continuing along the east line of said 46.00 acre tract, a distance of 126.10 feet to a found 1/2-inch iron rod with cap for the southeast corner of said 46.00 acre tract and the northeast corner of said 148.00 acre tract;

THENCE South 00 degrees 25 minutes 32 seconds East, along the east line of said 148.00 acre tract, a distance of 60.38 feet to a found 1/2-inch iron rod for an angle point;

continued on next page...

B000788.003

PAGE 4 OF 8

A drawing of even date accompanies
this metes and bounds description.

APRIL 15, 2015



550 Bailey Avenue • Suite 400 • Fort Worth, Texas 76107
Tel: 817.335.1121 • Fax: 817.335.7437
FIRM REGISTRATION 10098100

TRADITION
EXHIBIT OF
SLF IV-114 ASSEMBLAGE, L.P.
PROPERTY WITHIN
TRADITION MUD 1 AND MUD 2,
AND OUTSIDE OF MUD
BOUNDARIES
DENTON COUNTY, TEXAS

EXHIBIT 'B'

SLF IV-114 ASSEMBLAGE, L.P., PROPERTY WITHIN TRADITION MUD 2

METES & BOUNDS

SLF IV-114 ASSEMBLAGE TRACT 3 continued...

THENCE South 00 degrees 03 minutes 07 seconds West, continuing along the east line of said 148.00 acre tract, a distance of 186.20 feet to a found 1/2-inch iron rod for an angle point;

THENCE South 00 degrees 28 minutes 16 seconds East, continuing along the east line of said 148.00 acre tract, a distance of 186.11 feet to a found 1/2-inch iron rod for an angle point;

THENCE South 00 degrees 08 minutes 31 seconds East, continuing along the east line of said 148.00 acre tract, a distance of 371.95 feet to a found 1/2-inch iron rod for an angle point;

THENCE South 00 degrees 16 minutes 37 seconds East, continuing along the east line of said 148.00 acre tract, a distance of 558.49 feet to a found 1/2-inch iron rod for an angle point;

THENCE South 00 degrees 12 minutes 23 seconds East, continuing along the east line of said 148.00 acre tract, a distance of 186.22 feet to a found 1/2-inch iron rod for an angle point;

THENCE South 00 degrees 21 minutes 29 seconds East, continuing along the east line of said 148.00 acre tract, a distance of 1,198.93 feet to a found 1/2-inch iron rod with cap for the southeast corner of said 148.00 acre tract and an ell corner of said 330.21 acre tract;

THENCE South 00 degrees 21 minutes 42 seconds East, along the northerly line of said 330.21 acre tract, a distance of 55.05 feet to a found Mag nail with shiner in asphalt within Sam Reynolds Road (variable width);

THENCE North 89 degrees 56 minutes 15 seconds East, along the north line of said 330.21 acre tract, a distance of 3,409.24 feet to a found 60D nail with shiner in asphalt within said Sam Reynolds Road for the northeast corner of said 330.21 acre tract;

THENCE South 00 degrees 15 minutes 21 seconds East, along east line of said 330.21 acre tract, a distance of 1,482.10 feet to a found 1/2 inch iron rod for the most easterly southeast corner of said 330.21 acre tract and the northeast corner of said 97.41 acre tract;

THENCE South 00 degrees 24 minutes 47 seconds East, along the east line of said 97.41 acre tract, a distance of 509.06 feet to a found 5/8-inch iron rod with cap stamped "DUNAWAY ASSOC. LP" for the northeast corner of a called 17.852 acre easement tract of land described in Agreed Judgment, No. CV-93-00004-C, as recorded in County Clerk Document No. 2014-46905, D.R.D.C.T., and in Volume 66, Page 104, Denton County District Court Records, said corner being on a circular curve to the left, having a radius of 5,829.65 feet and whose chord bears South 54 degrees 04 minutes 45 seconds West, a distance of 1,951.17 feet;

THENCE Southwesterly, along said 17.852 acre easement tract and said curve to the left, through a central angle of 19 degrees 16 minutes 03 seconds, an arc distance of 1,960.39 feet to a found 5/8-inch iron rod with cap stamped "DUNAWAY ASSOC. LP" for the end of said curve;

THENCE South 44 degrees 26 minutes 44 seconds West, continuing along said 17.852 acre easement tract, a distance of 27.66 feet to a found 5/8-inch iron rod with cap stamped "DUNAWAY ASSOC. LP" for corner;

continued on next page...

B000788.003

PAGE 5 OF 8

A drawing of even date accompanies
this metes and bounds description.

APRIL 15, 2015



550 Bailey Avenue • Suite 400 • Fort Worth, Texas 76107
Tel: 817.335.1121 • Fax: 817.335.7437
FIRM REGISTRATION 10098100

TRADITION
EXHIBIT OF
SLF IV-114 ASSEMBLAGE, L.P.
PROPERTY WITHIN
TRADITION MUD 1 AND MUD 2,
AND OUTSIDE OF MUD
BOUNDARIES
DENTON COUNTY, TEXAS

EXHIBIT 'B'

SLF IV-114 ASSEMBLAGE, L.P., PROPERTY WITHIN TRADITION MUD 2

METES & BOUNDS

SLF 1V-114 ASSEMBLAGE TRACT 3 continued...

THENCE North 45 degrees 33 minutes 16 seconds West, continuing along said 17.852 acre easement tract, a distance of 50.00 feet to a found 5/8-inch iron rod with cap stamped "DUNAWAY ASSOC. LP" for corner;

THENCE South 44 degrees 26 minutes 29 second West, continuing along said 17.852 acre easement tract, a distance of 1,446.34 feet to a found 5/8 inch iron rod for the northwest corner of said 17.852 acre easement tract and the northeast corner of a tract of land described in deed to The Atchison, Topeka and Santa Fe Railway Company, as recorded in County Clerk Document No. 93-20408, D.R.D.C.T.;

THENCE North 00 degrees 07 minutes 11 seconds West, along the west line of said 97.41 acre tract, a distance of 860.88 feet a found 1/2 inch iron rod with a plastic cap stamped "GOODWIN & MARSHALL" for the most southerly southeast corner of said 330.21 acre tract;

THENCE North 90 degrees 00 minutes 00 seconds West, along the southwest line of said 330.21 acre tract, a distance of 773.30 feet to a point for corner within Harriet Creek;

THENCE North 65 degrees 58 minutes 36 seconds West, continuing along the southwest line of said 330.21 acre tract, a distance of 1,029.91 feet to a found 5/8 inch iron rod with a plastic cap stamped "DUNAWAY ASSOC. LP" for corner within said Harriet Creek, from which a found 1/2 inch iron rod with a plastic cap stamped "GOODWIN & MARSHALL" bears North 66 degrees 30 minutes 20 seconds West, a distance of 0.74 feet;

THENCE North 44 degrees 08 minutes 03 seconds West, continuing along the southwest line of said 330.21 acre tract, a distance of 999.83 feet to a point for corner within said Harriet Creek;

THENCE North 52 degrees 34 minutes 22 seconds West, continuing along the southwest line of said 330.21 acre tract, a distance of 867.86 feet to a found 1/2 inch iron rod with a plastic cap stamped "GOODWIN & MARSHALL" for corner near the south bank of said Harriet Creek;

THENCE North 86 degrees 14 minutes 27 seconds West, continuing along the southwest line of said 330.21 acre tract, a distance of 222.13 feet to a found 5/8 inch iron rod with a plastic cap stamped "DUNAWAY ASSOC. LP" for an ell corner of said 330.21 acre tract;

THENCE North 00 degrees 22 minutes 44 seconds West, continuing along the southwest line of said 330.21 acre tract, a distance of 102.53 feet to a found 5/8 inch iron rod with a plastic cap stamped "DUNAWAY ASSOC. LP" for corner;

THENCE North 57 degrees 46 minutes 29 second West, continuing along the southwest line of said 330.21 acre tract, a distance of 253.45 feet to a found 1/2 inch iron rod for corner;

THENCE North 00 degrees 21 minutes 19 seconds East, along the west line of said 330.21 acre tract, a distance of 1,372.86 feet to a found PK nail for corner in the turn of an asphalt road known as Sam Reynolds Road;

continued on next page...

B000788.003

PAGE 6 OF 8

A drawing of even date accompanies
this metes and bounds description.

APRIL 15, 2015



550 Bailey Avenue • Suite 400 • Fort Worth, Texas 76107
Tel: 817.335.1121 • Fax: 817.335.7437
FIRM REGISTRATION 10096100

TRADITION
EXHIBIT OF
SLF IV-114 ASSEMBLAGE, L.P.
PROPERTY WITHIN
TRADITION MUD 1 AND MUD 2,
AND OUTSIDE OF MUD
BOUNDARIES
DENTON COUNTY, TEXAS

EXHIBIT 'B'

SLF IV-114 ASSEMBLAGE, L.P., PROPERTY WITHIN TRADITION MUD 2

METES & BOUNDS

SLF 1V-114 ASSEMBLAGE TRACT 3 continued...

THENCE North 00 degrees 12 minutes 20 seconds West, continuing along the west line of said 330.21 acre tract, passing at a distance of 1,206.47 feet to a found Mag nail with shiner in asphalt within said Sam Reynolds Road for the northwest corner of said 330.21 tract, said corner being the southwest corner of said 148.00 acre tract, and continuing within said Sam Reynolds Road and along the west line of said 148.00 acre tract, a total distance of 2,782.96 feet to a found railroad spike for the an ell corner of said 148.00 acre tract;

THENCE South 89 degrees 52 minutes 21 seconds West, within said Sam Reynolds Road and along the westerly south line of said 148.00 acre tract, a distance of 1,909.35 feet to a found 5/8-inch iron rod for the most westerly southwest corner of said 148 acre tract;

THENCE North 00 degrees 09 minutes 08 seconds West, within said Sam Reynolds Road and along the west line of said 148.00 acre tract, passing at a distance of 18.67 feet a found 1/2-inch iron rod with cap for the most westerly northwest corner of said 148.00 acre tract, said corner being the southwest corner of said 46.00 acre tract, and continuing along the west line of said 46.00 acre tract, passing at a cumulative distance of 448.40 feet a found 1/2-inch iron rod within said Sam Reynolds Road for the northwest corner of said 46.00 acre tract and a southwest corner of said 50.00 acre tract, and continuing along the west line of said 50.00 acre tract, a total cumulative distance of 915.74 feet to the POINT OF BEGINNING and containing 28,876,476 square feet or 662.91 acres of land, more or less.

Bearings are based upon the Texas State Plane Coordinate System (NAD83), North Central Zone 4202, and are based upon GPS measurements made on the ground. Distance values are "surface" derived from grid data by utilizing the Denton County Surface Scale Factor of 1.00015063, as published by TxDOT.

PROPERTY OUTSIDE OF TRADITION MUD BOUNDARY ON NEXT PAGE

B000788.003

PAGE 7 OF 8

A drawing of even date accompanies
this metes and bounds description.

APRIL 15, 2015



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FIRM REGISTRATION 10098100

**TRADITION
EXHIBIT OF
SLF IV-114 ASSEMBLAGE, L.P.
PROPERTY WITHIN
TRADITION MUD 1 AND MUD 2,
AND OUTSIDE OF MUD
BOUNDARIES
DENTON COUNTY, TEXAS**

EXHIBIT 'B'

SLF IV-114 ASSEMBLAGE, L.P., PROPERTY OUTSIDE OF TRADITION MUD BOUNDARY

METES & BOUNDS

BEING a 8.707 acre tract of land situated in the Guadalupe Cardinas Survey, Abstract No. 214, Denton County, Texas, said tract being a part of a called 97.41 acre tract of land described as "Tract 1" in said deed to SLF IV-114 Assemblage, L.P., as recorded in County Clerk Document No. 2014-47857, Deed Records of Denton County, Texas (D.R.D.C.T.), said 8.707 acre tract being more particularly described as follows:

BEGINNING at a found 5/8-inch iron rod with cap stamped "DUNAWAY ASSOC. LP" on the west line of said 97.41 acre tract and being the most easterly southeast corner of a called 310.43 acre (Tract 1) tract of land described in deed to SLF IV - 114 Assemblage, L.P., as recorded in County Clerk Document No. 2014-47796, D.R.D.C.T., being the northeast corner of a tract of land described in deed to The Atchison, Topeka and Santa Fe Railway Company, as recorded in County Clerk Document No. 93-20408, D.R.D.C.T., and being the northwest corner of a called 17.852 acre easement described in deed to The Atchison, Topeka and Santa Fe Railway Company Agreed Judgment, County Clerk Document No. 2014-46905, D.R.D.C.T.;

THENCE North 44 degrees 28 minutes 29 seconds East, crossing said 97.41 acre tract along the north line of said 17.852 acre easement, a distance of 1446.34 feet to a found 5/8-inch iron rod with cap stamped "DUNAWAY ASSOC. LP" for an angle point;

THENCE South 45 degrees 33 minutes 16 seconds East, continuing across said 97.41 acre tract and along the north line of said 17.852 acre easement, a distance of 50.00 feet to a found 5/8-inch iron rod with cap stamped "DUNAWAY ASSOC. LP" for an angle point;

THENCE North 44 degrees 26 minutes 44 seconds East, continuing across said 97.41 acre tract and along the north line of said 17.852 acre easement, a distance of 27.66 feet to a found 5/8-inch iron rod with cap stamped "DUNAWAY ASSOC. LP" for the beginning of a curve to the right, having a radius of 5829.65 feet and whose chord bears North 54 degrees 04 minutes 45 seconds East, a distance of 1951.17 feet;

THENCE Northeasterly, continuing across said 97.41 acre tract, along the north line of said 17.852 acre easement and along said curve to the right, through a central angle of 19 degrees 16 minutes 03 seconds, and an arc length of 1960.39 feet to a found 5/8-inch iron rod with cap stamped "DUNAWAY ASSOC. LP" for the end of said curve and on the east line of said 97.41 acre tract;

THENCE South 00 degrees 24 minutes 47 seconds East, along the east line of said 97.41 acre tract, a distance of 97.42 feet to a point for the southeast corner of said 97.41 acre tract and the beginning of a curve to the left, having a radius of 5742.22 feet and whose chord bears South 53 degrees 52 minutes 02 seconds West, a distance of 1879.94 feet;

THENCE Southwesterly, along the southeast line of said 97.41 acre tract, crossing said 17.852 acre easement and along said curve to the left, through a central angle of 18 degrees 50 minutes 34 seconds, and an arc length of 1888.44 feet to a point for the end of said curve;

THENCE South 44 degrees 26 minutes 29 seconds West, continuing long the southeast line of said 97.41 acre tract and crossing said 17.852 acre easement, a distance of 1613.63 feet to the southwest corner of said 97.41 acre tract;

THENCE North 00 degrees 07 minutes 11 seconds West, along the west line of said 97.41 acre tract and the east line of said Atchison, Topeka and Santa Fe Railway Company tract recorded in County Clerk Document No. 93-20408, D.R.D.C.T., a distance of 195.96 feet to the POINT OF BEGINNING and containing 8.707 acres (379,279 square feet) of land, more or less.

Bearings are based upon the Texas State Plane Coordinate System (NAD83), North Central Zone 4202, and are based upon GPS measurements made on the ground. Distance values are "surface" derived from grid data by utilizing the Denton County Surface Scale Factor of 1.00015063, as published by TxDOT.

B000788.003

PAGE 8 OF 8

A drawing of even date accompanies
this metes and bounds description.

APRIL 15, 2015



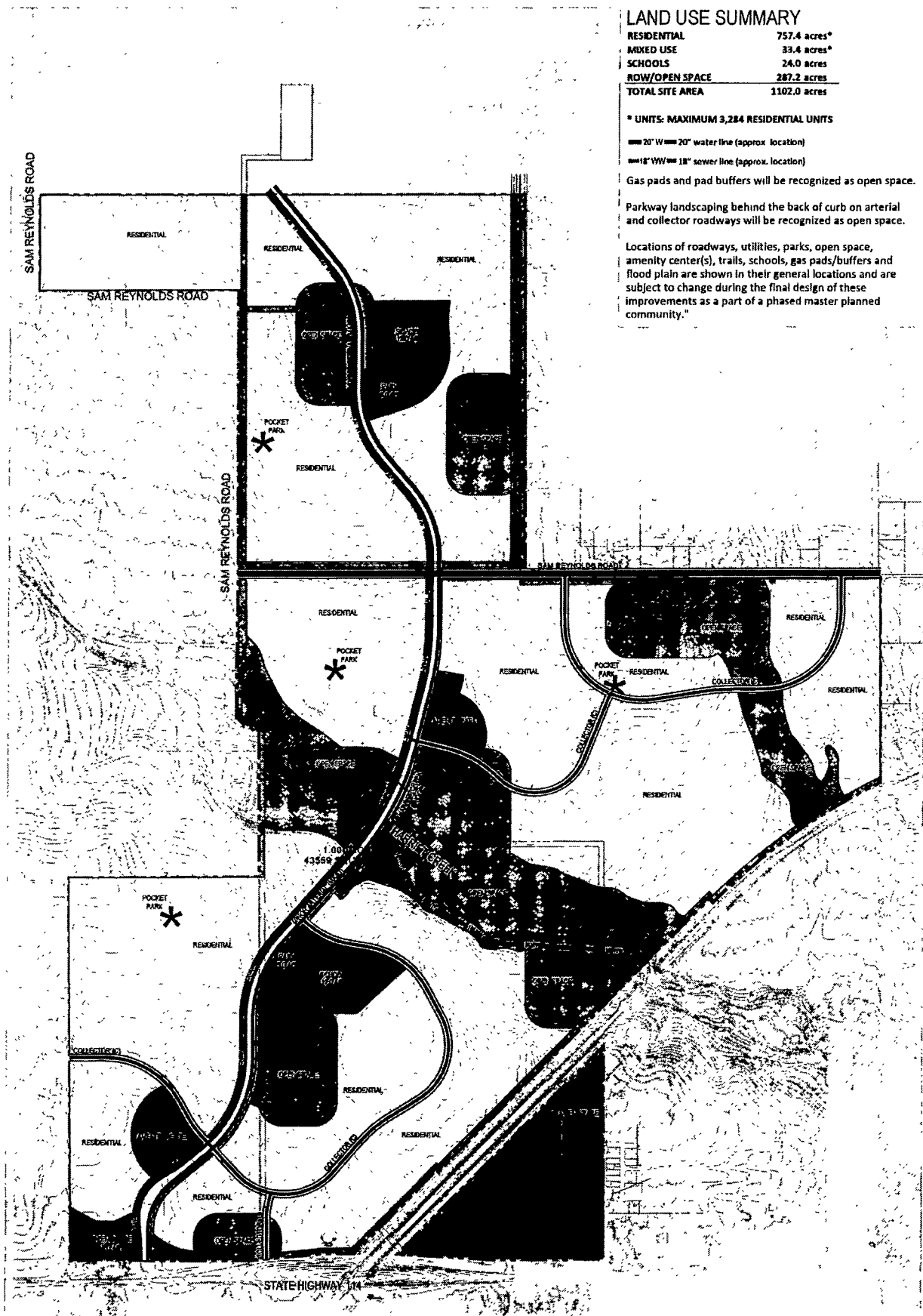
550 Bailey Avenue • Suite 400 • Fort Worth, Texas 76107
Tel: 817.335.1121 • Fax: 817.335.7437
FIRM REGISTRATION 10098100

TRADITION
EXHIBIT OF
SLF IV-114 ASSEMBLAGE, L.P.
PROPERTY WITHIN
TRADITION MUD 1 AND MUD 2,
AND OUTSIDE OF MUD
BOUNDARIES
DENTON COUNTY, TEXAS

PLOTTED BY: Bullard, Brandon ON: Wednesday, April 15, 2015 AT: 3:16 PM FILEPATH: G:\Production\500\000700\B000788\Survey-DA 003\Drawings\EXHIBITS\B000788.003 SLF Overall Property Exhibit.dwg

**Exhibit C-1
Master Plan**

Exhibit C-1 to Development Agreement Between City of Fort Worth
and SLF IV-114 Assemblage, L.P



MASTER PLAN
EXHIBIT C-1
 TRADITIONS
 FORT WORTH, TEXAS

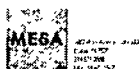


Exhibit C-2
Parks, Trails and Open Space Plan

LAND USE SUMMARY

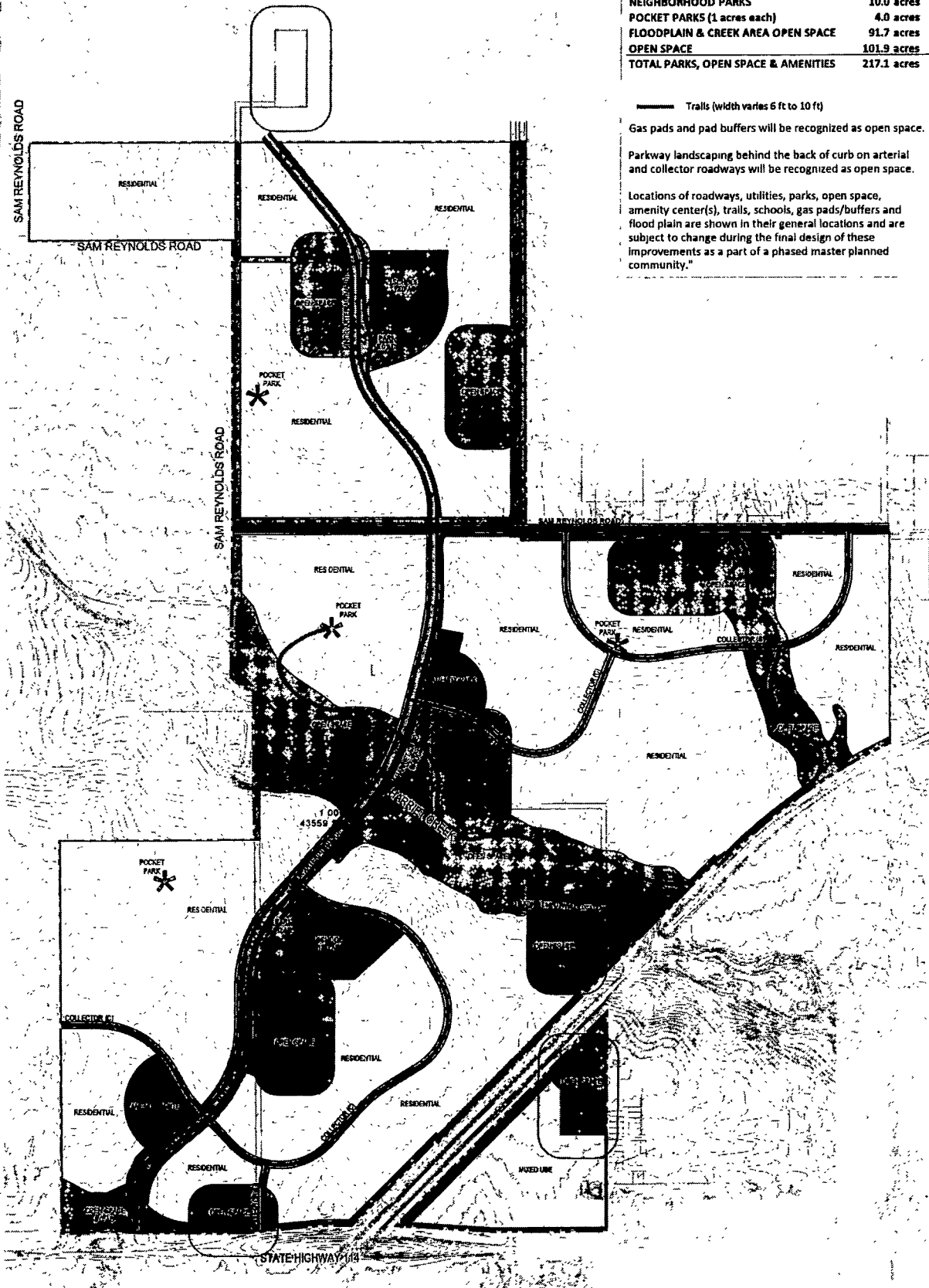
AMENITY CENTER/AMENITY PARK	9.5 acres
NEIGHBORHOOD PARKS	10.0 acres
POCKET PARKS (1 acres each)	4.0 acres
FLOODPLAIN & CREEK AREA OPEN SPACE	91.7 acres
OPEN SPACE	101.9 acres
TOTAL PARKS, OPEN SPACE & AMENITIES	217.1 acres

Trails (width varies 6 ft to 10 ft)

Gas pads and pad buffers will be recognized as open space.

Parkway landscaping behind the back of curb on arterial and collector roadways will be recognized as open space.

Locations of roadways, utilities, parks, open space, amenity center(s), trails, schools, gas pads/buffers and flood plain are shown in their general locations and are subject to change during the final design of these improvements as a part of a phased master planned community."



PARKS, TRAILS & OPEN SPACES PLAN

EXHIBIT C-2
TRADITIONS
FORT WORTH, TEXAS

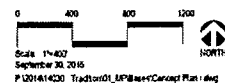


Exhibit D
Water and Sewer Infrastructure Improvements Summary

Exhibit "D"

Water and Sewer Infrastructure Improvements Summary

Water System Infrastructure

A Water System Distribution System Study prepared by Halff Associates, Inc. was approved by the City of Fort Worth on April 27, 2014, conditioned upon the Property being contained within the City of Fort Worth CCN. The results of the water study indicate that the offsite and onsite water mains shall be sized, oriented, and constructed as depicted on Exhibits E and E-1 and as described below:

1. The developer is obligated to construct a 20-inch diameter NS III water main from the existing Sendera Ranch pump station to the southern property line of the approximately 1,102 acres and extended along with development through the Property to the northern property line. Additionally, a 20-inch diameter NS II water main will be constructed from the existing 16-inch main on SH 114 to the north side of Harriet Creek. Per current Fort Worth Water Department policy, the water mains will be constructed with PVC pipe material.
2. The 20-inch diameter NS III water main will be limited to serving 2,870 equivalent residential connections within the Traditions development until it is connected to a secondary source in the NS III water system.
3. The 20-inch diameter NS II water main will be limited to serving 600 equivalent residential connections within the Traditions development at or below elevation 712'.
4. Water system infrastructure will be constructed incrementally and as necessary to serve development of the Property at the developer's discretion.
5. The Fort Worth Water Department has the option to upsize both NS II & III water mains and if it chooses to do so, the costs associated with upsizing the main will be borne by the Water Department.
6. The results of the water study for the approximately 1,102 acres of Traditions studied indicate that an elevated storage tank is not required in addition to the proposed 20-inch water mains to meet or exceed the City's minimum pipe pressure and head-loss requirements.
7. The portion of Eagle Mountain Treatment Plant expansion, Sendera Ranch Pump Station expansion, NS III elevated tank, and additional Sendera Ranch ground storage tank will be built by the City as Fort Worth water system improvements, provided the CCN condition is met.
8. Upon request from an owner of the property within the remainder of Tradition MUD No. 2 located to the north of the Property, Owner shall grant an easement to allow such owner to construct an oversized or parallel water line generally along the alignment of Community Parkway described in Exhibit G.

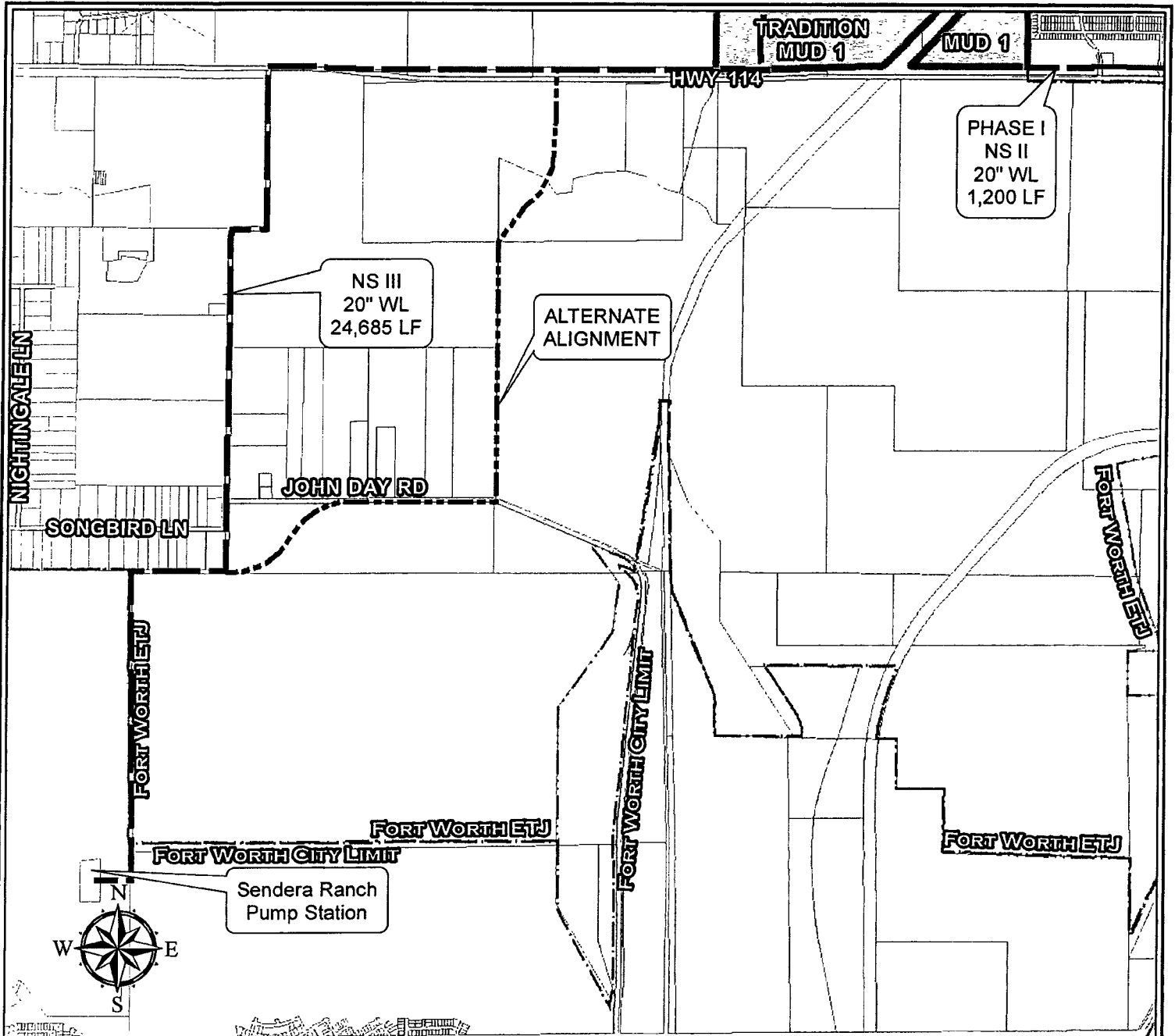
Sanitary Sewer System Infrastructure

A Preliminary Sanitary Sewer Capacity Study prepared by Dunaway Associates, L.P. was approved by the City of Fort Worth on April 22, 2014. The results of the sanitary sewer study indicate that the offsite and onsite sewer mains shall be sized, oriented, and constructed as depicted on Exhibits F and F-1 and as described below:

1. The developer is obligated to construct a 15-inch gravity main from Traditions to the existing 18-inch gravity main (M-555*) in Harriet Creek Ranch to serve the portion of the development located south of Harriet Creek plus up to 239 equivalent residential connections on the north side of Harriet Creek.
2. The developer is obligated to construct two lift stations & associated force mains necessary to carry wastewater flows that will not flow by gravity to the Harriet Creek line. Should gravity-flow infrastructure capacity be constructed as part of other developments to the south, construction of these lift stations and force mains would not be necessary.
3. The developer is obligated to construct an 18-inch gravity main from the easternmost property line of Traditions to the existing 30-inch main downstream to serve the remaining population of the approximately 1,102 acres of Traditions studied beyond the 239th equivalent residential connection north of Harriet Creek.
4. Sanitary sewer system infrastructure will be constructed incrementally and as necessary to serve development of the Property at the developer's discretion.
5. Other developments that utilize the proposed 18-inch main downstream of Traditions will be charged a per acre charge at the time of final plat by the City that will be remitted to the developer.
6. An on-site 12-inch main and an offsite 8-inch main are required to extend sewer service north of Sam Reynolds Road.
7. Upsizing of the sewer mains would be necessary to serve sewer loads upstream of Traditions within the Harriet Creek watershed. If the Water Department desires to upsize any of the proposed mains required for Traditions, it may do so and the City will bear the costs associated with upsizing the mains.

Exhibit E
Offsite Water Infrastructure Improvements

Exhibit E to Development Agreement Between City of Fort Worth
and SLF IV-114 Assemblage, L.P



Alignments shown are subject to change based on the thoroughfare alignments and easement acquisitions between the Sendera pump station and the property.

LEGEND

- 16" Existing WL
- - - 16" Proposed WL
- - - 20" Proposed WL
- 24" Existing WL
- Tradition Boundary
- ETJ
- City Limits

0 1,200 2,400 4,800 Feet
1 inch = 2,400 feet

EXHIBIT E OFFSITE WATER INFRASTRUCTURE IMPROVEMENTS

DUNAWAY
550 Bailey Avenue • Suite 400 • Fort Worth, Texas 76107
Tel: 817.335.1121 • Fax: 817.335.7437

Exhibit E-1
Onsite Water Infrastructure Improvements

Exhibit E-1 to Development Agreement Between City of Fort Worth
and SLF IV-114 Assemblage, L.P

Note: Alignments shown are conceptual and subject to modifications as the property develops.

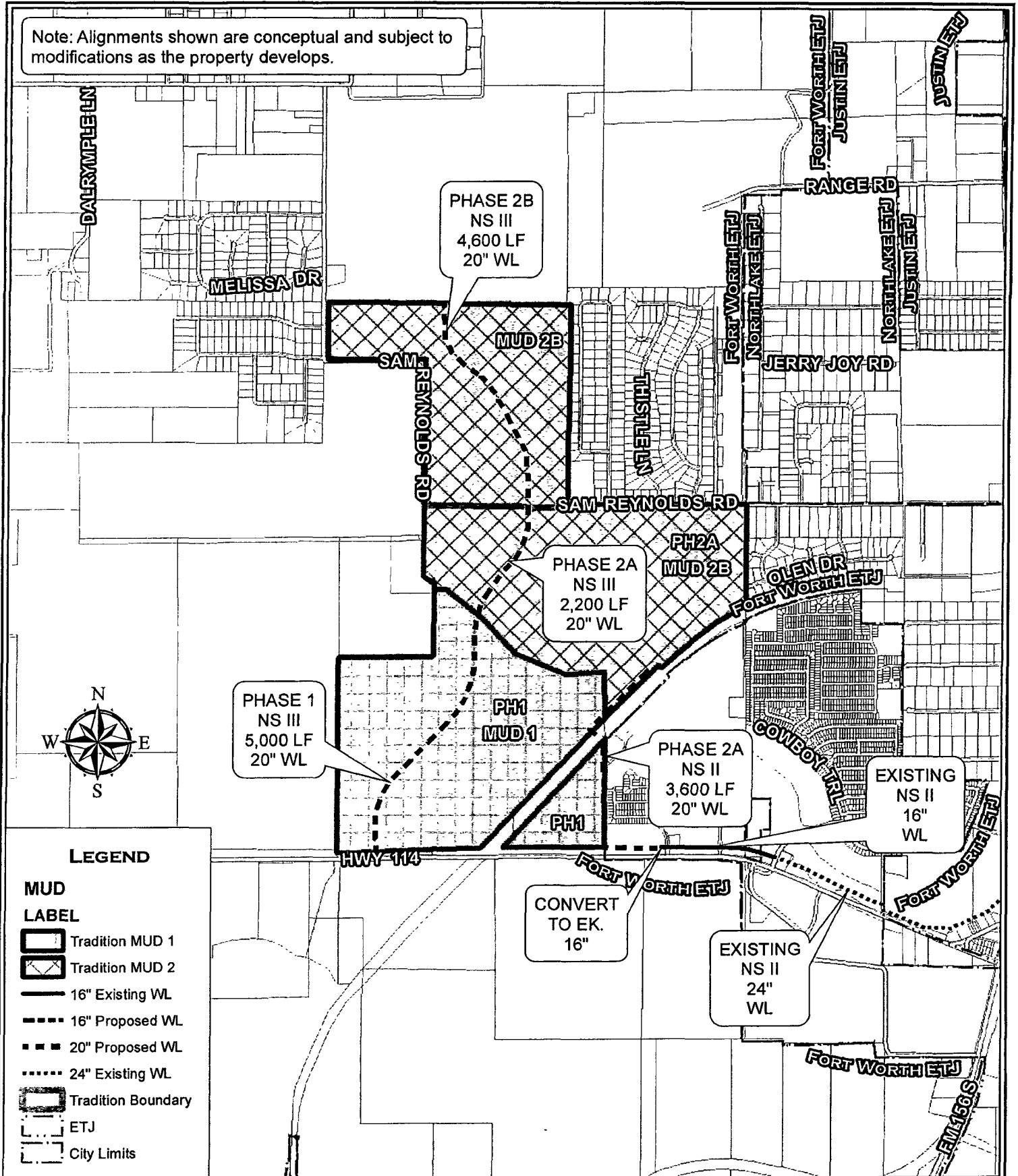


EXHIBIT E-1 ONSITE WATER INFRASTRUCTURE IMPROVEMENTS

DUNAWAY
550 Bailey Avenue • Suite 400 • Fort Worth, Texas 76107
Tel: 817.335.1121 • Fax: 817.335.7437

Exhibit F
Offsite Sanitary Sewer Infrastructure Improvements

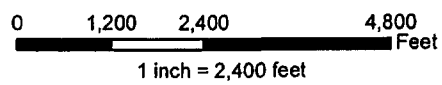
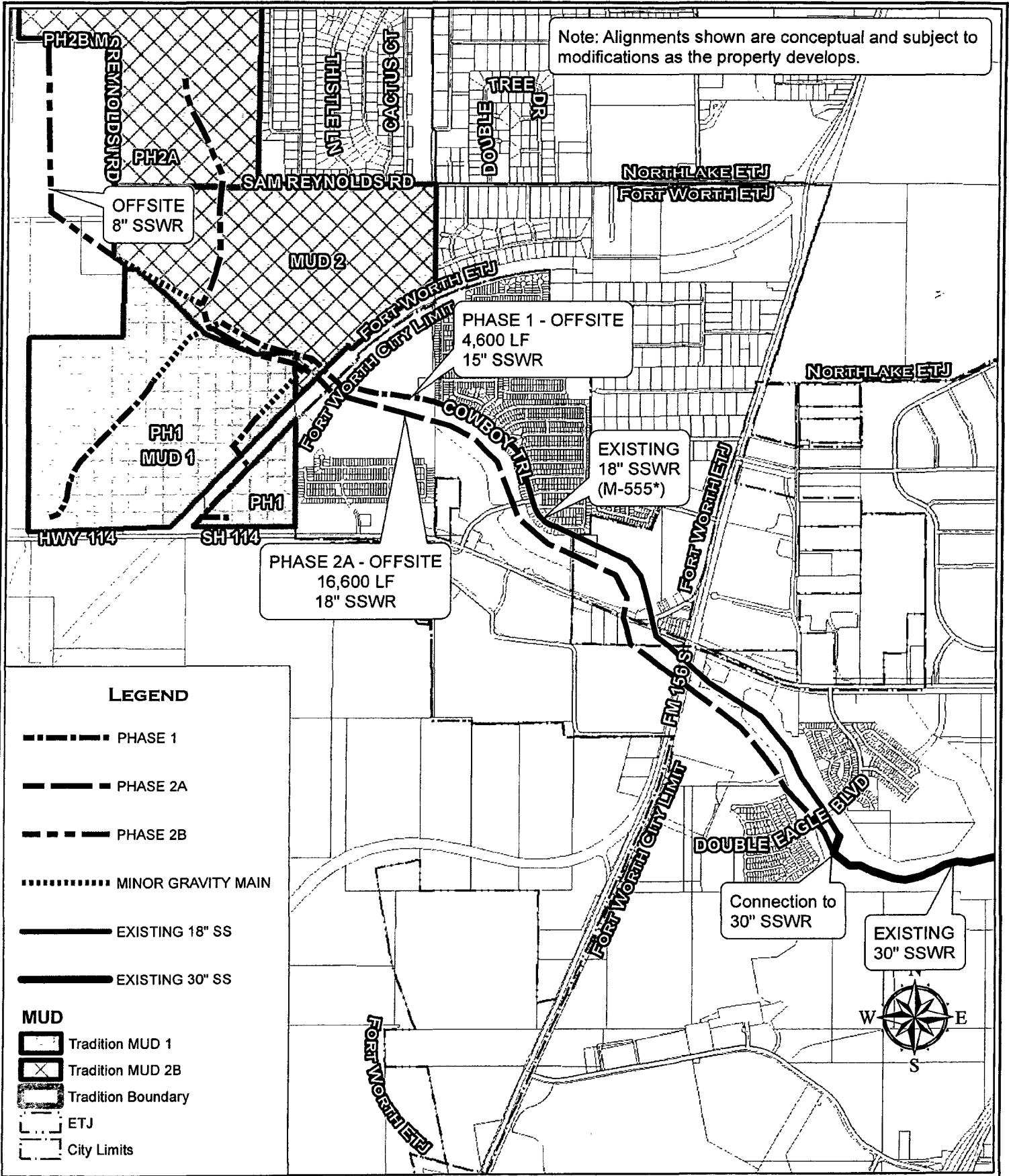


EXHIBIT F OFFSITE SANITARY SEWER IMPROVEMENTS

DUNAWAY
550 Bailey Avenue • Suite 400 • Fort Worth, Texas 76107
Tel: 817.335.1121 • Fax: 817.335.7437

Exhibit F-1
Onsite Sanitary Sewer Infrastructure Improvements

Exhibit F-1 to Development Agreement Between City of Fort Worth
and SLF IV-114 Assemblage, L.P

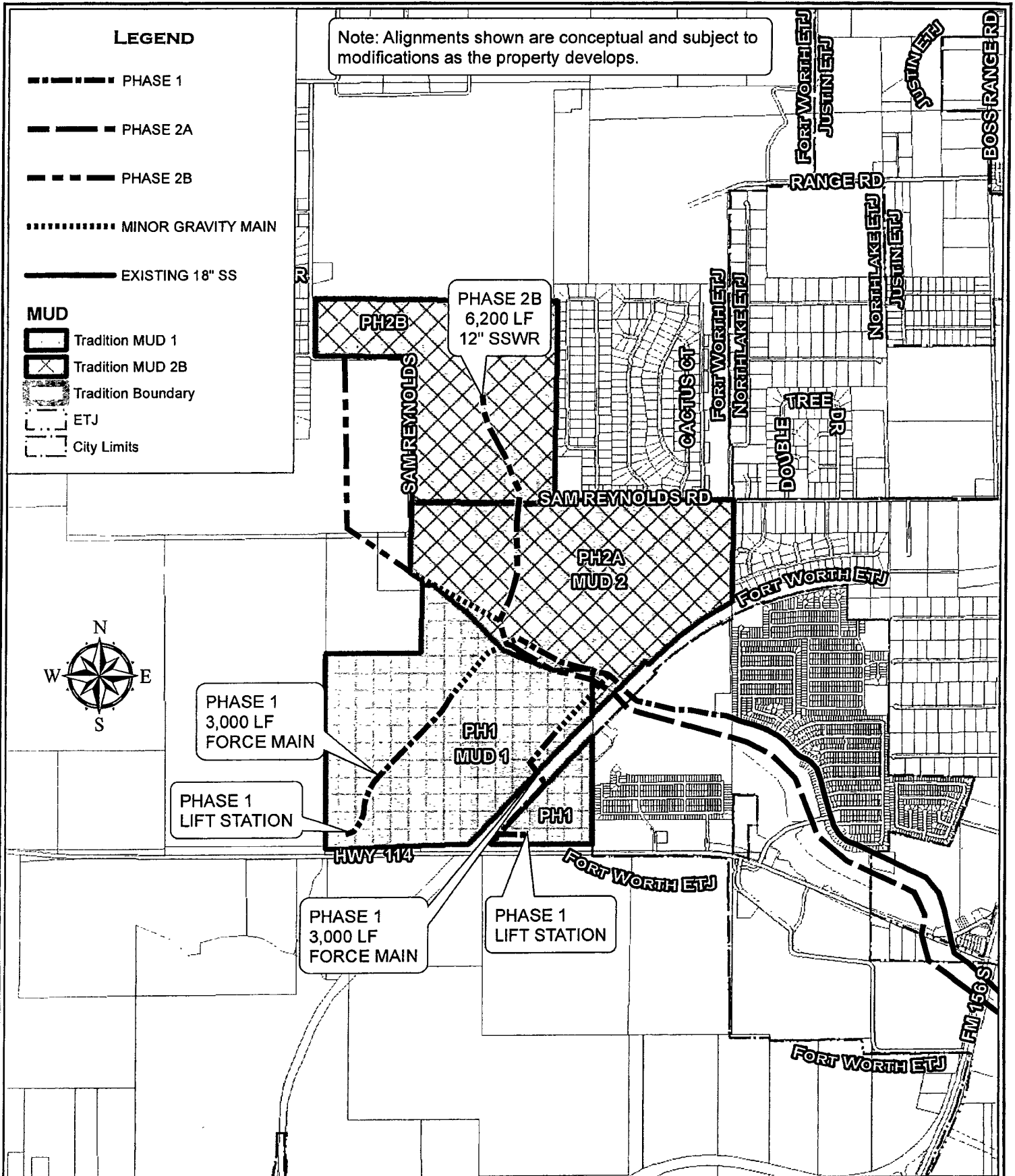
LEGEND

- PHASE 1
- PHASE 2A
- PHASE 2B
- MINOR GRAVITY MAIN
- EXISTING 18" SS

MUD

- Tradition MUD 1
- Tradition MUD 2B
- Tradition Boundary
- ETJ
- City Limits

Note: Alignments shown are conceptual and subject to modifications as the property develops.



0 1,200 2,400 4,800 Feet
1 inch = 2,400 feet

EXHIBIT F-1 ONSITE SANITARY SEWER IMPROVEMENTS

DUNAWAY
550 Bailey Avenue • Suite 400 • Fort Worth, Texas 76107
Tel: 817.335.1121 • Fax: 817.335.7437

Exhibit G
Traditions Transportation Improvements Summary

Exhibit G to Development Agreement Between City of Fort Worth
and SLF IV-114 Assemblage, L.P

EXHIBIT "G"

Traditions Transportation Improvements Summary

A Conceptual Traffic Study (CTS) prepared by Dunaway Associates, L.P. was approved by the City of Fort Worth via email on October 3, 2014. The CTS examines the ultimate configuration of Community Parkway from State Highway 114 (SH 114) to Property extents, and Sam Reynolds Road from the Property extent to FM 156. The proposed roadway alignments and phasing are shown in Exhibit G-2. These alignments are subject to modification as the property develops.

Roadway Improvement Triggering Events

Roadways within the Property will be constructed to City of Fort Worth standards. Roadway improvements will be initiated by the construction of Community Parkway from SH 114 to the north and a second point of access to SH 114 will be provided in the initial phase of development. These points of access will serve the property until Community Parkway is extended north to Sam Reynolds Road. Table 2 of Exhibit "G-1" identifies the cumulative Single Family Equivalent Units (SFEU) served by each subsequent improvement. **Each triggered improvement will be completed or financially secured prior to recordation of a final plat containing the triggering cumulative SFEU as identified in Exhibit "G-1", Table 2.** Improvements will be extended concurrently as the property develops. It is planned that the full boulevard section will be built from SH 114 to just north of the first neighborhood collector intersection in the initial phase of development and a half boulevard section will be extended northward in conjunction with progressing development. Subject to satisfaction of signal warrants, completion of the signalization of Community Parkway at SH 114 will be required to serve development beyond the 596th SFEU. **The total planned SFEU south of Harriet Creek that will be served by Community Parkway is 1,218.** These improvements are listed in Table 2 of Exhibit G-1 and shown on Exhibit G-2-1 as B, C, D and A, respectively.

In order to develop phase 2A which lies north of Harriet Creek and south of Sam Reynolds Road, one two-lane bridge and half of the Community Parkway boulevard section will be constructed to Sam Reynolds Road where a stop sign will be installed for traffic control at the intersection. These improvements are listed in Table 2 of Exhibit G-1 and shown on Exhibit G-2-2 as E, F, & G. **A total of 1,720 SFEU (phase 1 + 50% of phase 2A) will be accommodated by these improvements.**

One-half of the boulevard section of Sam Reynolds Road will be built east to west as this phase develops adjacent to Sam Reynolds Road and a two-way stop (TWS) or single lane roundabout (SLR) will provide traffic control at the intersection of Community Parkway and Sam Reynolds Road. **The estimated SFEU for phase 2A is 1,003, which equates to 2,221 cumulative units that will be accommodated by these improvements.** These improvements are listed in Table 2 of Exhibit G-1 and shown on Exhibit G-2-3 as H and I, respectively.

The initial development of phase 2B, located north of Sam Reynolds Road, will necessitate the extension of the half-boulevard section of Community Parkway to the north as development occurs. This improvement is listed in Table 2 of Exhibit G-1 and shown on Exhibit G-2-4 as J. **A total of 2,572 SFEU (phase 1 + phase 2A + 33% of phase 2B) will be accommodated by this improvement.** It will also be necessary to reconstruct the section of offsite Sam Reynolds Road from the easternmost property line to the east and widen the Sam Reynolds Road approach at the existing traffic signal on FM 156. These

offsite improvements will consist of two traffic lanes. Left-turn lanes will be provided at subdivision entries to improve traffic flow. **Up to an additional 712 SFEU can be accommodated with these planned infrastructure improvements.** These two offsite improvements are listed in **Table 2 of Exhibit G-1** and shown on *Exhibit G-3* as *K* and *L*.

The second half of Community Parkway from just north of Street B to Harriet Creek and the second bridge on Community Parkway will be needed and will be constructed as necessary to accommodate **up to 2,753 SFEU (phase 1 + phase 2A + 50% of phase 2B)**. These two improvements are listed in **Table 2 of Exhibit G-1** and shown on *Exhibit G-2-5* as *M* and *N*.

The continued construction of the second half of Community Parkway between Harriet Creek and Sam Reynolds Road, plus the signalization or completion of a multi-lane roundabout at Sam Reynolds Road and Community Parkway will accommodate **up to 2,991 SFEU (phase 1 + phase 2A + 72% of phase 2B)**. These two improvements are listed in **Table 2 of Exhibit G-1** and shown on *Exhibit G-2-6* as *O* and *P*.

The construction of the second half of Sam Reynolds Road from east to west along the property frontage and completion of the second half of Community Parkway from Sam Reynolds Road to the northern property line will accommodate **up to 3,284 SFEU (phase 1 + phase 2A + phase 2B)**. These two improvements are listed in **Table 2 of Exhibit G-1** and shown on *Exhibit G-2-7* as *Q* and *R*.

The full build out of phase 2B is 1,063 SFEU (**3,284 cumulative**). Eventually, some additional intersection capacity improvements will be needed at FM 156 and Sam Reynolds Road due to the projected growth in background traffic. Because these future capacity improvements will be driven by background traffic growth, improvements will be the responsibility of TxDOT or other developments in the region. This offsite improvement is listed in **Table 2 of Exhibit G-1** and shown on *Exhibit G-3* as *S*.

Exhibit G-1
Transportation Improvements Triggers

EXHIBIT "G-1"
TRANSPORTATION IMPROVEMENT TRIGGERS

Table 1. Planned Residential Units per Phase

Phase	Total SFEU	Cumulative SFEU
1	1,218	1,218
2A	1,003	2,221
2B	1,063	3,284

Table 2. Improvements and Cumulative Single Family Equivalent Units (SFEU)

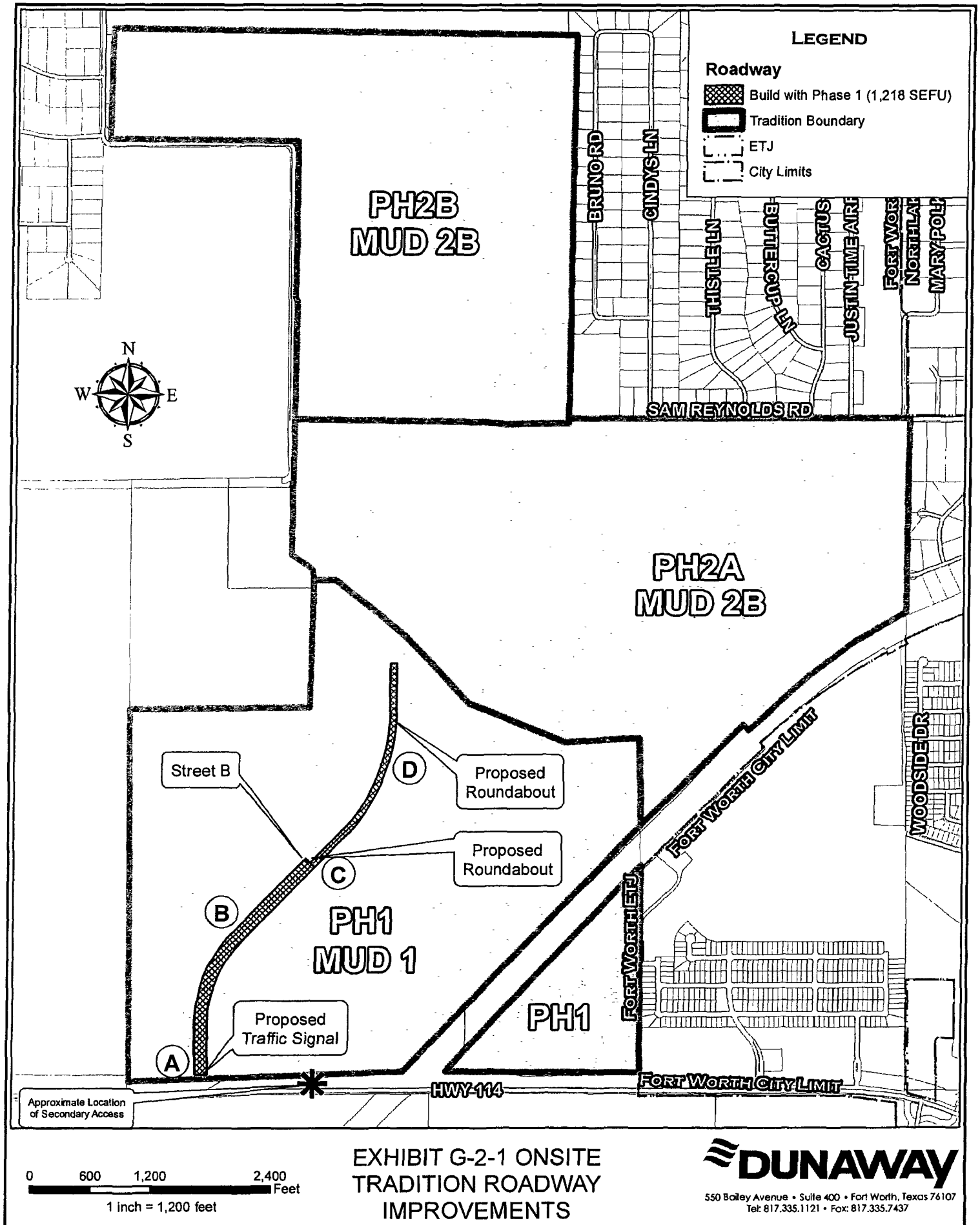
(All improvements to be constructed or financially secured prior to recordation of final plat containing "Trigger SFEU" listed below)

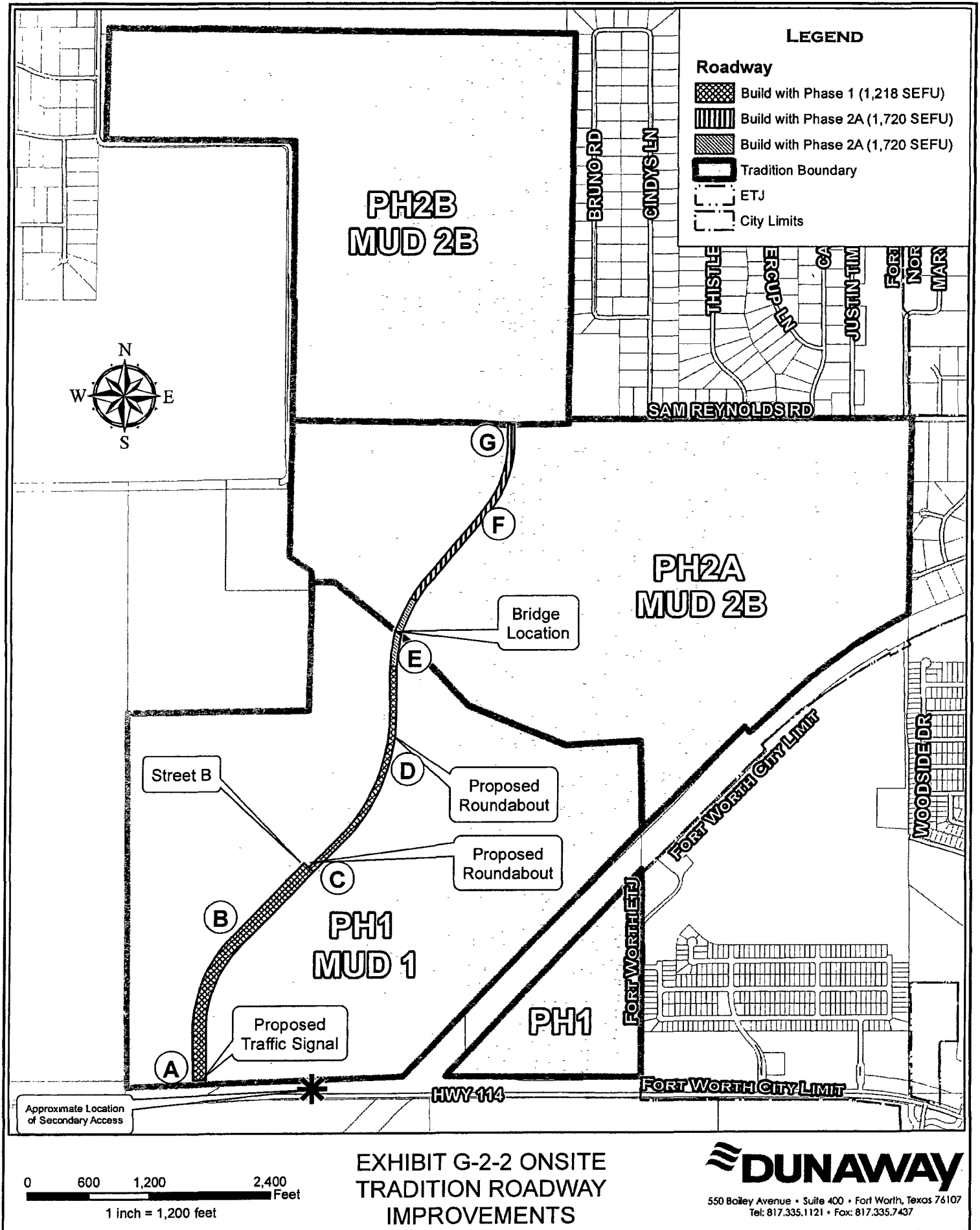
Exhibit Label	Description of Improvement	Cumulative SFEU Served	Trigger SFEU
A	Community Parkway and SH 114 - Signalization	596	597
B	Construction of Community Parkway (CP)*:	1,218	*
C	Full boulevard section from SH 114 to just north of 1 st neighborhood collector (Street B) – Multi-lane roundabout (MLR)		1
D	½ boulevard section from Street B to end of phase (Single-lane roundabout (SLR) at 2 nd neighborhood collector)		*
E	1 st bridge on CP	1,720	1,219
F	Complete ½ boulevard section to Sam Reynolds Road (SRR)		
G	Stop sign at CP and SRR		
H	Two-way stop (TWS) or SLR at CP and SRR	2,221	1,721
I	½ boulevard section of SRR along property extents*		*
J	CP - ½ boulevard section to neighborhood collector.*	2,572	2,222*
K	Reconstruction of Sam Reynolds Road from property line to FM 156 (Offsite),	2,671	2,222
L	Widen SRR approach to provide two departure lanes at traffic signal (Offsite)		
M,N	2 nd half of CP from just north of Street B to 2 nd bridge, 2 nd bridge on CP	2,753	2,672
O,P	CP - 2 nd ½ boulevard section from Harriet Creek to SRR; Construct Signal or MLR	2,991	2,754
Q	SRR - 2 nd ½ boulevard section from western property to just east of CP	3,284	2,992
R	CP - 2 nd ½ boulevard section from SRR to northern property		2,992
S	FM 156 and Sam Reynolds Improvements – TxDOT (Offsite)	3,284	N/A

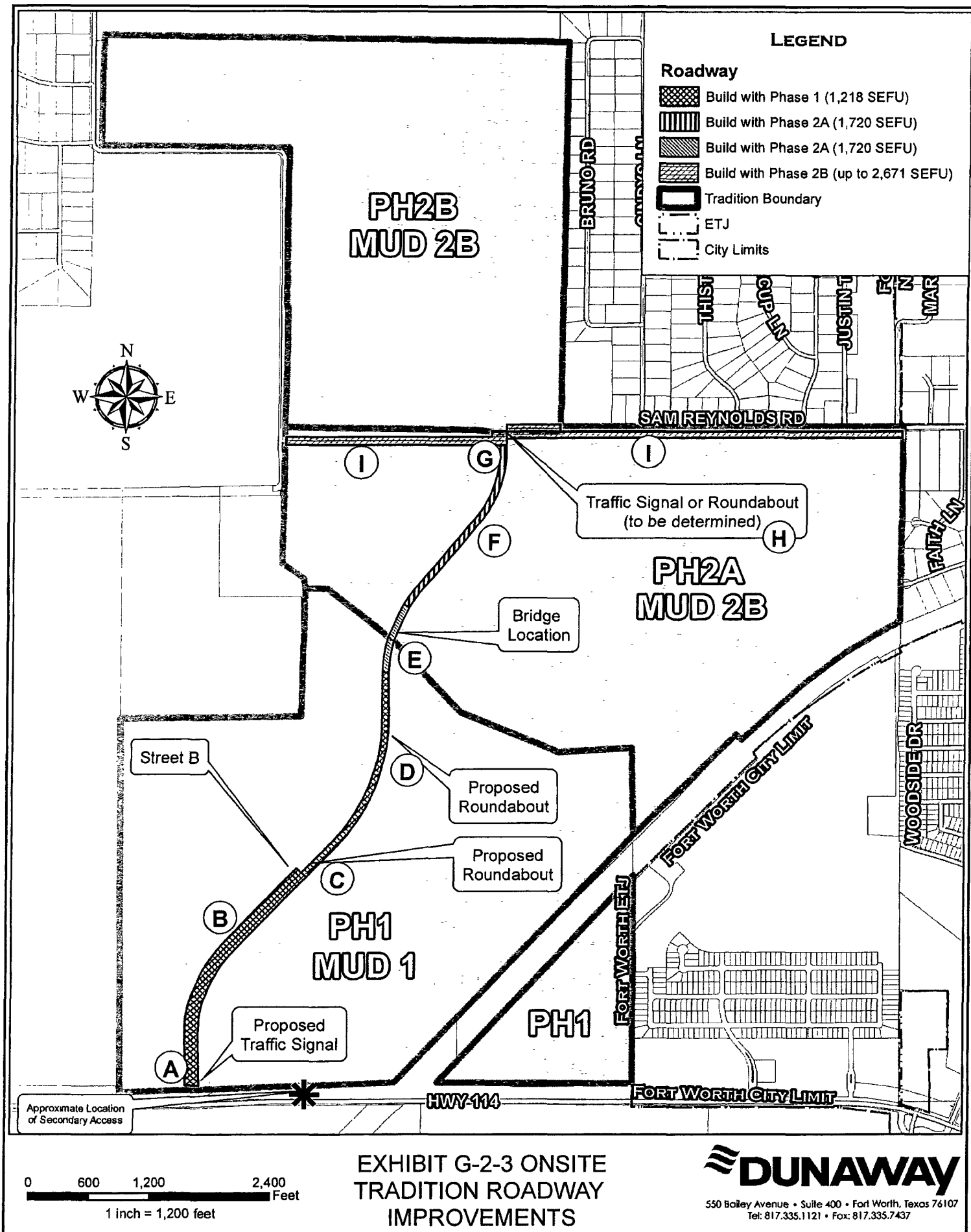
*Improvements will be extended concurrently as the property develops.

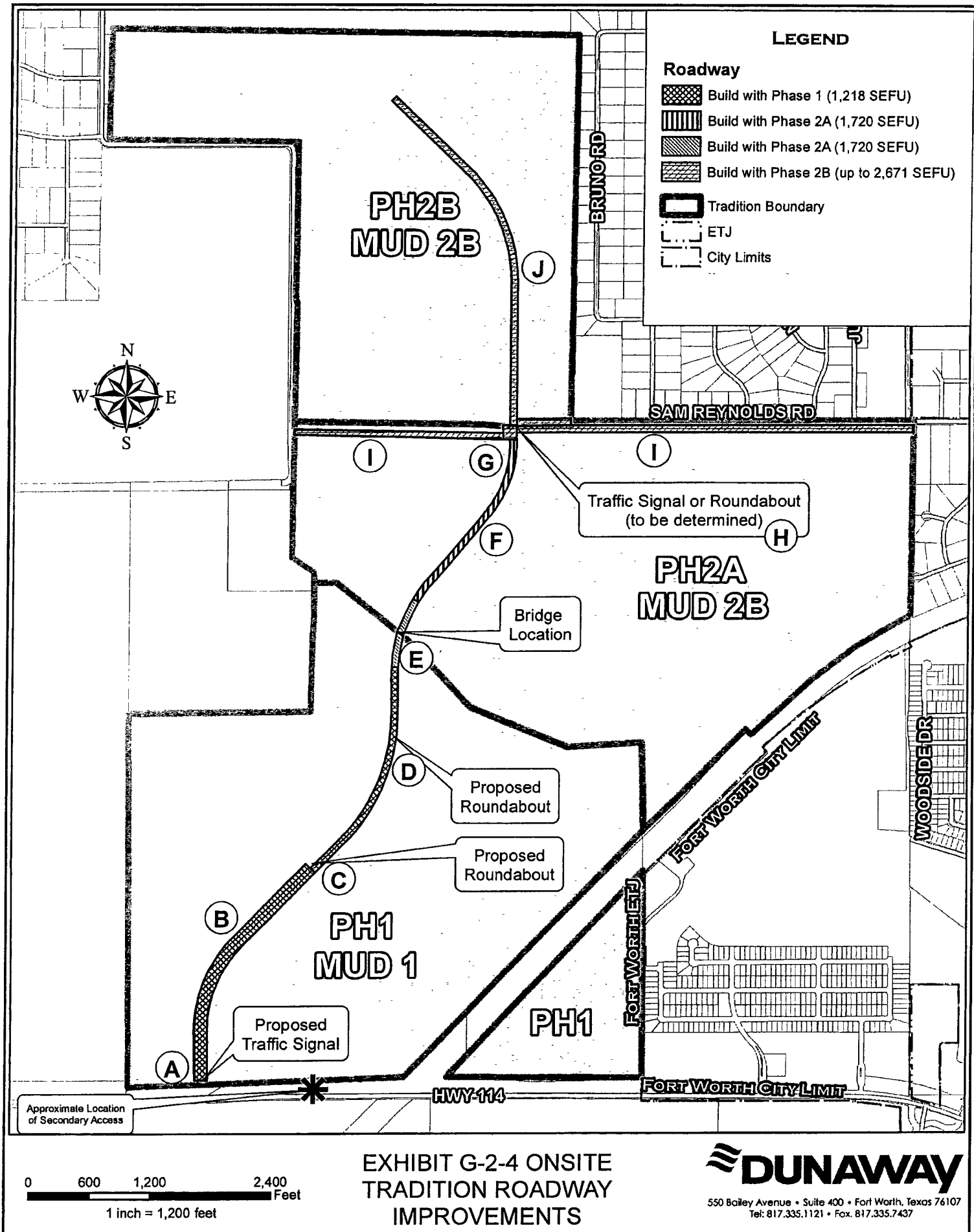
Exhibit G-2
Onsite Road Improvements

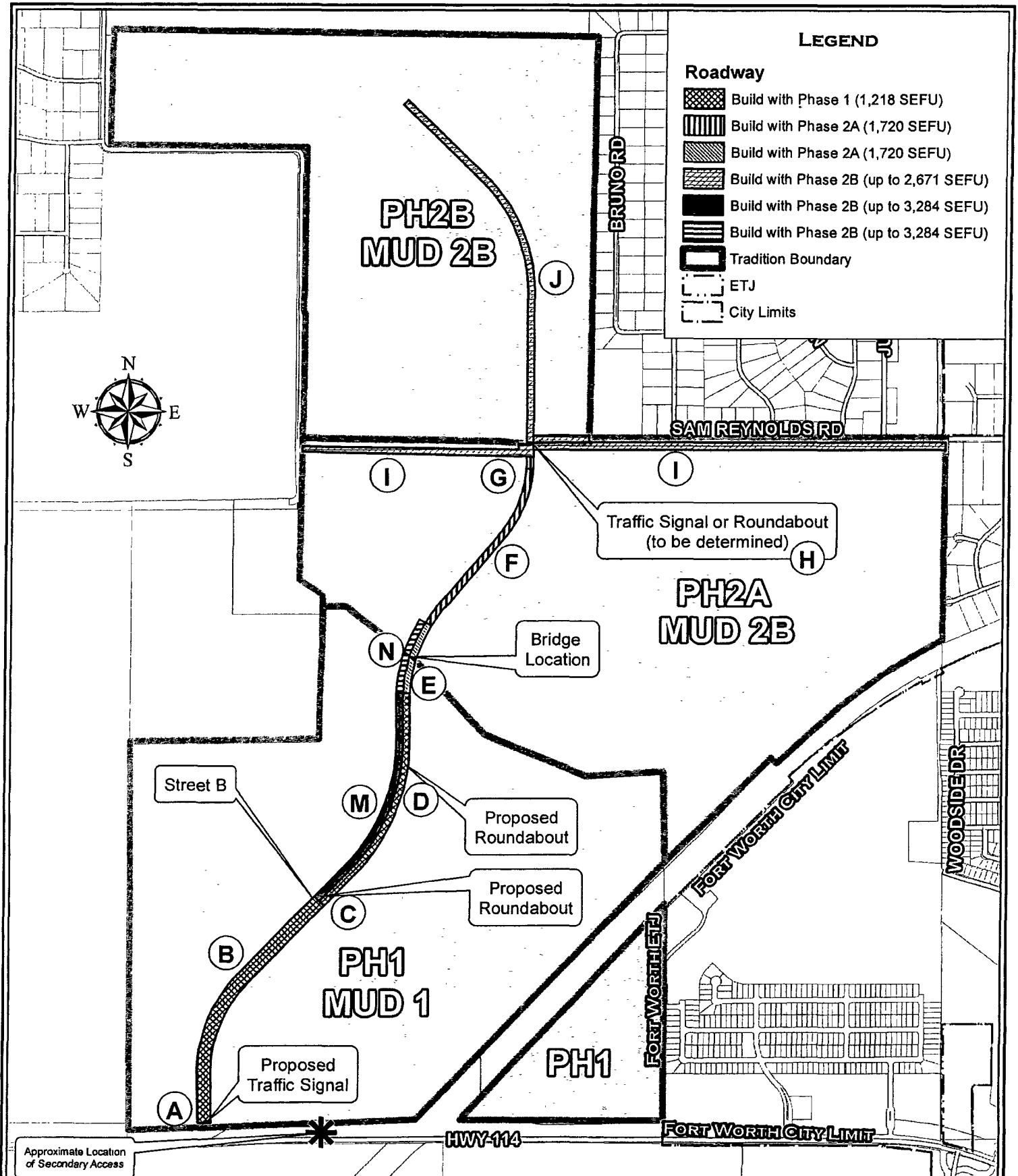
Exhibit G-2 to Development Agreement Between City of Fort Worth
and SLF IV-114 Assemblage, L.P







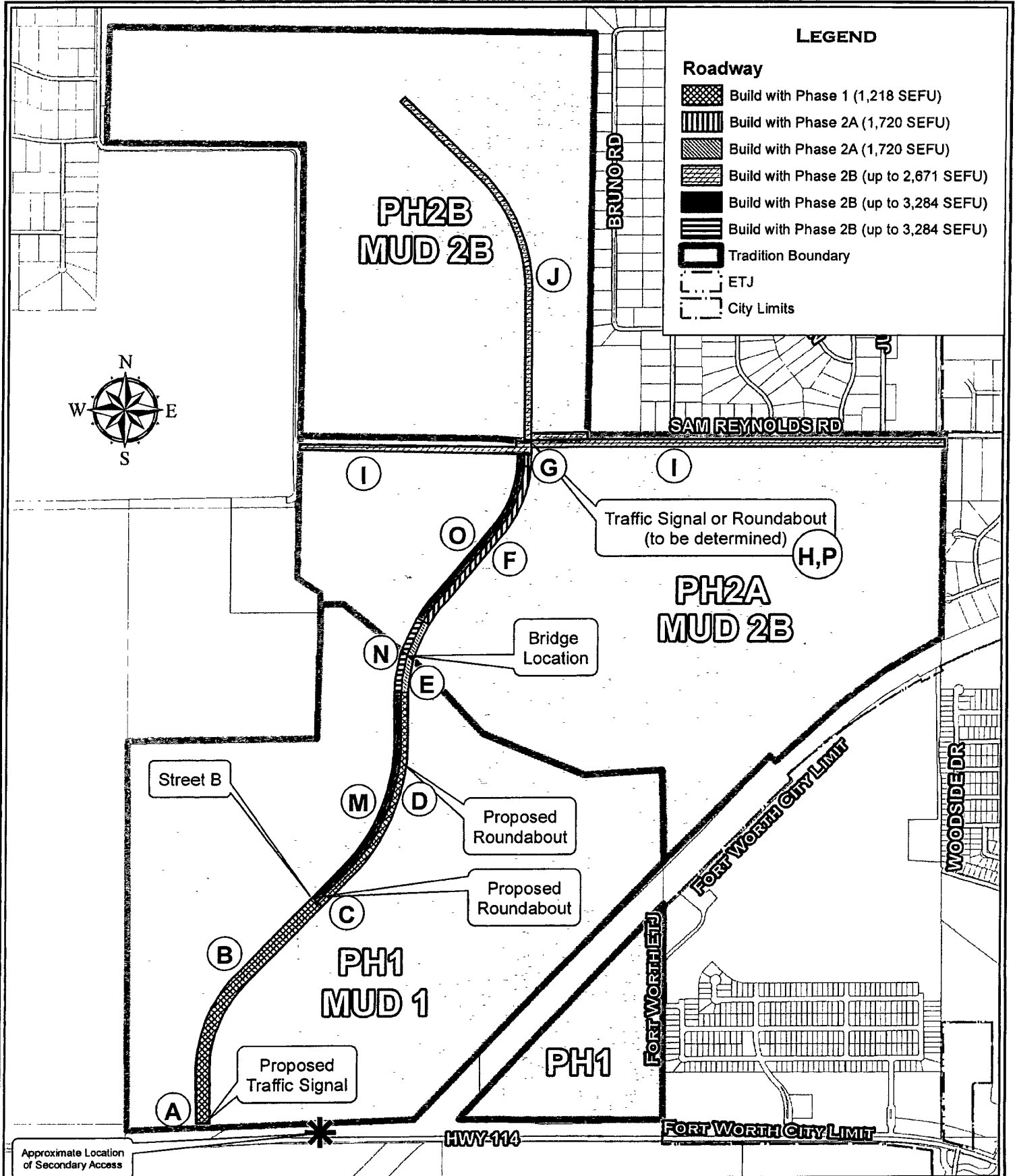




0 600 1,200 2,400 Feet
1 inch = 1,200 feet

EXHIBIT G-2-5 ONSITE TRADITION ROADWAY IMPROVEMENTS

DUNAWAY
550 Bailey Avenue • Suite 400 • Fort Worth, Texas 76107
Tel: 817.335.1121 • Fax: 817.335.7437



0 600 1,200 2,400 Feet
1 inch = 1,200 feet

EXHIBIT G-2-6 ONSITE TRADITION ROADWAY IMPROVEMENTS

DUNAWAY
550 Bailey Avenue • Suite 400 • Fort Worth, Texas 76107
Tel: 817.335.1121 • Fax: 817.335.7437

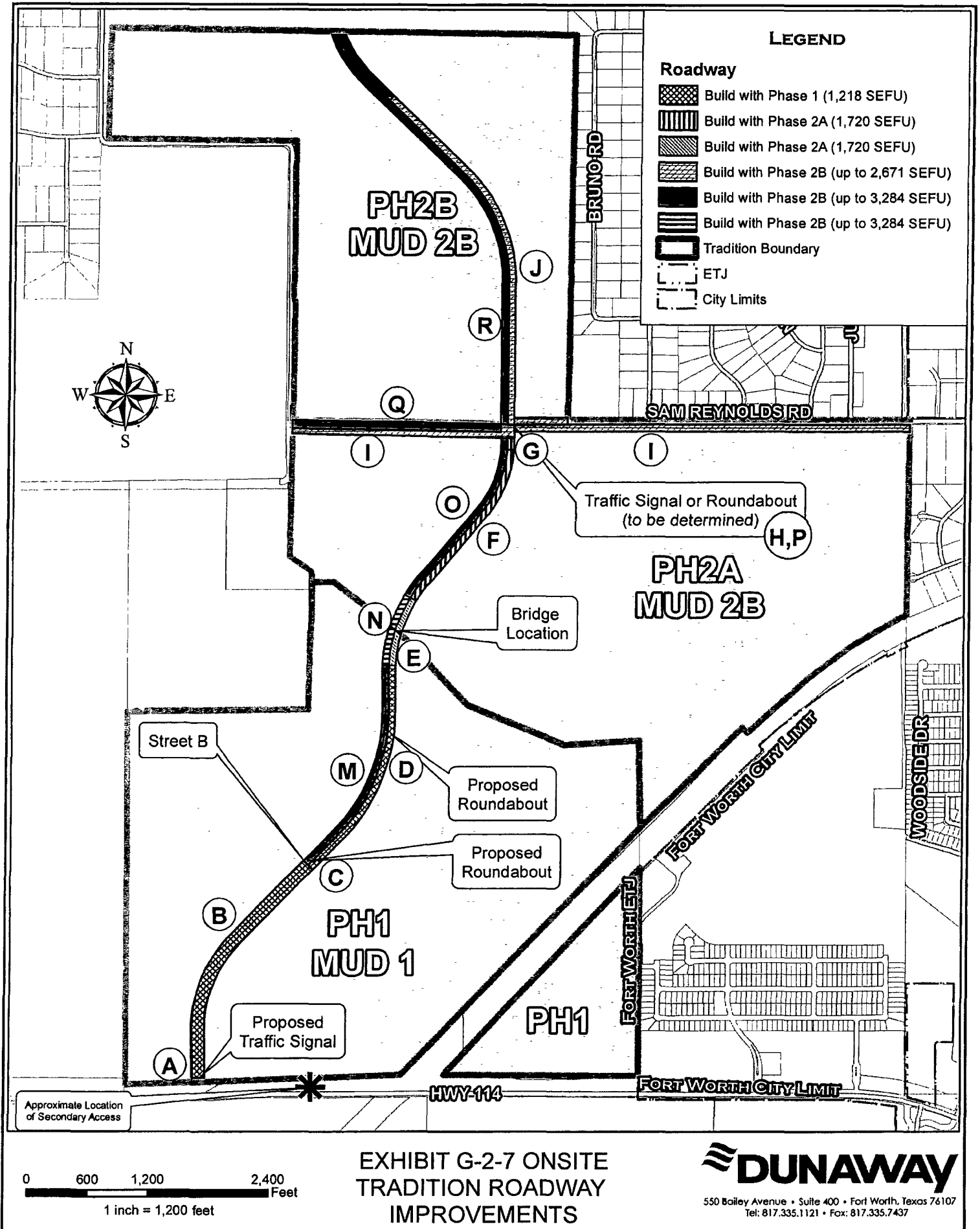


Exhibit G-3
Offsite Road Improvements

Exhibit G-3 to Development Agreement Between City of Fort Worth
and SLF IV-114 Assemblage, L.P

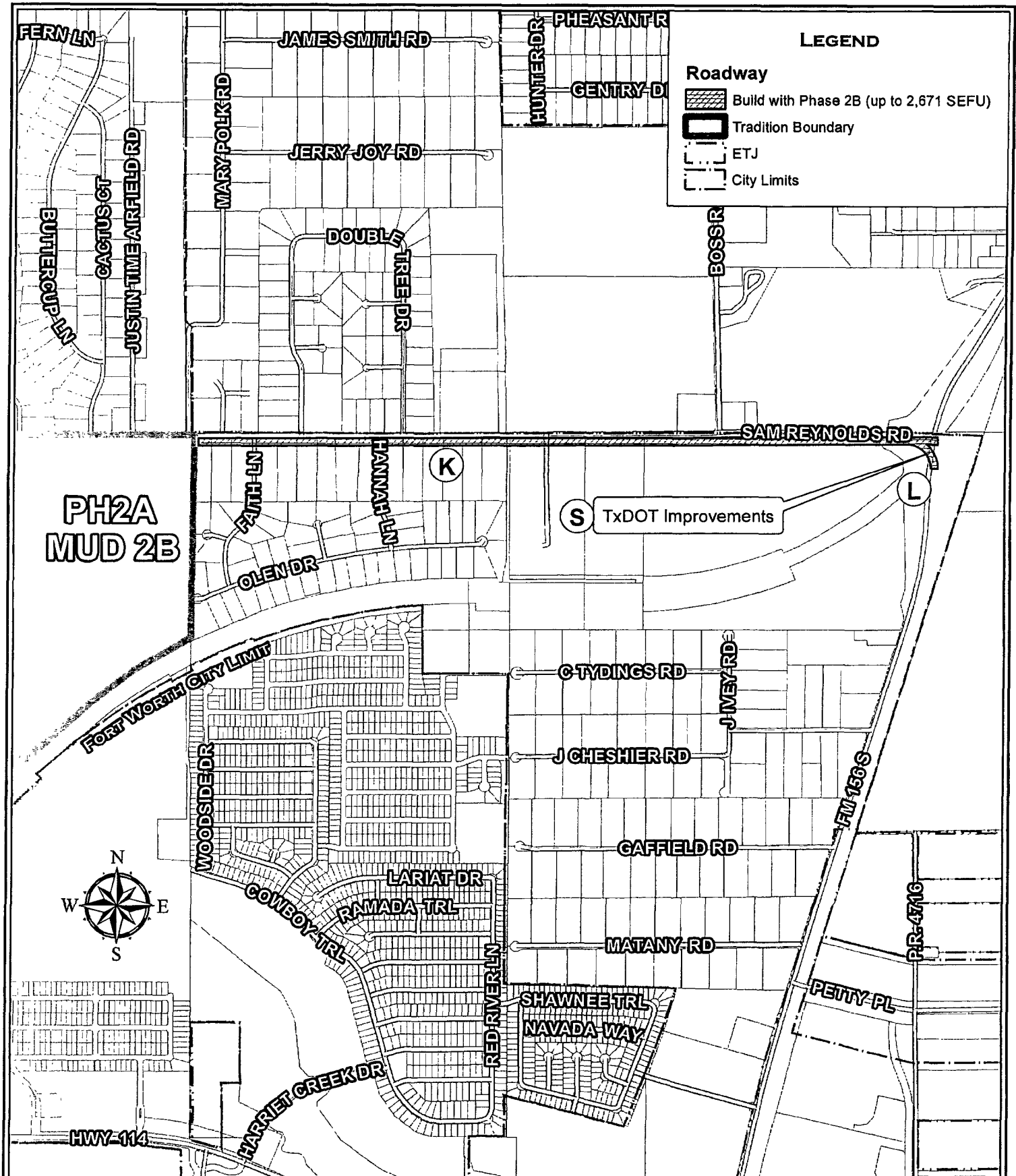


EXHIBIT G-3 OFFSITE TRADITION ROADWAY IMPROVEMENTS



550 Bailey Avenue • Suite 400 • Fort Worth, Texas 76107
Tel: 817.335.1121 • Fax: 817.335.7437

Exhibit H
Annexation Notice

STATE OF TEXAS

COUNTY OF DENTON

NOTICE CONCERNING ANNEXATION

**[TO BE DELIVERED TO BUYERS OF LOTS IN TRADITION MUNICIPAL UTILITY
DISTRICT NO. 1 OF DENTON COUNTY]**

The real property, described below, that you are about to purchase is located in Tradition Municipal Utility District No. 1 of Denton County (the "District") in the extraterritorial jurisdiction of the City of Fort Worth.

The legal description of the property you are acquiring is as follows:

The City of Fort Worth may annex all property within the District, including the property you are purchasing, for full purposes upon the earliest to occur of:

- (1) The date construction of water, sanitary sewer, drainage, and road facilities to serve 90% of the property within the District is complete;
- (2) Dissolution of the District; or
- (3) January 12, 2036

For more information, contact the City of Fort Worth Planning and Development Department.

SELLER

By: _____
Name printed: _____
Title: _____

PURCHASER

By: _____
Name printed: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

 This instrument was acknowledged before me, on the ____ day of _____, 20 ____,
by _____, _____ of _____.

Notary Public, State of Texas
Printed Name: _____
My Commission Expires: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

 This instrument was acknowledged before me, on the ____ day of _____, 20 ____,
by _____.

Notary Public, State of Texas
Printed Name: _____
My Commission Expires: _____

STATE OF TEXAS

COUNTY OF DENTON

NOTICE CONCERNING ANNEXATION

**[TO BE DELIVERED TO BUYERS OF LOTS IN TRADITION MUNICIPAL UTILITY
DISTRICT NO. 2B OF DENTON COUNTY]**

The real property, described below, that you are about to purchase is located in Tradition Municipal Utility District No. 2B of Denton County (the "District") in the extraterritorial jurisdiction of the City of Fort Worth.

The legal description of the property you are acquiring is as follows:

The City of Fort Worth may annex all property within the District, including the property you are purchasing, for full purposes upon the earliest to occur of:

- (1) The date construction of water, sanitary sewer, drainage, and road facilities to serve 90% of the property within the District is complete;
- (2) Dissolution of the District; or
- (3) The date twenty (20) years after approval by the City of Fort Worth of the first preliminary plat for any portion of the property within the District, excluding preliminary plats that only include a portion of a certain north/south roadway extending north from Highway 114 that will be constructed as a condition for developing property within Tradition Municipal Utility District No. 1 of Denton County and do not include any other platted lots.

For more information, contact the City of Fort Worth Planning and Development Department.

SELLER

By: _____
Name printed: _____
Title: _____

PURCHASER

By: _____
Name printed: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

 This instrument was acknowledged before me, on the ____ day of _____, 20____,
by _____, _____ of _____.

Notary Public, State of Texas
Printed Name: _____
My Commission Expires: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

 This instrument was acknowledged before me, on the ____ day of _____, 20____,
by _____.

Notary Public, State of Texas
Printed Name: _____
My Commission Expires: _____

Exhibit I
ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT ("Assignment") is made and entered into as of the ____ day of _____, _____, between _____, a _____ ("Assignor"), and _____, a _____ ("Assignee") (Assignor and Assignee are hereinafter sometimes collectively referred to as the "Parties" and singularly as a "Party").

RECITALS:

A. Assignor is the owner of the rights of the Owner under that certain Development Agreement (City Secretary Contract No. _____, M & C - _____) (the "Agreement") effective as of _____, between SLF IV – 114 Assemblage, L.P., a Texas limited partnership, and the City of Fort Worth, Texas, relating to the development of the Property (as described therein), to the extent that the Agreement covers, affects, and relates to the lands described on **Exhibit A** attached to and made a part hereof of this Assignment for all purposes (the "Transferred Premises").

B. Assignor desires to assign **[all] [certain]** of its rights under the Agreement as it relates to the Transferred Premises to Assignee, and Assignee desires to acquire such rights, on and subject to the terms and conditions of this Assignment.

NOW, THEREFORE, in consideration of the premises, the mutual covenants and obligations set forth herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties hereby agree and act as follows:

1. Certain Defined Terms. Unless indicated otherwise herein, capitalized terms in this Assignment shall have the same respective meanings as are ascribed to them in the Agreement.

2. Assignment. Subject to all of the terms and conditions of this Assignment, Assignor hereby assigns all **[or describe specifically assigned rights if partial]** of its rights under the Agreement, insofar as the Agreement covers, affects, and relates to the Transferred Premises.

3. Assumption. Assignee hereby assumes all obligations of Assignor and any liability that may result from acts or omissions by Assignee under the Agreement as it relates to the Transferred Premises that may arise or accrue from and after the effective date of this Assignment, and Assignor is hereby released from all such obligations and liabilities from and after the date of this Assignment; provided, however, this Assignment does not release Assignor from any liability that resulted from an act or omission by Assignor that occurred prior to the effective date of this Assignment unless the City approves the release in writing.

4. **Governing Law.** THIS ASSIGNMENT MUST BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AS THEY APPLY TO CONTRACTS PERFORMED WITHIN THE STATE OF TEXAS AND WITHOUT REGARD TO ANY CHOICE OF LAW RULES OR PRINCIPLES TO THE CONTRARY.

5. **Counterpart/Facsimile Execution.** This Assignment has been prepared in multiple counterparts, each of which shall constitute an original hereof, and the execution of any one of such counterparts by any signatory shall have the same force and effect and shall be binding upon such signatory to the same extent as if the same counterpart were executed by all of the signatories. Facsimile copies of signatures may be appended hereto with the same force and effect as legally delivered original signatures.

6. **Authority to Execute.** Assignee represents and warrants that this Assignment has been approved by appropriate action of Assignee and that the individual executing this Assignment on behalf of Assignee has been authorized to do so.

7. **Notice to City.** A copy of this Assignment shall be provided to the City within fifteen (15) days after execution.

8. **Binding Effect.** This Assignment shall be binding upon and shall inure to the benefit of Assignor and Assignee and their respective heirs, personal representatives, successors, and assigns.

EXECUTED as of the day and year first above written.

ASSIGNOR:

[_____]

By: _____

Printed Name: _____

Title: _____

ASSIGNEE:

[_____]

By: _____

Printed Name: _____

Title: _____

STATE OF TEXAS §

COUNTY OF _____ §

This instrument was ACKNOWLEDGED before me on the _____ day of _____, 20 ____, by _____, the _____ of _____, on behalf of said _____.

Notary Public, State of Texas

My Commission Expires: _____

STATE OF TEXAS §

§
COUNTY OF _____ §

This instrument was ACKNOWLEDGED before me on the _____ day of _____, 20 ____, by _____, the _____ of _____, on behalf of said _____.

Notary Public, State of Texas

My commission expires: _____

EXHIBIT "A"

The Transferred Premises

CITY COUNCIL AGENDA

COUNCIL ACTION: Approved on 1/12/2016

DATE:	1/12/2016	REFERENCE NO.:	L-15853	LOG NAME:	06AUTHORIZE AGREEMENTS FOR TRADITION MUD NO. 1 & MUD NO. 2B
CODE:	L	TYPE:	NON-CONSENT	PUBLIC HEARING:	NO

SUBJECT: Authorize Execution of Development Agreement with SLF IV - 114 Assemblage, L.P., Amended Creation and Operation Agreement for Tradition Municipal Utility District No. 1 and Amended Creation and Operation Agreement for Tradition Municipal Utility District No. 2B (ETJ/DENTON COUNTY and COUNCIL DISTRICT 7)

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager or a designee to execute the following Agreements and to take any actions to carry out such Agreements:

1. Development Agreement with SLF IV – 114 Assemblage, L.P., for approximately 1,102 acres of land in the City of Fort Worth's extraterritorial jurisdiction;
2. Amended Creation and Operation Agreement for Tradition Municipal Utility District No. 1; and
3. Amended Creation and Operation Agreement for Tradition Municipal Utility District No. 2B.

DISCUSSION:

The Agreements listed above are amendments to Agreements approved by the City Council in 2005 and 2007 relating to Tradition Municipal Utility Districts No. 1 and No. 2, for a proposed development of over 2,000 acres in the City's extraterritorial jurisdiction north of Highway 114 and west of the Texas Motor Speedway.

City of Fort Worth Municipal Utility District No. 1 of Denton County encompassing 431 acres of land was created by the Texas Legislature in the 2005 Legislative session and was later renamed Tradition Municipal Utility District No. 1 of Denton County (Tradition MUD No. 1). On December 13, 2005, the City Council approved a resolution consenting to the creation of Tradition MUD No. 1 and approving the Agreement Concerning Creation and Operation of Tradition MUD No. 1 (Resolution No. 3299-12-2005, M&C C-21197). The City Council also approved the Development Agreement, Strategic Partnership Agreement and Agreements providing for water and sewer service to the property (M&C C-21198).

Tradition Municipal Utility District No. 2 of Denton County (Tradition MUD No. 2) encompassing approximately 1,920 acres of land immediately north of Tradition MUD No. 1 was created by the Texas Legislature during the 2007 Legislative Session. On December 18, 2007, the City Council adopted a resolution consenting to creation of Tradition MUD No. 2 and authorized the City Manager or a designee to execute a Development Agreement and Agreements for providing water and wastewater service to the property.

Land contained in Tradition MUD No. 1 and No. 2 was previously located within water and wastewater Certificates of Convenience and Necessity (CCN) held by Aqua Texas with a small portion of the property in water and sewer CCNs held by Suetrak USA Company, Inc. The 2005 and 2007 Agreements provided for Aqua Texas to provide retail water and sewer service and for the City to sell water and wastewater treatment services to Aqua Texas on a wholesale basis. The City had an option to become the retail water and wastewater provider for Tradition MUD No. 1 in 2022 and for Tradition MUD No. 2 seventeen years after the commencement of service by Aqua Texas.

No development has occurred in either district. In 2014, SLF IV - 114 Assemblage, L.P. (SLF), purchased approximately 1,102 acres of land, consisting of all of the land in Tradition MUD No. 1 and approximately 662 acres of land in Tradition MUD No. 2. An election dividing Tradition MUD No. 2 into MUD No. 2B

encompassing SLF's property and MUD No. 2A encompassing the remainder of the MUD No. 2 property was held in May, 2015.

At the request of SLF, on February 26, 2015, the City issued a letter to Aqua terminating the Agreement for the Sale of Treated Water, known as City Secretary Agreement No. 32902 and the Agreement for Wholesale Wastewater Service known as City Secretary Agreement No. 32903 to serve Tradition MUD No. 1 and the Agreement for the Sale of Treated Water, known as City Secretary Contract No. 37128 to serve Tradition MUD No. 2 with Aqua Texas for the Tradition development. (No action was necessary to terminate the other related water Agreements for Tradition MUD No.1 and MUD No.2 because they were not fully executed or they became null and void upon termination of water and sewer service.) The City then entered into an Agreement with SLF making SLF solely responsible for the cost in connection with a request to the Public Utility Commission (PUC) for the expedited release of the water and sewer CCNs, known as City Secretary Contract No. 47125. Pursuant to state law, the City then issued a "will serve" letter to SLF to provide retail water and sewer service to SLF's property upon release of the property from Aqua Texas' and Suetrak's CCNs.

At SLF's and the City's petition, the PUC released SLF's property from Aqua Texas' and Suetrak's water and sewer CCNs. On December 10, 2015, the PUC issued a Notice of Approval (Docket No. 45244) determining that the City owed no compensation to Aqua Texas and could now provide retail water and sewer service. The parties are still engaged in the process to determine whether compensation (to be paid by SLF), if any, is owed to Suetrak.

The Agreements presented to the City Council for approval will update and simplify the 2005 and 2007 Agreements and create stand-alone Agreements for SLF's property. The Agreements require that the developer comply with the City infrastructure standards and development codes and provide that the City will be the retail service provider for water and sewer. The Agreements allow the City to initiate limited-purpose annexation for commercial property and to annex through the MUD in order to annex adjacent property. For MUD 1, the Agreements delay full-purpose annexation until 90 percent of the infrastructure is installed, or the district is dissolved, or 20 years, whichever occurs first. For MUD 2B, the Agreements delay full-purpose annexation until 90 percent of the infrastructure is installed, or the district is dissolved, or 20 years from the date of approval of the first preliminary plat within MUD 2B, whichever occurs first. The Strategic Partnership Agreement for limited-purpose annexation will come forward for the City Council's consideration once the statutorily required public hearings have been scheduled.

The property is located in the City's extraterritorial jurisdiction adjacent to CITY COUNCIL DISTRICT 7.

FISCAL INFORMATION/CERTIFICATION:

The Financial Management Services Director certifies that this Agreement will have no immediate material effect on City funds. Any effect on expenditures and revenues will be budgeted in future fiscal years.

TO

Fund	Department ID	Account	Project ID	Program	Activity	Budget Year	Reference # (Chartfield 2)	Amount
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FROM

Fund	Department ID	Account	Project ID	Program	Activity	Budget Year	Reference # (Chartfield 2)	Amount
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Submitted for City Manager's Office by: Fernando Costa (6122)

Originating Department Head: Randle Harwood (6101)

Additional Information Contact: Mary Elliott (7844)