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the above rights-of-way may be revised as the final location of the subject roadways is determined.

(b) Road Construction.

(i) El Dorado Parkway. Upon the Effective Date of this Agreement, Tiger Lily shall caused to be commenced the design of four (4) lanes of El Dorado Parkway from Preston Road eastward to Hillcrest Road including the complete intersection of El Dorado Parkway and Hillcrest Road. Subject only to the completion of such design and approval by Frisco and the acquisition by Frisco of any right-of-way not dedicated by Tiger Lily as provided in Section 1.01 (a), Tiger Lily shall thereafter commence construction of El Dorado Parkway from Preston Road eastward to Hillcrest Road and diligently pursue such construction to completion.

(ii) Perimeter Roads. Excluding that portion of El Dorado Parkway described in Section 1.01(a) above, as tracts adjacent to the remaining Perimeter Roads receive final plat approval from Frisco, or it is determined by Frisco that Perimeter Roads are needed for access, the owner of such tracts shall design and construct that portion of such Perimeter Roads along with storm drains and water service (including oversized water lines) that are adjacent to its property. Each tract of land must have adequate access as determined by Frisco.

(c) Road Contribution; Cost Limitation. Upon the Effective Date of this Agreement, Tiger Lily shall pay to Frisco the sum of one hundred thirty-five thousand dollars (\$135,000.00) to acquire any offsite right-of-way for El Dorado Parkway from Preston Road east to the intersection of Hillcrest Road. In the event that forty percent (40%) of the cost of such right-of-way acquisition is less than one hundred thirty-five thousand dollars (\$135,000.00), Frisco will reimburse Tiger Lily for the difference within

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thirty (30) days of receiving fee title ownership to the right-of-way described in this paragraph.

**1.02 Water and Sewer Improvements.** Set forth on Exhibit "E" is a diagram of the proposed trunk water and sewer distribution system for the Property. In connection with the construction of El Dorado Parkway from Preston Road to Hillcrest Road, Tiger Lily shall install within the northern right-of-way for such portion of El Dorado Parkway, a twenty-four inch (24") water line. The trunk sewer system from Preston Road to Hillcrest Road shall be located as shown on Exhibit "E" and shall be constructed at approximately the same time as the construction of El Dorado Parkway from Preston Road to Hillcrest Road. The remaining portion of the trunk water and sewer system shall be constructed and installed simultaneously with the construction of the adjacent roadways as the Property is developed. In addition to the trunk water and sewer system described above, Tiger Lily shall install whatever water and sewer improvements that are deemed necessary by Frisco to serve the Property.

**1.03 Hike and Bike Trail.**

(a) **Trail Location.** Tiger Lily and Frisco intend that property for a hike and bike trail (the "Trail") shall be dedicated to Frisco. The planned Trail will run from Preston Road to the park land owned by Frisco and located east of the Property along the general route shown on Exhibit "F". If at least an eighteen hole golf course is constructed on the Property, then Tiger Lily and Frisco will mutually agree on an alternate route and neither party shall unreasonably withhold its consent to the selection of such alternate route. If no eighteen hole golf course is constructed as aforesaid, Exhibit "F" will control the location of the Trail.

(b) **Dedication.** In order to accomplish the dedication of land for the Trail, when any tracts within the Property that contain any of the Trail routes shown on Exhibit "F" (as such routes may be relocated if a golf course is constructed, the "Trail Route")

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receive final plat approval from Frisco, the owner(s) of such tract(s) shall dedicate to Frisco in their final plat a strip of land twenty feet (20') wide running the length of the Trail Routes within such owner's portion of the Property; provided, however, if the Trail Route is adjacent to a street, (i) the right-of-way for the Trail shall not exceed fifteen feet (15') in width, (ii) such Trail may be constructed within such street right-of-way outside the street curb as shown on Exhibit "F", and (iii) a sidewalk shall not be required along such portion of a Trail Route.

(c) **Impact Fee Credit.** Any owner who dedicates land for a Trail shall receive a credit against park impact fees for the value of the land so dedicated. For any land dedicated that is not subject to Frisco Ordinance No. 99-09-25 (the "Creek Ordinance") and that is inside the one hundred (100) year flood plain, the impact fee credit shall be equal to the fair market value of such land. For any land that is outside the one hundred (100) year flood plain, the impact fee credit shall be based upon a per acre price of fifty thousand dollars (\$50,000). A land owner will receive park impact fee credits equal to the total cost of construction of the Trail as provided for in the Creek Ordinance.

(d) **Specifications.** The Trails shall be constructed in accordance with specifications determined and approved by Frisco.

**1.04 Development Standards.** In addition to adhering to the Ordinances of Frisco, Frisco and Tiger Lily agree that the Property shall be developed in accordance with the following development standards (the "Development Standards"):

(a) **Multifamily Density.** The maximum number of multifamily units that may be built on the Property shall be three hundred (300) units and such units can only be built in the area designated as a "Business Park" in the Zoning Ordinance or "Tract I" on Exhibit "G", not to exceed twenty (20) units per gross acre.

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(b) **Concept Plan.** The preliminary plat, as described in the Zoning Ordinance, shall serve as a concept plan, as described in the Zoning Ordinance.

(c) **Single Family Density.** The maximum number of single family lots that may be developed on the Property west of Hillcrest Road in the areas designated as Tract II on Exhibit "H" and Exhibit "G" is three and one-half (3.5) lots per gross acre. The maximum number of single family lots that may be developed on the Property east of Hillcrest Road in the area designated as Tract III on Exhibit "H" is four (4) lots per gross acre. The number of lots within a gross acre may exceed the foregoing limitations so long as the overall number of lots as shown on a preliminary plat divided by the number of gross acres within the area included within such preliminary plat, does not exceed such limitations. For purposes of this Agreement, gross acres do not include the right-of-way for Perimeter Roads.

(d) **Patio Homes.** Subject to Section 1.04 (c) above, a maximum of fifty percent (50%) of the lots in Tract III (as shown on Exhibit "H") may be Patio Homes (as defined in the Zoning Ordinance). The minimum lot width for such Patio Homes shall be fifty feet (50').

(e) **Cluster Homes.** In order to clarify the intent of the Zoning Ordinance, the parties agree that the words "cluster homes" shall not infer any additional requirements than those specified in Section 1.13 b through 1.13 i of the Zoning Ordinance (other than the density limitations in Section 1.04(c) hereof). Lots and improvements constructed in accordance with such sections shall satisfy the "cluster home" requirements of the Zoning Ordinance. Further, the parties agree that lots for "cluster homes" shall contain not less than 6,600 square feet and have a minimum lot width of sixty (60) feet.

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(f) **Minimum House Size.** The minimum square footage for houses constructed in the areas designated for Patio Homes shall be one thousand six hundred (1,600) square feet. The minimum square footage for houses constructed in the areas designated for Cluster Homes (as defined in the Zoning Ordinance) shall be one thousand, eight hundred (1,800) square feet. The minimum square footage for houses constructed in the areas designated for Type "A" or "B" (as defined in the Zoning Ordinance) homes shall be two thousand (2,000) square feet.

(g) **Minimum Standards.** The standards and requirements for residential housing found and defined in the Zoning Ordinance for Type A, B and C homes, Cluster Homes, Patio Homes, Two Family Homes and Town Homes, are minimums only, and plats may be submitted, and shall not be disapproved solely because residential housing or lots exceed the minimum standards.

(h) **Garages.**

(i) The vehicle entrance of a garage constructed on any lot may face towards the street that the house on the same lot faces, so long as the facade of such garage is flush with, or set back behind, the facade of the front of the house. If the garage does not face the street, it may be located in front of the house. Garages on corner lots may face the side streets adjacent to such lots.

(ii) Garages may be detached from the house on the same lot. Garages may be front, rear, side or swing entry. The side of each garage on which the vehicle entrance is located shall have a minimum set back of twenty-four feet (24') from the property line that it faces; *provided, however*, if the vehicle entrance of any garage faces a street or alley, then such minimum set back requirement shall be decreased to twenty feet (20'). The minimum side and rear setbacks for detached garages is three feet (3').

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(iii) The two off-street parking spaces required by the Zoning Ordinance shall be located in the garage and any additional required off-street parking can be located in front of the vehicle entrance of the garage.

(iv) Garages may share common walls and roofs with garages on adjacent lots subject to the Uniform Building Code as adopted by Frisco.

(i) **Masonry Requirement.** One hundred percent (100%) of all exterior wall surfaces (excluding dormers, gables, porches, windows, doors, bay windows, or architectural elements) shall consist of masonry as defined in Frisco Ordinance No. 98-03-08, Section 36-9.

(j) **Detached Living Quarters and Home Offices.** Detached living quarters and home offices are permitted but shall not individually exceed fifteen percent (15%) of the gross square footage of living area in the house on the lot where the living quarters or home office is to be located.

(k) **Alleys.** Alleys may not be required, subject to City Engineer approval granted prior to approval of final plat by Frisco.

(l) **Lot-to-lot Drainage.** Lot-to-lot drainage is permitted, subject to City engineer approval granted prior to approval of final plat by Frisco.

(m) **Shared Driveways.** A driveway may be shared by two contiguous lots provided the shared driveway is shown as such on the recorded plat for the subdivision. The curb cut for the shared driveway shall not exceed twenty-two feet (22) in width and shall be located on the common boundary of the two (2) lots and shown as an access easement on the final plat approval by Frisco. The common boundary need not be the centerline for the shared driveway.

(n) **Front Yard Set Back.** The front yard setback for residential lots shall be measured from the edge of the Pedestrian/Landscape Area (hereinafter defined).

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(o) **Mailboxes and Light Standards.** Mailboxes and light standards (provided such light standards are readily available from the utility company) within any subdivision developed within the Property shall be designed to reflect a common theme within the subdivision and subject to Frisco staff approval.

**1.05 Pedestrian/Landscape Area; Sidewalks.**

(a) **Dedication.** It is contemplated that each roadway right-of-way dedication to Frisco will include an area approximately ten foot (10') wide on each side of such roadway (such area to be referred to herein as a "Parkway"). Further, the developer of each tract within the Property that is adjacent to a street shall dedicate, at its option, either to a home owners association or to Frisco a pedestrian/landscape easement measuring five feet (5') in width that will run along and be contiguous to each Parkway (such Parkway and five foot (5') landscape/pedestrian easement taken together (for a total width of approximately fifteen feet (15')) shall be referred to herein as the "Pedestrian/Landscape Area"). Such dedications may be accomplished by final plat approved by Frisco. A minimum of twenty feet (20') will be provided exclusive of the Pedestrian/Landscape Area between the face of the garage and the beginning of the Pedestrian /Landscape Area. The five foot (5') pedestrian/landscape easement area shall be included within the applicable lots when determining the minimum dimensions of such lots for all purposes (other than the determination of required front yard set backs as provided in Section 1.04 (m) above.

(b) **Sidewalks.** Sidewalks shall be constructed within, and meander through, each of the Pedestrian/Landscape Areas.

(c) **Irrigation.** Prior to the issuance of a certificate of occupancy for a house on any lot, the developer of such lot or homebuilder of such house, shall install irrigation within the Pedestrian/Landscape Area.

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(d) **Sidewalk Specifications.** Sidewalks along residential streets shall be five feet (5') wide and set back from the curb at least four feet (4'). Sidewalks along Perimeter Streets shall be at least six feet (6') wide and set back from the curb at least five feet (5').

#### **1.06 Landscaping.**

(a) **Front/Side yards.** The front yards of all residential lots, and the side yards of all corner lots, must be fully sodded and irrigated prior to issuance of a certificate of occupancy on such lot.

(b) **Pedestrian/Landscape Area.** In addition to any landscaping required by Ordinance No. 99-05-27, prior to the issuance of a certificate of occupancy, either the developer of a lot adjacent to any Pedestrian/Landscape Area or the home builder on such lot shall establish grass within such Pedestrian/Landscape Area and plant therein at least one (1) three and one-half inch (3.5") caliper tree measured twelve inches (12") above grade.

**1.07 Open Space East of Hillcrest.** The developers of Tract III (as shown on Exhibit "H") shall provide for not less than fifteen (15) acres of open space within Tract III; provided, however, such fifteen (15) acres shall count toward, and be included within, any open space that may be required by applicable Zoning Ordinances. If the applicable Zoning Ordinance does not require such open space, then such open space may be purchased by a PID in accordance with Article III.

**1.08 Additional Amenities East of Hillcrest.** The developers of Tract III shall spend not less than \$1,000,000.00 on amenities (of the types described in Section 3.06 plus swimming pools and club houses) within Tract III, which amenities shall be in addition to (i) amenities required to be provided in accordance with other Sections of this Agreement, and (ii) amenities required to be provided by applicable Zoning Ordinances. Upon request of Frisco from time to time, such developers shall provide to Frisco (i) evidence of the construction of such amenities,



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(ii) evidence of the cost of all amenities constructed on Tract III, and (iii) such other information regarding such amenities as Frisco may reasonably request.

## Article II

### Covenants of Frisco

Frisco and Tiger Lily hereby covenant and agree as follows:

#### 2.01 Roadways.

(a) **Right-of-Way Acquisition-El Dorado and Utility Easements.** Frisco shall, by agreement or condemnation, acquire from third party landowners (i) the right-of-way and drainage and construction easements not dedicated by Tiger Lily that are necessary or appropriate for the construction of four lanes of El Dorado Parkway (including water, drainage and grading) from Preston Road to the east side of the intersection of El Dorado Parkway and planned Hillcrest Road, and (ii) utility easements shown on Exhibit "T" Page 2 of 2 (the rights-of-way and easements described above are referred to collectively herein as the "Frisco Rights-of-Way"). Tiger Lily will reimburse Frisco upon request for all costs incurred to purchase and/or condemn the utility easements shown on Exhibit "T" Page 2 of 2. Frisco shall accomplish the acquisition of the Frisco Rights-of-Way in accordance with the following schedule:

(i) Within three (3) business days of the later of (i) the date of the receipt from Tiger Lily of the payment to Frisco required in Paragraph 1.01(c), and (ii) delivery by Tiger Lily to Frisco of a metes and bounds description of the location of the Frisco Rights-of-Way (such date being referred to herein as the "Acquisition Commencement Date"), Frisco shall order an appraisal of the property and easements within the Frisco Rights-of-Way (the "Appraisal") and request that the subject appraiser complete the Appraisal as soon as possible without delay.

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(ii) Within ten (10) business days after the Acquisition Commencement Date, Frisco shall commence whatever action (including, if necessary, legal proceedings) that is necessary or appropriate to obtain an on the ground survey of the Frisco Rights-of-Way.

(iii) During the period commencing on the Acquisition Commencement Date and continuing for thirty (30) days thereafter (the "Acquisition Period"), Frisco shall use whatever efforts it deems reasonable to acquire the Frisco Rights-of-Way by agreement with the owner(s) thereof.

(iv) If Frisco has not obtained fully executed agreements with the subject landowners to acquire the Frisco Rights-of-Way prior to the end of the Acquisition Period, then within five (5) business days after the end of the Acquisition Period (or, if the Appraisal has not been received by Frisco prior to the end of the Acquisition Period, within five (5) business days after the receipt by Frisco of the Appraisal), Frisco shall send to the subject landowner(s) a notice letter (the "Notice Letter") with a copy of the Appraisal informing such landowner(s) that Frisco intends to condemn the subject property and such other information as may be required by applicable law.

(v) Within five (5) business days after the expiration of the 21 day statutory period following the sending of the Notice Letter, Frisco shall file condemnation proceedings to acquire the Frisco Rights-of-Way and thereafter diligently prosecute such condemnation in order to obtain possession of the Frisco Rights-of-Way as soon as is reasonably practicable after the Acquisition Commencement Date.

(b) Right-of-Way Acquisition-County Road 23. Within thirty (30) days after a written request from Tiger Lily, Frisco shall begin to acquire, at its sole cost and

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expense, the right-of way for the southern two (2) lanes of County Road 23 over and across the "out parcels" as shown on Exhibits "J-1" through "J-4".

(c) **El Dorado/Tollway Extension.** Within twelve (12) months after the date hereof, Frisco shall commence construction of, and thereafter pursue completion of, two lanes of El Dorado Parkway from Preston Road to the Dallas North Tollway so that, after giving effect to such construction, there are two lanes of paved roadway open from Preston Road to the Dallas North Tollway.

(d) **Construction of Hillcrest by Adjacent Landowners.** Frisco acknowledges and agrees that the developer of any property adjacent to the east side of Hillcrest Road shall only be responsible for the design and construction of the east two (2) lanes of such roadway adjacent to its property, and likewise, any developer of any property adjacent to the west side of Hillcrest Road shall only be responsible for the design and construction of the west two lanes of such roadway adjacent to its property. Notwithstanding the foregoing, each tract of land within the Property must have access (as required by Frisco) prior to development.

(e) **Street Impact Fee Waiver.** Upon the dedication of the rights-of way for, the construction of, and Frisco's final acceptance of, the Perimeter Streets pursuant to the terms and conditions set forth in this Agreement, Frisco (i) agrees that the Property will not be subject to any impact fees or capital recovery fees for thoroughfares set forth in the Impact Fee Ordinance (or any other ordinance relating to impact fees), as it now exists or may be amended.

(f) **El Dorado Construction Reimbursement.** Subject to Tiger Lily's performance of the terms and conditions of Section 1.01(a) and (b) above, Frisco shall reimburse Tiger Lily, or its designee, fifty percent (50%) of the cost to construct El Dorado Parkway from Preston Road to Hillcrest, such fifty percent (50%) share not to

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exceed the sum of One Million Two Hundred Thousand and No/100 dollars (\$1,200,000.00). Frisco shall pay to Tiger Lily fifty percent (50%) of each draw request received and approved by Tiger Lily (and the engineer for the construction of such road) in connection with the construction of El Dorado Parkway from Preston Road to Hillcrest; provided, however, Frisco shall not pay more than \$1,200,000 toward the cost of the construction of such road. Such payment shall be made not later than thirty (30) days after Frisco's receipt of a draw request.

(g) **Utility Notification.** Within ten (10) days after written notification by Tiger Lily, Frisco will make a written request from Frisco to each franchise utility (i.e. electric, gas, cable, telephone) to relocate its equipment if the franchise utility does not have a granted and recorded easement and its existing installation will interfere with the construction of improvements contemplated by this Agreement. Tiger Lily's written notice to Frisco will include the utility franchise name, address, telephone number, fax number and location of interfering installation. Notwithstanding anything contained herein to the contrary, Frisco has no financial obligation to relocate equipment of a franchise utility.

(h) **Signs.** Subject to Frisco's approval, Frisco may permit directional signs to be placed within the road right-of-way of the Perimeter Roads and other roadways within the Property, the duration of which will be determined by Frisco.

(i) **Closing of El Dorado Parkway.** To the extent permitted by law, existing El Dorado Parkway between Preston Road and Hillcrest will be closed to traffic during the construction of El Dorado Parkway from Preston Road to Hillcrest Road.

(j) **Collector Streets.** Provided Frisco determines a collector street is appropriate, Frisco shall pay one-half (½) the paving cost of the construction of any

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collector street (excluding costs for drainage, water and sewer) constructed on the perimeter of a city park.

**2.02 Impact Fees.** Upon construction of and approval by Frisco of the water and sewer improvements to be dedicated to Frisco pursuant to this Agreement, Frisco agrees that the Property will not be subject to impact fees or capital improvement fees for water and sewer set forth in the Impact Fee Ordinance, as it now exists or as it may hereafter be amended.

**2.03 Gated Areas.** Frisco agrees that access to various tracts designated by Tiger Lily within Tract II may be private and controlled and gated subject only to compliance with Frisco's engineering access criteria for gated communities and City Council approval.

**2.04 Entry Features.** A monument that displays the name of the development of Tract III may be erected and placed in the median of El Dorado Parkway at Preston Road subject to City Council approval. Frisco will permit the construction and maintenance of additional entry features, landscaping and landscape irrigation for any subdivision developed within the Property located within the right-of-way of any street subject to Frisco's engineering review and guidelines.

**2.05 Berms and Landscaping.** In lieu of screening walls, Frisco agrees that berms and landscaping may be installed within an additional twenty foot (20') easement area along the Perimeter Streets. The area of such easement shall include the Pedestrian/Landscape Area. Such berms shall have a maximum slope of two and one-half feet to one foot (2.5:1). Such slope may begin at the back of the curb, as provided by the Engineer for Frisco.

**2.06 Existing Tree Offset.** The existing trees preserved in public and private open spaces may be used to off-set the open space tree planting requirements pursuant to Ordinance No. 99-05-27, as it now exists or as it may be hereafter amended.

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### Article III

#### Public Improvement District Framework

Frisco shall create three public improvement districts (a "PID") in accordance with this Article III.

**3.01 Location of PIDS.** One PID shall be created for each of Tracts I, II and III as shown on Exhibits "G" and "H" (each, a "Tract").

**3.02 Procedure.** Subject to the PID (or land owner, as appropriate) meeting the requirements set forth herein, approval of the Attorney General of the State of Texas and compliance with state law, PIDs shall be established in accordance with the following procedures and requirements:

(i) Any owner(s) of at least 100 acres of land within Tracts I, II or III may request in writing that Frisco create a PID covering the Tract within which the land owned by such owner is located. Frisco shall create such PID within sixty (60) days of such written request.

(ii) In the event that at the time a PID is created there are multiple land owners within the related Tract, the land owned by each respective owner within such Tract shall be assessed separately (each such parcel of land within a Tract being referred to herein as an "Assessment Tract"); provided, however, each Assessment Tract shall contain not less than 100 acres. If an owner of land within a Tract has less than 100 acres and desires to establish the PID or to construct PID improvements, such owner may aggregate his land with that of another consenting owner to achieve the 100 acre minimum.

(iii) Frisco shall authorize the issuance of certificates of obligation to be used to reimburse the owner for improvements that are described in, and meet the qualifications of, Section 3.06 below.

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(iv) The owner of the Assessment Tract shall identify to Frisco the PID improvements that are proposed to be constructed or purchased by the PID and that are described in, and meet the qualifications of, Section 3.06 below.

(v) Simultaneously with the establishment of any PID, Frisco shall appoint a three (3) person PID Advisory Board for such PID. The Advisory Board for each PID shall be comprised of persons selected by Frisco.

(vi) Each Advisory Board shall prepare an on-going service plan for the PID improvements in the PID for which it was appointed and an annual assessment plan for the related Assessment Tract. The Advisory Boards may hire and use consultants and other professionals to comply with requirements of Frisco.

(vii) Frisco shall authorize the requested PID.

(viii) Frisco shall authorize the issuance of certificates of obligation (a "C.O.") to be used to reimburse the owner for the requested improvements described in, and meeting the qualifications of, Section 3.06 below.

(ix) All plans shall be submitted to Frisco for review and approval not less than thirty (30) days prior to commencement of construction. Subject to the prior approval of the plans by Frisco, the owner may let contracts for the construction of the requested improvements at any time and does not have to wait for the creation of the PID. Contracts for such construction do not have to be open for public bid, however, all such contracts shall be with unrelated third parties on an arms length basis. After contracting for the construction of such improvements, the owner shall commence and diligently complete construction thereof.

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(x) Frisco shall disburse C.O. proceeds to the owner within ten (10) days after such proceeds are available, but in any event not later than ninety (90) days after the date of the notice from the owner that the improvements are complete and accepted by Frisco. Contemporaneously with the payment of such proceeds, the land and/or improvements for which reimbursement is made shall be dedicated to Frisco by special warranty deed.

(xi) Frisco shall assess the owner(s) of property within the Assessment Tract in accordance with the annual assessment plan to retire the C.O.s, and assessments shall commence effective when the C.O.s are sold.

**3.03 C.O. Issuance.** Frisco will approve the issuance and sale of C.O.s in an amount up to \$10,000 per net developable acre in any Assessment Tract; provided, however, Frisco shall have no obligation to approve or issue C.O.s that aggregate less than \$1,000,000. Pursuant to Section 372.018 of the Local Government Code, the assessment against any lot is a first and prior lien against the property assessed, superior to all other liens and claims except liens or claims for state, county, school district, or municipality ad valorem taxes, and is a liability of, and charge against, the owners of property within the Assessment Tract regardless of whether the owners are named. The lien is effective from the date of the ordinance levying the assessment until the assessment is paid and may be enforced by Frisco in the same manner that an ad valorem tax lien against real property is enforced.

**3.04 C.O. Terms.** In addition to such other reasonable terms and conditions as may be imposed by Frisco or the Advisory Board, any C.O.s sold to finance PID improvements shall include the following terms subject to approval by the Attorney General of the State of Texas:

(i) The C.O.s shall be general obligations of Frisco.



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(ii) At the option of the owner of the Assessment Tract, the cost of up to one year's operation and maintenance of PID improvements within such Tract may be designated and set aside out of C.O. proceeds.

(iii) The C.O.s shall be issued with interest only payable for two (2) years from the date of issuance.

(iv) The C.O.s shall have a term of twenty (20) years.

**3.05 Annual Assessment Plan.** The owner of property within any Assessment Tract is subject to assessment according to the following:

(a) **Allocation of Assessments.** The assessments for land within an Assessment Tract shall be divided equally between the net developable acreage within such tract (not to exceed \$10,000 per acre in principal).

(b) **Timing of Collection of Assessments.** The principal (plus accrued and unpaid interest) of C.O.s shall be assessed and collected annually by Frisco over the life of the C.O.s, which will be twenty (20) years.

(c) **Assessment for Expenses, Interest, Maintenance.** In addition to assessments for the payment of the debt service on the C.O.s, the land within each Assessment Tract shall be subject to assessment for (i) costs and expenses incident to issuance of the bonds, (ii) maintenance of the improvements constructed or purchased with C.O. proceeds, (iii) operation costs, and (iv) other costs directly related to the PID or the improvements.

(d) **Lease to Home Owners Association.** Upon request of the home owners association established for each Assessment Tract, Frisco shall enter into a mutual agreement with such association for all or part of the PID improvements to permit such association to maintain and operate such improvements.

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**3.06 Improvements and Use of PID Funds.** The only improvements that may be constructed with PID funds are improvements, amenities and enhancements which (A) are in addition to those currently required by Frisco, (B) have been approved by the Attorney General of the State of Texas, and (C) meet the requirements of the Texas Local Government Code. Subject to the limitation described above and by way of description but not limitation, the following are permitted improvements: (i) sidewalks, trails, living screening walls, irrigation systems, landscaping, berms, water features, fountains and lakes, distinctive lighting, signs, community centers, restrooms, pedestrian malls; (ii) open spaces (including open spaces in accordance with Section 1.07), greenbelts, parks, play and recreational areas, playgrounds, hike and bike trails, game courts, tennis, volley ball and basketball courts, football, baseball, soccer and sports fields, roller blade areas, play grounds, swimming pools, pocket parks; and (iii) all water, sewer, electrical, telephone, gas and other utilities and drainage that are necessary or appropriate in connection with items described in (i) through (ii) above. In addition to paying for the cost of the foregoing improvements, PID funds may be used to pay the fees and expenses of Frisco that arise in connection with the issuance of C.O.s and the fees and expenses of architects and engineers arising in connection with PID improvements.

**3.07 PID Improvements Open to Public.** The PID improvements shall be open for use by all members of the public.

**3.08 Open Space Purchases.** PID funds may be used to purchase open space (which space is in addition to the open space otherwise required by Frisco city ordinances) for a purchase price equal to \$50,000 per gross acre, net of flood plain. Open space within the flood plain may be purchased for fair market value.

**3.09 Disclosure to Home Buyers.** The initial home builder on each lot shall provide written notice to the purchaser of the nature and existence of any PID covering such lot.

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**Article IV**  
**Miscellaneous**

**4.01 Dedications.** All dedications and other conveyances required by this Agreement that are not dedicated by final plat will be in the form of a Special Warranty Deed in the form attached as Exhibit "K", attached hereto. All such dedications and conveyances will be free and clear of any and all encumbrances and liens, unless otherwise agreed to by Frisco.

**4.02 Compliance with Frisco Ordinances.** The Property shall be developed and constructed in accordance with all applicable codes, rules, regulations and ordinances of Frisco, as they exist or may be amended, but excluding the Zoning Ordinance (the "Regulations"). In the event there is a conflict with this Agreement and the Regulations, this Agreement shall control. If there is not a conflict between this Agreement and the Regulations, the Regulations shall control.

**4.03 Assignment.** This Agreement may not be assigned by Frisco. Tiger Lily (or any subsequent owner) may assign, in whole or in part, this Agreement and its rights and obligations hereunder to (i) any entity that it controls, is controlled by or is under common ownership or control with Tiger Lily, and/or (ii) any persons or entities that purchase all or any part of the Property. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

**4.04 Notices.** Any notice required or permitted by this Agreement is effective when personally delivered in writing or two (2) days after notice is deposited with the U.S.

Postal Service, postage prepaid, certified with return receipt requested, and addressed as follows:

City: The City of Frisco, Texas  
Attn: George Purefoy, City Manager  
6891 Main Street  
Frisco, Texas, 75034  
Telephone No.: (972) 335-5555  
Facsimile No.: (972) 335-5559

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With copy to: Abernathy, Roeder, Boyd and Joplin  
Attn: Richard Abernathy  
1700 Redbud, Suite 300  
P.O. Box 1210-  
McKinney, Texas 75070-1210  
Telephone No.: (214) 544-4000  
Facsimile No.: (214) 544-4040

Tiger Lily: Tiger Lily Properties Associates, L.P.  
Attn: Robert H. Rodgers, Jr.  
One Penn Plaza, 40th Floor  
New York, New York 10119  
Telephone No.: (212) 971-9270  
Facsimile No.: (212) 971-9810

with copy to: Binary Investments, Inc.  
c/o Huffines & Partners, Inc.  
Attn: Phillip Huffines  
8222 Douglas Ave., Suite 660  
Dallas, Texas 75225  
Telephone No.: (214) 526-3000  
Facsimile No.: (214) 750-5900

and with copy to: Jenkins & Gilchrist, a professional corporation  
Attn: Keith W. McGlamery, Esq.  
1445 Ross Ave., Suite 3200  
Dallas, Texas 75202  
Telephone No.: (214) 855-4711  
Facsimile No.: (214) 855-4300

The parties may, from time to time, change their respective addresses listed above to any other location in the United States for the purpose of notice under this Agreement. A party's change of address shall be effective when notice of change is provided to the other party in accordance with the provisions of this paragraph.

**4.05 Recordation.** This Agreement may be recorded by either party hereto; provided, however, this Agreement shall not encumber, and shall be automatically released as to each residential lot within the Property at the time a building permit is issued with respect to the construction of improvements upon such residential lot. It shall not be necessary to take any

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action to effectuate such release nor shall it be necessary to file or record any release of this Agreement, the issuance of a building permit (or the construction of improvements) being sufficient evidence of the release hereof.

**4.06 Time.** Time is of the essence of each term and provision in this Agreement.

**4.07 Counterparts.** The parties may execute this Agreement in one or more counterparts, all of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**4.08 Further Assurances.** The parties agree to take such further actions and to sign such further documents as may be reasonably necessary or appropriate to fulfill the intent of, and to complete the transactions described in this Agreement.

**4.09 Unenforceability.** If any part, term or provision of this Agreement is held by the courts to be illegal, invalid or otherwise unenforceable, such illegality, invalidity or unenforceability shall not affect the validity of any other part, term or provision, and the rights of the parties will be construed as if the part, term or provision was never part of this Agreement.

**4.10 Captions.** The captions to the various clauses of this Agreement are for informational purposes only and in no way alter the substance of the terms and conditions of this Agreement.

**4.11 Agreement Interpretation.** The parties to this Agreement covenant and agree that in any litigation relating to this Agreement, the terms and conditions of the Agreement will be interpreted according to the laws of the State of Texas. The parties acknowledge that they are of equal bargaining power and that each of them was represented by legal counsel in the negotiation and drafting of this Agreement. Accordingly, the parties agree that this Agreement shall not be interpreted against the drafter hereof.

**4.12 Venue.** The parties to this Agreement agree and covenant that if legal action is necessary to enforce this Agreement, exclusive venue will lie in Collin County, Texas.

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IN WITNESS WHEREOF, the parties hereby have executed this Agreement as of the 7<sup>th</sup> day of March, 2000, (the "Effective Date of this Agreement").

EXECUTED as of the day and year first written above.  
Attest: THE CITY OF FRISCO, TEXAS, a municipal corporation

[Signature]  
Name: Non Parker  
City Secretary

By: [Signature]  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Approved as to form:

[Signature]  
City Attorney for the City of Frisco

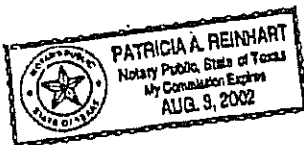


THE STATE OF TEXAS

COUNTY OF COLIN

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Kathleen Sesi, Mayor, known to me the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said City of Frisco, Texas, a municipal corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this, the 7<sup>th</sup> day of MARCH 2000.



[Signature]  
Notary Public in and for the State of Texas  
My Commission Expires: 8-3-2002

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TIGER LILY PROPERTIES ASSOCIATES, L.P.,  
a Delaware limited partnership

By: Tiger Lily Enterprises, Inc., a Delaware  
corporation, its General Partner

By: Robert H. Rodgers Jr.  
Name: Robert H. Rodgers Jr.  
Title: GP

THE STATE OF NEW YORK  
COUNTY OF SUFFOLK

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Robert H. Rodgers Jr., known to me as the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said TL, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this, the 16<sup>th</sup> day of March 2000.

Alison E. Vazquez-Tell  
Notary Public in and for the State of New York  
My Commission Expires: 4/24/01

ALISON E. VAZQUEZTELL  
Notary Public, State of New York  
No. 911VA5082616  
2000-03-20 in Suffolk County  
Commission Expires July 28, 2001

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PRESTON ROAD

PANTHER CREEK PARKWAY (COUNTY ROAD 23)

W.B. WATKINS SURVEY A-1005

G.W. WILCOX SURVEY A-973

C. ROGERS SURVEY A-1084

995.11 ACRES

Collin County, Texas

L.W. COX SURVEY A-159

M.E.P. & P.R. CO. SURVEY A-645

P.W. HOBBS SURVEY A-107

PANTHER CREEK  
EXHIBIT A  
OVERALL BOUNDARY

EDORADO PARKWAY



Carter Burgess  
CARTER & BURGESS, INC.

March, 1999



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PRESTON ROAD

PANTHER CREEK PARKWAY (COUNTY ROAD 23)

HILLCREST ROAD

ELDORADO PARKWAY

EXHIBIT B  
R.O.W. EXHIBIT FOR ONSITE ELDORADO PARKWAY  
PANTHER CREEK

**CB** Carter Burgess

CARTER & BURGESS, INC.

